



*Sundaram  
Asset Management  
Company Limited*

*17th Annual Report  
2012-2013*



**Board of Directors**

D N Ghosh	Chairman
S Krishnamurthy	
T T Srinivasaraghavan	
Ashoke Bijapurkar	
T Anantha Narayanan	
Rishiksha T Krishnan	
T P Raman	
Harsha Viji	Managing Director

**Subsidiary**

Sundaram Asset Management Singapore Pte. Ltd.  
(Incorporated in Singapore)

**Bankers**

AXIS Bank Ltd.  
BNP Paribas  
Corporation Bank  
HDFC Bank Ltd.  
HSBC Bank Ltd  
ICICI Bank Ltd.  
IndusInd Bank Ltd  
Kotak Mahindra Bank Ltd.  
State Bank of India

**Auditors**

M/s. Brahmayya & Co., Chennai Chartered Accountants

**Information Security Assurance Auditors**

M/s. Tejas Brainware Systems (P) Ltd., Chennai

**Registered Office**

No. 21, Patullos Road,  
Chennai - 600 002

**Corporate Office**

Sundaram Towers  
II Floor, 46, Whites Road, Chennai - 600 014.  
Tel: 28583362, Fax: 28583156

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

## Committees

### Audit Committee

S Krishnamurthy	Chairman
T Anantha Narayanan	
Harsha Viji	

### Executive Committee\*

T P Raman
Harsha Viji
T T Srinivasaraghavan
T Anantha Narayanan
Ashoke Bijapurkar

\*The meetings of Executive Committee are chaired by non-executive directors on a rotational basis.

### Risk Management Committee

T Anantha Narayanan	Chairman
Harsha Viji	
Rishikesh T Krishnan	

### Remuneration Committee

D N Ghosh	Chairman
T P Raman	
Harsha Viji	
T T Srinivasaraghavan	
Ashoke Bijapurkar	

## Senior Management

### Sales and Marketing

Sunil Subramaniam	Director - Sales & Global Operations
Benis Kumar M	National Head - Sales
Priya A Kumar	National Head - Distribution
Surendra Singh Yadav	Head - Sales (Institutional Channel)
Amit Kumar Ray	Head - Sales (Delhi & East Region)
Venkatesh P	Head- Sales (Special Business)
Samir P Deshpande	Deputy Head - Sales (South)

### Risk Management, Operations, Customer Service & Compliance

Lakshminarayanan Duraiswamy	Chief Operating Officer
T S Sritharan	Chief Financial Officer
Rahul Mayor	Head - Customer Service
P Sundararajan	Company Secretary & Head-Compliance

### Investment Management

Krishnakumar S	Vice President - Equity
Venkatesan J	Vice President - Equity
Bharath S	Fund Manager - Equity
Shiv Chanani	Head - Equity Research and Fund Manager - Equity
Balaji Vaidyanath N	Vice President & Fund Manager - PMS
Dwijendra Srivastava	Head - Fixed Income
Siddharth Chaudhary	Fund Manager - Fixed Income
Sandeep Agarwal	Fund Manager - Fixed Income

## 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

Directors' Report	4
Auditors' Report	8
Balance Sheet	10
Profit and Loss Statement	11
Significant accounting policies	12
Notes to the accounts	13
Cash Flow Statement	23
Financial Statement of Sundaram Asset Management Singapore Pte. Ltd.	
For the period ending 30-Sep-2012	i-x
For the period ending 31-Mar-2013	xiii-xxii

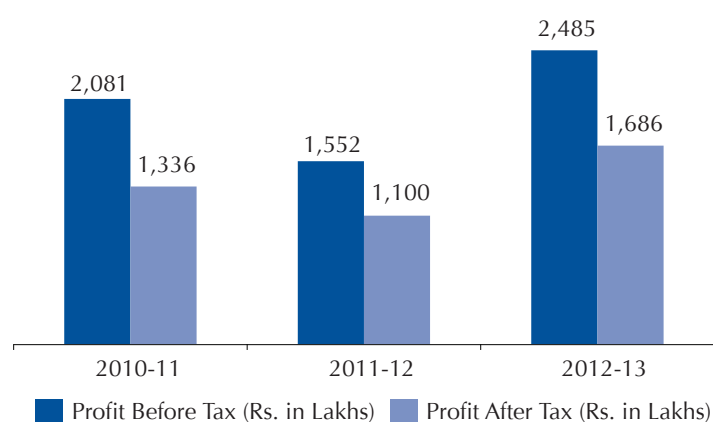
## Report of the Directors

Your Directors have pleasure in presenting the Seventeenth Annual Report with the audited accounts for the year ended March 31, 2013. The summarised financial results of the Company are given hereunder:

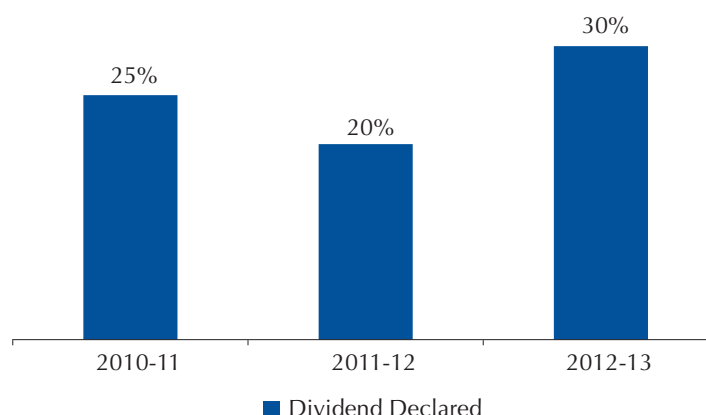
### Financial Results:

Particulars	(Rs in lakhs)	
	Year ended	
	March 31, 2013	March 31, 2012
Gross Income	11,830.26	10,510.24
Profit / (loss) before depreciation and tax	2,672.26	1,704.60
Less:		
Provision for Depreciation	187.36	152.45
<b>Profit Before Tax</b>	<b>2,484.89</b>	<b>1,552.15</b>
Provision for Taxation	798.41	451.83
<b>Profit after tax</b>	<b>1,686.48</b>	<b>1,100.32</b>
Surplus brought forward from the previous year	3,999.72	3,338.33
<b>Surplus available for appropriations</b>	<b>5,686.2</b>	<b>4,438.65</b>
Less: Appropriation:		
Dividend Proposed (Final)	459.99	306.67
Dividend Distribution Tax	78.17	49.74
Transfer to General Reserve	168.64	82.52
<b>Surplus carried to Balance Sheet</b>	<b>4,979.38</b>	<b>3,999.72</b>

Your Company earned a total income of Rs. 11,830.26 lakhs for the year 2012-13, by way of investment management and advisory fees and other income during the year as compared to Rs. 10,510.24 lakhs in 2011-12 representing an increase of 12.56% over the previous year. Your Company reported a profit after tax of Rs. 1,686.48 lakhs for the year as compared to Rs. 1,100.32 lakhs in the previous year.



Your Directors are pleased to recommend a dividend of 30% on the paid-up capital of the Company. The dividend, together with dividend tax, absorbs a sum of Rs. 538.17 lakhs. A sum of Rs. 168.64 lakhs will be transferred to the General Reserve leaving a balance of Rs. 4,979.38 lakhs to be retained as surplus in the profit and loss account.



### I. Mutual Funds

#### Snapshot of the Mutual Fund Industry

The total assets managed by the industry comprising 44 mutual fund houses (excluding fund houses set up for launching Infrastructure Debt Funds) as at March 31, 2013 was Rs. 7,01,443 Crores, an increase of 19.45% from the previous year's figure of Rs. 5,87,217 Crores. Though the industry's Assets Under Management (AUM) increased, the investor base went down to 42.82 million folios as on March 31, 2013 from the previous year's figure of 46.45 million.

During this year, investors adopted a cautious approach and turned their attention largely towards Debt Schemes that invests in securities such as corporate bonds, money market instruments and G-secs. This has contributed to the growth of AUM in this category (includes liquid schemes) to Rs. 4,97,451 Crores as on March 31, 2013, representing an increase of 32.7% over the previous year's figure of Rs. 3,74,857 Crores. The investor folios in debt schemes increased by 16.93% from 5.25 million in the previous year to 6.14 million as on March 31, 2013.

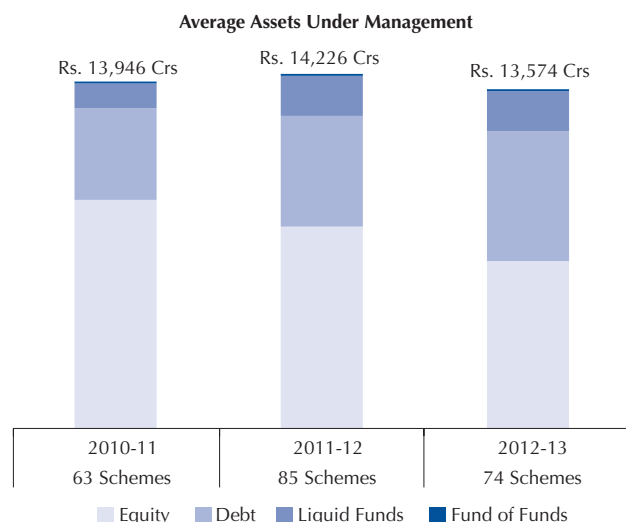
The equity-oriented schemes faced redemption pressures due to profit-booking by the investors during positive market rallies. This is reflected in the fact that, while the Bombay Stock Exchange's benchmark Sensex gained around 8% during the FY 2012-13, the industry AUM of equity funds fell 4.80%, which witnessed a net outflow of Rs. 14,371 Crores. The investor folios in equity schemes dropped by 11.37% from the previous year.

On a consolidated basis for all the fund categories, the Gross mobilization by the industry for the year was Rs. 72,67,885 Crores as against Rs. 68,19,679 Crores in the previous year, registering a growth of 6.57%. The industry witnessed a gross redemption of Rs. 71,91,346 Crores representing a 5.11% increase from the previous year's figure of Rs. 68,41,702 Crores. On a net basis, there was an inflow of Rs. 76,539 Crores in 2012-13 as against the Net outflow of Rs. 22,023 Crores recorded in the previous year.

#### Sundaram Mutual Fund – AUM trend, Fund mobilization and Performance

The Average Assets under Management of Sundaram Mutual Fund for the year was Rs. 13,573.76 Crores, as compared to Rs. 14,226.33 Crores for the previous year ended at March 31, 2012. This represents a marginal decline of 4.58 %

from the previous year. The closing AUM of Sundaram Mutual Fund increased from 11,864.24 Crores as at March 31, 2012 to Rs. 12,873.28 Crores as at March 31, 2013, representing a growth of by 8.5% over the previous year. The closing AUM of the Sundaram Mutual Fund Schemes represented a share of 1.83 % of the Industry AUM of Rs.7,01,443 Crores.



In 2012-13, Sundaram Mutual Fund schemes mobilized a sum of Rs. 61,049 Crores (Rs. 59,922 Crores in 2011-12). This represents an increase of 1.88% in the amount mobilized in comparison to the previous year.

In the year under review, debt-oriented schemes of Sundaram Mutual garnered a net inflow of Rs. 2,398.23 Crores. The Fund house launched series of Fixed Term Plans which are closed ended debt Schemes and successfully mobilized Rs.1,138.92 Crores. There were also good inflows into debt Schemes namely Sundaram Monthly Income Plan – Moderate Plan, Sundaram Flexible Fund Short Term Plan and Sundaram Bond Saver during the year. However, the equity schemes of Sundaram Mutual saw a net outflow of Rs. 1,670.70 Crores reflecting the industry trend.

The gross redemption from Sundaram Mutual schemes was Rs. 60,337 Crores in 2012-13 as against the previous year's redemption amount of Rs. 59,874 Crores. This represents an increase of 0.77%. Net Inflow during the year 2012-13 was Rs. 712.41 Crores (Rs. 48.34 Crores in 2011-12).

The no. of investor folios of Sundaram Mutual Fund marginally declined from 1.99 million in 2011-12 to 1.63 million in 2012-13.

## II. Portfolio Management Services

As on March 31, 2013 Sundaram Portfolio Managers manage an asset size of Rs. 103.50 Crores under the discretionary portfolio management services. Under the advisory services, the Company manages an asset size of Rs. 95.12 Crores as at the end of the year.

### Investor Education and Awareness Initiatives

During the year, your Company released advertisements disseminating the benefits of investing in Mutual Funds as a part of its investor education campaign. In addition, environment friendly initiatives such as e-mailing scheme's abridged annual report and sending e-CAS (electronic

Consolidated Account Statements) to the investors were also undertaken. In 2012-13, your company conducted, 60 Investor Awareness Programme (IAP) in 60 centres. The total number of investors who attended the IAP was approximately 1665. Your Company continues to invest in systems and process to support and sustain various investor service initiatives.

### Branches

Your Company has a total of 44 branches as at the year end.

### Regulatory Changes

During 2012-13, SEBI introduced changes to the SEBI (Mutual Fund) Regulations, 1996 which included:

- Setting aside at least 0.02% of AUM every year for investor education initiatives.
- Introduction of a single plan structure to avoid differential treatment across investor classes (Retail / Institutional Plan)
- Introduction of 'Direct Plans' from January 1, 2013 through which investors can apply directly to the AMC. Such plans have a lower expense ratio as these will not charge distribution expenses.

We expect these measures to encourage investors to look at Mutual Funds as a potential area for investment. As always, your Company complied with SEBI (Mutual Fund) Regulations, 1996.

### Outlook

Looking ahead, the economic activity during 2013-14 is expected to show only a moderate improvement over the last year, with a momentum likely to happen only in the second half of the year. Agricultural growth could return to trend levels if the monsoon is normal as recently forecast. The GDP growth for the current year is expected at 5.7%. Further sustained revival of growth depends on flow of investments. The imperatives for growth further require increasing proportion of household savings getting channelized into financial assets. The recent measures announced by SEBI to encourage small investors in the securities market and other initiatives will enthruse the small investors to access capital markets and influence the distribution of savings in favour of financial assets.

Your Company continues to make investment in enhancing its research and fund management capability. Your Company will introduce schemes taking into consideration the long-term interest of the investors and by adopting suitable marketing and distribution strategies. Your Company is confident of posting a reasonable growth in AUM in the coming years.

### Subsidiary - Sundaram Asset Management Singapore Pte. Ltd.

Incorporated on May 19, 2011, Sundaram Management Pte. Limited was renamed as Sundaram Asset Management Singapore Pte Ltd (SAMS) in March 06, 2012 and became a Wholly-Owned subsidiary of your Company on June 06, 2012. SAMS has a share capital of SGD 17,75,001 as on March 31, 2013 (Rs. 7.98 Crores approx.) SAMS has obtained license for fund management activities from the Monetary Authority of Singapore (MAS) on August 31, 2012 and has also obtained certificate of registration as Foreign Institutional Investor from Securities and Exchange Board of India (SEBI) on November 22, 2012. SAMS is taking requisite steps to initiate fund management activities.

As required, a statement as per section 212(1)(e) of the Companies Act, 1956 and the Financial Statements of Sundaram Asset Management Singapore Pte. Ltd. is enclosed.

**Directors**

Mr. D.N. Ghosh and Mr. T. P. Raman retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-election.

Necessary resolutions are submitted for your approval.

The Board of Directors of Sundaram Asset Management met Five times in 2012-13.

**Committees of the Board**

Particulars	Terms of reference	No. of meetings held during 2012-13
Audit Committee	Reviewing the audit plans, audited / unaudited financial statements, adequacy of internal control systems and observations of the internal / external auditors on internal control and follow-up reports of the management	Five
Executive Committee	Reviewing Financial planning of the Company, investment strategy, fund performance and approve new products and making recommendation on matters relating to the Company and the schemes to the Board for taking appropriate decisions	Two
Risk Management Committee	Monitoring the implementation of enterprise risk management guidelines, set/modify the limits of issuers, counter-party exposure, review risk management report and suggest improvements to the risk management framework from time to time.	Two
Remuneration Committee	Reviewing and deciding the broad parameters governing the remuneration policy for the key employees of the Company	One

**Public Deposits**

Your Company has not accepted any deposits.

**Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Expenditure**

(a) As the Company does not carry out any manufacturing activities, particulars required to be disclosed with respect to the conservation of energy and technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

(b) During 2012-13, foreign exchange earnings amounted to

Rs. 0.34 Crores (2011-12: Rs. 1.01 Crores) and foreign exchange expenditure was Rs. 1.69 Crores (2011-12: Rs. 3.46 Crores)

**Personnel**

Sundaram Asset Management Company Limited had 270 employees on its rolls as on March 31, 2013 compared to 296 employees as on March 31, 2012. During the year, measures for employee welfare and employee engagement activities were undertaken by the Company. The Company also gave "Champion of Champion" awards to recognize the outstanding contributions of the employees.

Your Board of Directors place on record their acknowledgement for the support, dedication and unwavering commitment displayed by the employees of the Company.

**Particulars of Employee Remuneration**

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, details are set out in the annexure 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.

**Directors' Responsibility Statement pursuant to Section 217(2AA) of Companies Act, 1956****The Directors confirm:**

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. That they 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 the profit or loss for that period;
3. That they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. That they have prepared the annual accounts on a going concern basis.

**Auditors**

M/s. Brahmaya & Co., firm of Chartered Accountants, retire at the ensuing Annual General Meeting and is eligible for re-appointment. A certificate under Section 224(1B) of the Companies Act, 1956, has been received from the firm.

**Acknowledgement**

Your Directors wish to place on record their deep 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 thank 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 unstinted 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

Place: Chennai

Date: May 15, 2013

**D N Ghosh**

Chairman



## Annexure – I

## Annexure to the Directors Report

Sl.No	Name of the Schemes	Closing AUM as on 31-03-13 (Rs. in Crore)
<b>Equity Schemes</b>		
1	Sundaram Select Mid Cap	1,852.73
2	Sundaram Tax Saver	1,284.60
3	Sundaram Select Focus	542.91
4	Sundaram– Select Thematic Funds – Energy Opportunities	524.28
5	Sundaram S.M.I.L.E Fund	317.31
6	Sundaram Growth Fund	199.65
7	Sundaram Select Thematic Funds – Financial Services Opportunities	166.72
8	Sundaram Select Thematic Funds – Capex Opportunities Fund (Growth)	157.08
9	Sundaram Select Thematic Funds – PSU Opportunities	154.84
10	Sundaram Select Thematic Funds – Capex Opportunities Fund (Dividend)	140.00
11	Sundaram– Select Thematic Funds – Rural India Fund	133.39
12	Sundaram Equity Multiplier Fund	127.24
13	Sundaram Equity Plus	111.43
14	Sundaram Global Advantage – Fund of Funds	46.84
15	Sundaram Balanced Fund	45.28
16	Sundaram Select Thematic Funds – Entertainment Opportunities	33.38
<b>Total AUM – Equity Schemes – (A)</b>		<b>5,837.68</b>
<b>Debt &amp; Liquid Schemes</b>		
17	Sundaram Fixed Term Plans (including Interval Funds) (33 schemes)	2,105.13
18	Sundaram Capital Protection Oriented Schemes (Closed-end Scheme) (14 schemes)	1,394.34
19	Sundaram Money Fund	1,258.65
20	Sundaram Ultra Short Term Fund	1,251.32
21	Sundaram Flexible Fund – Short Term Plan	611.41
22	Sundaram Bond Saver	187.2
23	Sundaram Monthly Income Plan (Not an assured Income Scheme) – Moderate Plan	183.9
24	Sundaram Select Debt – Short Term Asset Plan	23.46
25	Sundaram Monthly Income Plan (Not an assured Income Scheme) – Aggressive Plan	9.14
26	Sundaram Monthly Income Plan (Not an assured Income Scheme) – Conservative Plan	7.95
27	Sundaram Flexible Fund – Flexible Income Plan	1.20
28	Sundaram Income Plus	1.01
29	Sundaram Gilt Fund	0.89
<b>Total AUM – Debt &amp; Liquid Schemes – (B)</b>		<b>7,035.60</b>
<b>Grand Total – (A) + (B)</b>		<b>12,873.28</b>

For and on behalf of the Board

Place: Chennai

D N Ghosh

Date: May 15, 2013

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 March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### 2) Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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

- a) Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
- b) An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- c) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### 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, 2013;
- b) in the case of the Statement 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

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **BRAHMAYYA & CO.,**  
Chartered Accountants

Place : Chennai  
Date : May 15, 2013

Firm Registration Number: 000511S

**P.BABU**  
Partner

**Membership No.203358**

## ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH 5 OF OUR REPORT OF EVEN DATE

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) Fixed assets have been physically verified by the management during the year in accordance with a phased plan of verification, which in our opinion is reasonable having regard to the size of the company and the nature of fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.
- c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets have not been disposed off by the company during the year.
2. In our opinion and according to the information and explanations given to us, the company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, clauses (iii)a to (iii)g of paragraph 4 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, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and for services rendered. During the course of our audit, no major weaknesses have been noticed in the internal controls and therefore the reporting of the same does not arise.
4. a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 of the Act have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of rupees five lakh in respect of any party during the year have, prima facie, been made at prices which are reasonable having regard to the nature of services and the prevailing market prices at the relevant time.
5. The company has not accepted deposits from public.
6. The company has an internal audit system, which in our opinion, is commensurate with the size and the nature of its business.
7. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act.
8. According to the records of the company and the information and explanations given to us, undisputed statutory dues, including Provident Fund, Employees State Insurance, Income tax, Wealth Tax, Service Tax and other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, there are no arrears of statutory dues which are outstanding as at 31st March, 2013 for a period of six months from the date they became payable.
9. According to the records of the company and the information and explanations given to us, there are no dues of Provident Fund, Employees State Insurance, Income tax and Wealth tax which have

not been deposited on account of any dispute. Details of disputed service tax not deposited are as follows:

Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Service tax	1,30,17,458 *	2007-08 and 2008-09	Appellate Tribunal

\*Writ petition filed before High Court of Madras and a Stay has been obtained vide order dated 4th March 2013.

10. The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the current and immediately preceding financial year.
11. Based on our audit procedure and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to bank. The company does not have any borrowing from financial institutions, or by issue of debentures.
12. According to the information and explanations given to us, the company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the company.
14. Based on our examination of records and information and explanations given to us, proper records have been maintained of the transactions and contracts relating to dealing in securities and other investments and timely entries have been made therein. The securities and other investments have been held by the company in its own name.
15. In our opinion and according to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The company has not availed any long term loan during the year.
17. According to the information and explanations given to us, the company has not raised funds on short term or long term basis during the year.
18. The company has not issued debentures during the year.
19. The company has not raised monies by public issue during the year.
20. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.
21. In our opinion and according to the information and explanations given to us, the nature of the company's business/ activities during the year have been such that clauses ii and xiii and xviii of paragraph 4 of the Companies (Auditors' Report) Order, 2003 are not applicable to the company for the year.

For **BRAHMAYYA & CO.,**  
Chartered Accountants

Place : Chennai

Firm Registration Number: 000511S

Date : May 15, 2013

**P.BABU**  
Partner

Membership No.203358

**Balance Sheet**

As at 31st March, 2013

(Amount in Rs)

Particulars	Note	31.03.13		31.03.12	
<b>I. Equity and Liabilities</b>					
<b>1. Shareholders' Funds</b>					
(a) Share Capital	2	15,33,32,290		15,33,32,290	
(b) Reserves and Surplus	3	62,85,92,585		51,37,61,836	
(c) Money received against share warrants		-	78,19,24,875	-	66,70,94,126
<b>2. Share Application Money Pending Allotment</b>			-		-
<b>3. Non-Current Liabilities</b>					
(a) Long Term Borrowings		-		-	
(b) Deferred Tax Liabilities	4	2,83,40,648		5,56,99,181	
(c) Other Long Term Liabilities	5	1,05,00,000		-	
(d) Long Term Provisions		-	3,88,40,648	-	5,56,99,181
<b>4. Current Liabilities</b>					
(a) Short Term Borrowings	6	-		5,33,33,334	
(b) Trade Payables	7	14,49,00,760		6,25,16,961	
(c) Other Current Liabilities	8	94,22,872		1,03,04,925	
(d) Short Term Provisions	9	6,37,51,561	21,80,75,193	4,30,45,636	16,92,00,856
<b>Total</b>			<b>103,88,40,716</b>		<b>89,19,94,163</b>
<b>II. Assets</b>					
<b>1. Non-Current Assets</b>					
(a) Fixed Assets					
(i) Tangible Assets	10	3,47,09,218		4,29,51,593	
(ii) Intangible Assets	10	59,05,824		88,35,071	
(iii) Capital work-in-progress		-		-	
(iv) Intangible Asset Under Development		-		-	
(b) Non-Current Investments	11	14,18,68,250		98,490	
(c) Deferred Tax Assets		-		-	
(d) Long Term Loans and Advances	12	18,05,14,385		31,01,69,964	
(e) Other Non-Current Assets		-	36,29,97,677	-	36,20,55,118
<b>2. Current Assets</b>					
(a) Current Investments	13	19,21,29,151		1,85,00,000	
(b) Inventories		-		-	
(c) Trade receivables	14	7,29,50,635		3,70,88,486	
(d) Cash and Bank Balances	15	57,10,872		68,11,491	
(e) Short Term Loans and Advances	16	40,50,52,381		46,75,39,068	
(f) Other Current Assets		-	67,58,43,039	-	52,99,39,045
<b>Total</b>			<b>103,88,40,716</b>		<b>89,19,94,163</b>

For **Brahmayya & Co.**  
Chartered Accountants  
Firm Registration Number: 000511S

**P.Babu**  
Partner  
Membership No.203358

Chennai  
15th May, 2013

**D.N.Ghosh**  
Chairman

**T T Srinivasaraghavan**  
Director

**T Anantha Narayanan**  
Director

**T P Raman**  
Director

**P. Sundararajan**  
Company Secretary

**S Krishnamurthy**  
Director

**Ashoke Bijapurkar**  
Director

**Rishiksha T Krishnan**  
Director

**Harsha Viji**  
Managing Director

## Profit and Loss Statement

For the year ended 31st March 2013

(Amount in Rs)

Particulars	Note	2012-2013	2011-12
<b>Income</b>			
Revenue from operations	17	1,17,63,18,419	1,02,82,78,917
Other Income	18	67,07,649	2,27,46,075
<b>Total</b>	<b>(A)</b>	<b><u>118,30,26,068</u></b>	<b><u>105,10,24,992</u></b>
<b>Expenditure</b>			
Employee Benefits	19	38,61,91,932	35,38,52,900
Administrative and other expenses	20	25,63,82,626	27,56,82,492
Finance Cost - Interest		13,81,242	15,50,959
Scheme expenses borne by the company	21	27,18,44,056	24,94,79,143
Depreciation	10	1,87,36,659	1,52,45,019
<b>Total</b>	<b>(B)</b>	<b><u>93,45,36,515</u></b>	<b><u>89,58,10,513</u></b>
<b>Profit before tax</b>	<b>(A-B)</b>	<b>24,84,89,553</b>	<b>15,52,14,479</b>
Less : Tax			
Current Tax		10,72,00,000	4,70,00,000
Deferred Tax		(2,73,58,533)	(18,17,014)
		<u>7,98,41,467</u>	<u>4,51,82,986</u>
<b>Profit after Tax from continuing operations</b>		<b>16,86,48,086</b>	<b>11,00,31,493</b>
<b>Earnings per Equity Share</b>			
Number of Shares		1,53,33,229	1,53,33,229
Earnings per Equity Share		11.00	7.18

For **Brahmayya & Co.**  
Chartered Accountants  
Firm Registration Number: 000511S

**P.Babu**  
Partner  
Membership No.203358

Chennai  
15th May, 2013

**D.N.Ghosh**  
Chairman

**T T Srinivasaraghavan**  
Director

**T Anantha Narayanan**  
Director

**T P Raman**  
Director

**P. Sundararajan**  
Company Secretary

**S Krishnamurthy**  
Director

**Ashoke Bijapurkar**  
Director

**Rishiksha T Krishnan**  
Director

**Harsha Viji**  
Managing Director

## 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, 1956.

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 use in the financial statements are based upon the management's evaluation of the relevant facts and circumstances as of 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 XIV to the Companies Act, 1956. 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 Plan*

i) *Provident Fund*

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

#### *Defined Benefit Plan*

##### i) *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  
Expenses incurred in relation to new fund offer are amortized over a period of 24 Months.
- 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:

Incurring Towards	Amortized over a period of
Equity Linked Savings Scheme	36 Months
Open Ended Equity Schemes	12 Months

## Notes to the Accounts

forming part of the Balance Sheet as at March 31, 2013

(Amount in Rs.)

## Note 2

## Share Capital :

Particulars	31.03.13	31.03.12
<b>Share Capital</b>		
Authorised		
2,00,00,000 Equity Shares of Rs 10/- each	20,00,00,000	20,00,00,000
5,00,000 Redeemable Preference Shares of Rs.100/- each	5,00,00,000	5,00,00,000
	<u>25,00,00,000</u>	<u>25,00,00,000</u>
Issued, Subscribed and fully paid up		
1,53,33,229 Equity Shares of Rs 10/- each	15,33,32,290	15,33,32,290
	<u>15,33,32,290</u>	<u>15,33,32,290</u>

Name of the Shareholder	Status	No. of Shares #	% held as at 31.03.2013
Sundaram Finance Limited	- Holding Company	1,53,33,229	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	31.03.13	31.03.12
Opening number of shares outstanding	1,53,33,229	1,53,33,229
Add : Shares issued	-	-
Less: Shares bought back	-	-
Closing number of shares outstanding	1,53,33,229	1,53,33,229

## Note 3

## Reserves And Surplus

Particulars	31.03.13	31.03.12
a) Securities Premium Account	4,13,57,051	4,13,57,051
b) General Reserve		
Opening balance	7,24,32,362	6,41,80,000
Add: Transfer from Surplus in the Profit and Loss Statement	1,68,64,810	82,52,362
c) Surplus in the Profit and Loss Statement		
Opening balance	39,99,72,423	33,38,33,849
Add: Profit for the year from the Profit and Loss Statement	16,86,48,086	11,00,31,493
	<u>56,86,20,509</u>	<u>44,38,65,342</u>
<b>Less: Appropriations:</b>		
Dividend		
Final (Proposed)	4,59,99,687	3,06,66,458
Dividend Distribution Tax	78,17,650	49,74,099
General Reserve	1,68,64,810	82,52,362
	49,79,38,362	39,99,72,423
	<u>62,85,92,585</u>	<u>51,37,61,836</u>

## Note 4

## Deferred Tax Liabilities:

Particulars	31.03.13	31.03.12
<b>Deferred Tax Liability:</b>		
Depreciation	41,10,359	62,77,889
Amortisation of Brokerage	2,42,30,289	4,94,21,292
	<u>2,83,40,648</u>	<u>5,56,99,181</u>

## Notes to the Accounts

forming part of the Balance Sheet as at March 31, 2013

(Amount in Rs.)

## Note 5

## Other Long Term Liabilities

Particulars	31.03.13	31.03.12
Outstanding liabilities for expenses	1,05,00,000	-
	<u>1,05,00,000</u>	<u>-</u>

## Note 6

## Short Term Borrowings

Particulars	31.03.13	31.03.12
Secured Loans		
From a scheduled Bank	-	5,33,33,334
	<u>-</u>	<u>5,33,33,334</u>

Secured by hypothecation of Book Debts of the Company.

## Note 7

## Trade Payables

Particulars	31.03.13	31.03.12
Trade Payables		
For Expenses (Includes Rs.13,00,000/- Payable to Directors)	14,17,80,275	6,07,98,601
(Previous year Rs. 14,00,000/-)		
For Others	31,20,485	17,18,360
	<u>14,49,00,760</u>	<u>6,25,16,961</u>

There are no amounts due and outstanding to be credited to Investor Education &amp; Protection fund

## Note 8

## Other Current Liabilities:

Particulars	31.03.13	31.03.12
Other Payable	94,22,872	1,03,04,925
	<u>94,22,872</u>	<u>1,03,04,925</u>

## Note 9

## Short Term Provisions

Particulars	31.03.13	31.03.12
Provision for Employee Benefits	99,34,224	74,05,079
Others		
Dividend	4,59,99,687	3,06,66,458
Dividend Distribution Tax	78,17,650	49,74,099
	<u>6,37,51,561</u>	<u>4,30,45,636</u>



(Amount in Rupees)

Description	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Additions	Deductions	As at 31.03.2013	Upto 31.03.2012	Additions	Deductions	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
<b>Tangible Assets</b>										
Office Equipment	1,65,80,472 (1,59,76,945)	13,81,656 (11,07,390)	4,06,744 (5,03,863)	1,75,55,384 (1,65,80,472)	89,84,308 (80,85,604)	12,32,780 (11,83,309)	2,52,609 (2,84,604)	99,64,479 (89,84,308)	75,90,905 (75,96,164)	75,96,164 (78,91,341)
Electrical Equipment	1,76,50,742 (1,48,30,397)	3,13,174 (29,19,775)	5,35,175 (99,430)	1,74,28,741 (1,76,50,742)	82,61,220 (69,01,040)	13,07,590 (13,97,879)	2,40,502 (37,699)	93,28,308 (82,61,220)	81,00,433 (93,89,522)	93,89,522 (79,29,358)
Computers	4,96,67,037 (4,58,40,287)	29,62,613 (39,99,995)	8,35,018 (1,73,245)	5,17,94,632 (4,96,67,037)	4,07,02,998 (3,59,99,232)	44,84,113 (48,37,974)	8,07,284 (1,34,208)	4,43,79,827 (4,07,02,998)	74,14,805 (89,64,039)	89,64,039 (98,41,054)
Furniture and fixtures	1,53,63,171 (1,50,17,348)	4,60,235 (4,46,348)	5,63,114 (1,00,525)	1,52,60,292 (1,53,63,171)	1,25,43,247 (1,17,57,030)	7,14,147 (8,70,636)	4,29,030 (84,419)	1,28,28,364 (1,25,43,247)	24,31,928 (28,19,924)	28,19,924 (32,60,319)
Vehicles	23,69,927 (24,16,763)	83,742 (-)	12,01,643 (46,836)	12,52,026 (23,69,927)	19,15,978 (17,87,327)	68,612 (1,62,000)	9,60,787 (33,348)	10,23,803 (19,15,978)	2,28,223 (4,53,949)	4,53,949 (6,29,436)
Improvement to rented premises	3,79,17,718 (3,18,19,031)	11,36,755 (1,20,83,552)	2,93,929 (59,84,865)	3,87,60,544 (3,79,17,718)	2,41,89,723 (2,74,41,991)	59,11,784 (27,32,597)	2,83,884 (59,84,865)	2,98,17,623 (2,41,89,723)	89,42,921 (1,37,27,995)	1,37,27,995 (43,77,038)
<b>Total Tangible Assets</b>	<b>13,95,49,067</b>	<b>63,38,175</b>	<b>38,35,623</b>	<b>14,20,51,619</b>	<b>9,65,97,474</b>	<b>1,37,19,026</b>	<b>29,74,096</b>	<b>10,73,42,404</b>	<b>3,47,09,215</b>	<b>4,29,51,593</b>
<b>Intangible Assets</b>										
Computer Software	2,79,97,407 (2,45,89,780)	20,88,384 (34,07,627)	- (-)	3,00,85,791 (2,79,97,407)	1,91,62,336 (1,51,01,711)	50,17,631 (40,60,625)	- (-)	2,41,79,967 (1,91,62,336)	59,05,824 (88,35,071)	88,35,071 (94,88,069)
<b>Total Intangible Assets</b>	<b>2,79,97,407</b>	<b>20,88,384</b>	<b>-</b>	<b>3,00,85,791</b>	<b>1,91,62,336</b>	<b>50,17,631</b>	<b>-</b>	<b>2,41,79,967</b>	<b>59,05,824</b>	<b>88,35,071</b>
<b>Grand Total</b>	<b>16,75,46,474</b>	<b>84,26,559</b>	<b>38,35,623</b>	<b>17,21,37,410</b>	<b>11,57,59,810</b>	<b>1,87,36,658</b>	<b>29,74,096</b>	<b>13,15,22,370</b>	<b>4,06,15,039</b>	<b>5,17,86,664</b>
<b>Previous Year</b>	<b>(15,04,90,551)</b>	<b>(2,39,64,687)</b>	<b>(69,08,764)</b>	<b>(16,75,46,472)</b>	<b>(10,70,73,934)</b>	<b>(1,52,45,019)</b>	<b>(65,59,143)</b>	<b>(11,57,59,810)</b>	<b>(5,17,86,664)</b>	<b>(4,34,16,616)</b>

Figures in brackets pertain to 31st March 2012.

'Intangible Assets : In accordance with Accounting Standard AS 26 – Intangible Assets, Software purchase amounting to Rs. 20,88,384/(31.03.2012 – Rs.34,07,627/-) is amortised over a period of three years based on a technical valuation.

## Notes to the Accounts

forming part of the Balance Sheet as at March 31, 2013

(Amount in Rs.)

**Note 11**  
**Non - Current Investments**

Particulars	31.03.13	31.03.12
Un-Quoted		
Non Trade:		
Investments in Mutual Funds	6,20,00,000	98,490
Investment in Equity Instruments : Fully paid		
- Subsidiary Company		
Sundaram Asset Management Singapore Pte. Ltd	7,98,68,250	-
Number of Shares Holding : 17,75,001		
Face Value : 1 SGD		
<b>Total</b>	<b>14,18,68,250</b>	<b>98,490</b>

Particulars	Face Value	As at 31.03.2013		As at 31.03.2012	
		Holding (Number)	Cost (Rs.)	Holding (Number)	Cost (Rs.)
<b>Investments in Mutual Funds</b>					
Sundaram FTP DC - Growth Option	10	30,00,000	3,00,00,000	-	-
Sundaram FTP DD - Growth Option	10	22,00,000	2,20,00,000	-	-
Sundaram FTP DF - Growth Option	10	10,00,000	1,00,00,000	-	-
Sundaram CPOF - 3 Year Series 2	10	-	-	9,849	98,490
<b>Total</b>			<b>6,20,00,000</b>		<b>98,490</b>

Particulars	31.03.13	
	Cost	Net Asset Value
Aggregate of Quoted Investments	-	-
Aggregate of Unquoted Investments-Investments in Mutual Funds	6,20,00,000	6,27,47,220

**Note 12**  
**Long Term Loans and Advances**

Particulars	31.03.13	31.03.12
Unsecured, Considered Good :		
Brokerage Recoverable from Mutual Fund Schemes	13,91,45,842	23,17,02,596
Prepaid Expenses	2,62,79,375	6,14,54,359
Security Deposit	1,24,95,917	1,55,33,849
Others	25,93,251	14,79,160
<b>Total</b>	<b>18,05,14,385</b>	<b>31,01,69,964</b>

**Note 13**  
**Current Investments**

Particulars	31.03.13	31.03.12
Un-Quoted		
Non Trade:		
Investments in Mutual Funds	19,21,29,151	1,85,00,000
<b>Total</b>	<b>19,21,29,151</b>	<b>1,85,00,000</b>

Particulars	Face Value	As at 31.03.2013		As at 31.03.2012	
		Holding (Number)	Cost (Rs.)	Holding (Number)	Cost (Rs.)
<b>Investments in Mutual Funds</b>					
Sundaram FTP BN - Growth Option	10			50,000	5,00,000
Sundaram FTP BO - Growth Option	10	50,000	5,00,000	50,000	5,00,000
Sundaram CPOF - 3 Year Series 2	10	9,849	98,490		
DSP Blackrock FMP - Series 81	10	10,00,000	1,00,00,000		
Sundaram Select Debt - Short Term	10	8,09,687	1,00,93,119		
Sundaram Ultra Short Term	10	1,70,67,722	17,14,37,542	17,43,549	1,75,00,000
<b>Total</b>			<b>19,21,29,151</b>		<b>1,85,00,000</b>

Particulars	31.03.13	
	Cost	Net Asset Value
Aggregate of Quoted Investments	-	-
Aggregate of Unquoted Investments	19,21,29,151	19,25,11,271

## Notes to the Accounts

forming part of the Balance Sheet as at March 31, 2013

(Amount in Rs.)

## Note 14

## Trade Receivables

Particulars	31.03.13	31.03.12
Unsecured, Considered Good :		
Trade Receivables		
Outstanding for more than 6 months :	-	-
Others :		
Investment Management Fee	6,40,01,070	3,21,09,331
Advisory Fee	11,10,348	11,41,407
Portfolio Management Fee & Reimbursements	78,39,217	38,37,748
<b>Total</b>	<b><u>7,29,50,635</u></b>	<b><u>3,70,88,486</u></b>

## Note 15

## Cash and Bank Balances

Particulars	31.03.13	31.03.12
Cash and Bank Balances		
Cash on Hand	66,164	1,17,878
Balances with Scheduled Banks in		
Current Accounts	48,94,422	59,76,763
Balances with Bank held in abroad		
Current Accounts	10,561	11,130
Deposit Accounts - More than 12 months	7,39,725	7,05,720
(A lien has been created on the deposit in favour of a Bank for Guarantee issued)		
<b>Total</b>	<b><u>57,10,872</u></b>	<b><u>68,11,491</u></b>

## Note 16

## Short Term Loans and Advances

Particulars	31.03.13	31.03.12
Unsecured, Considered Good :		
Brokerage Recoverable from Mutual Fund Schemes	13,08,18,767	19,67,09,079
Prepaid Expenses	9,00,14,900	12,40,00,854
Security Deposit	85,76,938	73,67,796
Others	1,20,76,898	1,23,31,658
Advance Income tax and Tax Deducted at Source(Net)	15,94,63,037	12,33,18,893
[Includes Rs. 7,27,61,350/- towards income tax paid under dispute]		
Advance Fringe Benefit Tax (Net)	38,10,788	38,10,788
Amount receivable from Subsidiary Company	2,91,053	-
<b>Total</b>	<b><u>40,50,52,381</u></b>	<b><u>46,75,39,068</u></b>

Advance Income tax and Tax deducted at source is net of provision for taxation Rs. 44,16,33,918 /- ( 31.03.12 Rs. 33,44,33,918 /-)

Advance Fringe Benefit tax is net of provision for fringe benefit tax Rs. 28,86,509/- (31.03.12 Rs. 28,86,509 /-)

## Notes to the Accounts

forming part of the Profit and Loss Statement for the year ended March 31, 2013

(Amount in Rs.)

## Note 17

## Revenue from Operations

Particulars	2012-13	2011-12
Services Rendered:		
Investment Management Fees (Net)	116,64,24,710	101,23,47,495
Advisory Fees	38,29,295	1,03,72,546
Portfolio Management Service Fees (Net)	60,64,414	55,58,876
<b>Total</b>	<b><u>117,63,18,419</u></b>	<b><u>102,82,78,917</u></b>

Investment Management fees is net of advisory fees paid Rs. 36,37,499 /- (31.03.12-Rs. 37,43,725/-).

Portfolio Management Services fees is net of brokerage paid Rs. 1,61,27,611 /- (31.03.12-Rs. 1,38,28,237/-).

## Note: 18

## Other Income

Particulars	2012-13	2011-12
Interest receipts	22,27,800	70,69,548
Dividend Income	37,13,032	16,82,447
Profit on Sale of Tangible Assets	45,212	6,32,372
Profit on Sale of Non Current Investment	48,140	1,16,64,843
Gain on Exchange Fluctuation	6,56,519	1,69,579
Miscellaneous income	16,946	15,27,286
<b>Total</b>	<b><u>67,07,649</u></b>	<b><u>2,27,46,075</u></b>

## Note: 19

## Establishment Expenses

Particulars	2012-13	2011-12
Salaries, allowances and bonus	35,69,09,621	32,63,08,282
Company's contribution to Provident Fund, ESI Scheme	1,50,12,881	1,46,01,129
Contribution to Gratuity Fund	60,60,752	49,79,240
Staff welfare expenses	82,08,678	79,64,249
<b>Total</b>	<b><u>38,61,91,932</u></b>	<b><u>35,38,52,900</u></b>

## 1. Defined Contribution Plan:

(In Rs.)

Company Contribution to	2012-13	2011-12	2010-11	2009-10	2008-09
1. Provident Fund	1,29,75,694	1,26,00,971	1,08,79,969	92,89,367	90,50,015
2. Pension Fund	18,09,040	18,25,634	16,53,122	15,50,449	16,03,470
3. Employees State Insurance	65,856	1,04,784	1,65,253	Nil	Nil

## Notes to the Accounts

forming part of the Profit and Loss Statement for the year ended March 31, 2013

(Amount in Rs.)

### 2. Defined Benefit Plan:

#### Gratuity

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

	2012-13	2011-12
Present Value of obligations at the beginning of the Year	2,58,67,922	1,99,02,183
Interest Cost	20,69,434	15,92,175
Current Service Cost	23,25,684	27,31,880
Benefit Paid	(37,47,288)	(80,942)
Actuarial Loss on obligation	38,00,707	24,45,626
Past Service Liability of employees transferred out	-	-
Present value of obligation at the end of the Year	3,03,16,459	2,58,67,922

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

	2012-13	2011-12
Fair Value of Plan asset at the beginning of the Year	2,08,88,682	1,86,66,325
Expected return on plan assets	21,35,073	17,90,441
Contribution	50,39,211	12,35,858
Benefit Paid	(37,47,288)	(8,03,942)
Actuarial Gain on obligation	Nil	NIL
Fair Value of plan asset at the end of the Year	2,43,15,678	2,08,88,682

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

	2012-13	2011-12
Present Value of obligations at beginning of the Year	3,03,16,459	2,58,67,922
Fair Value of Plan asset at the end of the Year.	2,43,15,678	2,08,88,682
Net Liability recognised in the balance sheet	60,00,781	49,79,240

##### D. Expenses recognised in the profit and loss account

	2012-13	2011-12
Current Service Cost	23,25,684	27,31,880
Interest Cost	20,69,434	15,92,175
Expected return on plan assets	(21,35,073)	(17,90,441)
Net Actuarial loss recognised in the year	(38,00,707)	(24,45,626)
Expenses to be recognised in the Profit and Loss Account	60,60,752	49,79,240

##### E. Actuarial Gain / Loss recognised

	2012-13	2011-12
Actuarial loss on obligation	38,00,707	24,45,626
Actuarial gain on plan assets	Nil	NIL
Actuarial Loss for the year	38,00,707	24,45,626

## Notes to the Accounts

forming part of the Profit and Loss Statement for the year ended March 31, 2013

(Amount in Rs.)

**F. Actuarial Assumption Per Annum**

Actuarial Assumption*	31.03.2013	31.03.2012
Discount Rate	8.00%	8.00%
Salary Increment	7.00%	7.00%
Expected Rate of Return	8.25%	9.25%
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	2012-13	2011-12	2010-11	2009-08	2008-09
Defined Benefit Obligation	3,03,16,459	2,58,67,922	1,99,02,183	1,68,17,856	1,19,05,278
Plan Asset	2,43,15,678	2,08,88,682	1,86,66,325	1,35,42,235	68,78,202
Surplus / Deficit	(60,00,781)	(49,79,240)	(12,35,858)	(32,75,621)	(50,27,076)
Expenses Adjustment on Plan Liabilities	38,00,707	24,45,626	2,54,574	11,53,406	35,98,703
Expenses Adjustment on Plan Asset	Nil	Nil	Nil	Nil	2,27,317

3. The Present value of obligation towards compensated absences, as per actuarial certificate as on 31.03.13 was Rs. 2,19,23,260/- (31.03.12 Rs. 1,79,89,033/-) and is recognised in the books of accounts.

**Note: 20****Administrative and other expenses**

Particulars	2012-13	2011-12
Rent	4,49,36,916	5,12,65,783
Fund Accounting Charges	2,22,31,714	2,08,97,068
Rates and Taxes	14,13,652	15,20,462
Communication Expenses	2,12,04,129	1,98,99,317
Subscription	2,22,57,274	1,99,31,257
Electricity Charges	77,71,587	63,17,135
Lease Rental	16,63,675	27,31,663
Travelling and Conveyance	2,23,84,454	2,54,75,993
Director's Sitting Fees and Commission	4,70,000	6,70,000
Insurance	44,95,893	38,47,069
Professional and Consultancy Fees	1,07,08,462	1,67,96,230
Repairs and Maintenance		
- Building	1,04,07,093	1,02,54,212
- Others	75,41,473	1,04,98,374
Database and Networking Expenses	1,81,65,141	1,51,91,837
Loss on exchange fluctuation	56,738	6,70,896
Outsourcing Cost	3,25,00,522	3,89,80,516
Miscellaneous expenses	2,78,57,540	3,06,48,768
Loss on sale of Current Investments	-	5297
Loss on sale of Non Current Investments	-	-
Loss on sale of tangible assets	3,16,363	80615
	<b>25,63,82,626</b>	<b>27,56,82,492</b>

Miscellaneous Expenses includes remuneration to Auditors:

Particulars	2012-13	2011-12
Statutory Audit	5,00,000	5,00,000
Tax Audit	2,00,000	2,00,000
Certification Fees	2,30,000	1,85,000
<b>Total</b>	<b>9,30,000</b>	<b>8,85,000</b>

**Note: 21****Scheme expenses borne by the company**

Particulars	2012-13	2011-12
Investor Education Expenses	94,85,816	-
Registrar & Transfer Agent Fees	5,24,65,849	-
Upfront Brokerage	9,10,89,253	15,80,00,539
Other Marketing Expenses	11,88,03,138	9,14,78,604
<b>Total</b>	<b>27,18,44,056</b>	<b>24,94,79,143</b>

**Note 22.****GENERAL:**

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

22.2 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 Rs.)	
Particulars	31.03.2013	31.03.2012
Not later than one year	15,14,901	17,46,829
Later than one year and not later than five years	18,97,065	17,75,755
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.

22.3 In accordance with the Accounting Standard AS – 18 on “Related party Disclosures”

**Related Parties***Holding Company:*

Sundaram Finance Limited

*Fellow Subsidiaries:*

Sundaram BNP Paribas Home Finance Limited.

Sundaram Trustee Company Limited.

LGF Services Limited.

Sundaram Finance Distribution Limited.

Sundaram Infotech Solutions Limited.

Sundaram Business Services Limited.

Infreight Logistics Solutions Limited.

Professional Management Consultants Limited.

Sundaram BNP Paribas Fund Services Limited.

Sundaram Insurance Broking Services Limited.

Sundaram Parekh Warehousing Services Limited.

Caltex Servicez Private Limited.

Sundaram Asset Management Singapore Pte. Limited (From 06th June 2012)

Sundaram BPO India Limited (From 07th August 2012)

**Associate :** Sundaram Mutual Fund

**Key Management****Personnel :**

Mr T P Raman – Managing Director (Till 30th June 2012)

Mr. Harsha Viji – Deputy Managing Director (Till 30th June 2012)

Mr Harsha Viji – Managing Director (From 01st July 2012)

**Details of Related Parties Transactions for the year ended 31.03.2013****(Amount in Rs.)**

Particulars	Holding Company		Fellow/ Subsidiaries / Associates		Key Management Personnel	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>Income</b>						
<b>Investment Management and Advisory Fees</b>						
Sundaram Mutual Fund	—	—	1,17,00,35,507	1,01,60,91,220	—	—
<i>(Grouped under Note 16 – Revenue from Operations)</i>						
<b>Service Income</b>						
Sundaram Trustee Company Limited	—	—	18,00,000	18,00,000	—	—
<i>(Grouped under Note 18 – Employee Benefits)</i>						
<b>Total</b>	—	—	<b>1,17,18,35,507</b>	<b>1,01,78,91,220</b>	—	—
<b>Expenses</b>						
<b>Rent and Office Maintenance</b>						
Sundaram Finance Ltd	1,22,69,350	1,19,24,870	—	—	—	—
Sundaram BNP Paribas Home Finance Ltd	—	—	34,000	48,000	—	—
<i>(Grouped under Note 19 - Administrative Expenses - Rent)</i>						
Vehicle Lease Rental						
Sundaram Finance Ltd	16,63,675	25,78,000	—	—	—	—
<i>(Grouped under Note 19 - Administrative Expenses – Lease Rent)</i>						
<b>Remuneration</b>						
T.P.Raman – Managing Director	—	—	—	—	26,73,804	1,00,54,331
<i>(Grouped under Note 18 – Employee Benefits)</i>						

## Details of Related Parties Transactions for the year ended 31.03.2013 (contd.)

(Amount in Rs.)

Particulars	Holding Company		Fellow/ Subsidiaries / Associates		Key Management Personnel	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>Payroll processing and AMC Accounting Charges</b>						
Sundaram Business Services Ltd	—	—	8,19,000	13,68,000	—	—
Payroll processing and AMC Accounting Charges Sundaram BPO India Ltd (Grouped under Note 19 - Administrative Expenses – Miscellaneous Expenses)	—	—	8,19,000	—	—	—
Fund Accounting, Registrar and Transfer fees and Call Centre Charges Sundaram BNP Paribas Fund Services Ltd (Grouped under Note 19 - Administrative Expenses)	—	—	9,92,09,354	3,79,38,603	—	—
Collection Centre Charges & Training Centre Charges Sundaram Finance Ltd (Grouped under Note 19 - Administrative Expenses – Repairs and Maintenance Cost)	1,73,495	—	—	—	—	—
<b>System Services Cost</b>						
Sundaram Finance Ltd ( Sundaram Infotech Solutions ) (Grouped under Note 19 - Administrative Expenses – Repairs and Maintenance Cost)	4,35,000	4,63,000	—	—	—	—
<b>Maintenance of Website</b>						
Sundaram Finance Ltd (Grouped under Note 19 - Administrative Expenses – Repairs and Maintenance Cost)	2,14,000	3,54,400	—	—	—	—
Internal , Concurrent and Audit Fees Sundaram Finance Ltd (Grouped under Note 19 - Administrative Expenses – Miscellaneous Expenses)	5,00,000	4,00,000	—	—	—	—
<b>Total</b>	<b>1,52,55,520</b>	<b>1,57,20,270</b>	<b>10,08,81,354</b>	<b>3,93,54,603</b>	<b>26,73,804</b>	<b>1,00,54,331</b>
<b>Assets</b>						
<b>Acquisition of Hardware</b>						
Sundaram Infotech Solutions Ltd (Grouped under Note 9 – Tangible Asset)	—	—	1,02,900	—	—	—
Receivable from Sundaram Trustee Co. Ltd (Grouped under Note 15 – Short Term Loans and Advances- Others)	—	—	36,96,027	11,58,147	—	—
<b>Investment in Trust Securities at the end of the year</b>						
Sundaram Mutual Fund (Grouped under Note 12 – Current Investment)	—	—	24,41,28,506	1,85,98,490	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>24,79,27,433</b>	<b>1,97,56,637</b>	<b>—</b>	<b>—</b>
<b>Liabilities</b>						
<b>Other Liabilities</b>						
Sundaram Finance Ltd (Grouped under Note 6 – Trade Payables)	1,26,800	16,11,544	—	—	—	—
Sundaram BPO India Ltd	—	—	2,49,000	1,36,500	—	—
Sundaram BNP Paribas Fund Services Ltd	—	—	1,53,23,661	23,24,274	—	—
Payable to Managing Director (Grouped under Note 6 – Trade Payables)	—	—	—	—	5,00,000	14,00,000
Final Dividend	4,59,99,687	3,06,66,458	—	—	—	—
<b>Total</b>	<b>4,61,26,487</b>	<b>3,22,78,002</b>	<b>1,55,72,661</b>	<b>24,60,774</b>	<b>5,00,000</b>	<b>14,00,000</b>



## Notes to the Accounts (continued)

22.4 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.

22.5 During the year, Sundaram Finance Ltd the holding company has incurred Rs. 4,68,788/- towards employee stock option scheme issued under M/s. Sundaram Finance Stock Option Scheme, 2008 to Mr.T.P. Raman.

## 22.6 Earnings per Share (Basic and diluted)

Sl. No	Particulars	2012-2013	2011-2012
1.	Profit after tax Rs.	(A) 16,86,48,086	11,00,31,493
2.	Number of shares (nominal value of Rs.10/- each )	(B) 1,53,33,229	1,53,33,229
3.	Earnings per share (Basic and diluted) - Rs.	(A)/(B) 11.00	7.24
4.	Dividend proposed to be distributed - Rs.	4,59,99,687	3,06,66,458
5.	Dividend per Share - Rs.	3.00	2.00

22.7 Sundaram Mutual Fund (SMF) had, during the year 2011-12, received Income Tax Recovery notices to the extent of Rs.10,59,22,630/-pertaining to the Pass Through Certificates (PTCs) subscribed by the schemes of SMF during the financial year 2008-09 wherein IL & FS Trustee Company Ltd was the Trustee to the Securitisation Transaction. SMF has obtained a stay order from the Hon'ble High Court of Mumbai against the recovery proceedings till the disposal of the appeals by the CIT (Appeals).

During the year 2012-13, similar notices were received for the Assessment Year 2010-11 to the extent of Rs.43,91,908/-. SMF has obtained a stay order from the Hon'ble High Court of Mumbai against the recovery proceedings till the disposal of the appeals by the CIT (Appeals).

Based on the opinion obtained and considering the fact that the Mutual Fund schemes are exempt from Income Tax, no provision has been made in the books of accounts of the Company.

## 22.8 Contingent Liabilities:

Particulars	2012-2013	2011-2012
Claims against the Company not acknowledged as debts on Income Tax matters.	Rs.7,27,61,350/-	Rs. 7,67,43,730/-

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

22.10 Expenditure in foreign Currency on payments towards Salary, Rent, Travelling etc., – Rs. 1,69,78,311 /- (31.03.12 – Rs. 3,46,09,884/-)

22.11 Earnings in Foreign Currency – Advisory fees earned Rs.34,73,618/- (31.03.12 – Rs.1,01,24,324/-)

22.12 Previous year figures have been regrouped / reclassified wherever necessary to confirm to the current years presentation.

For **Brahmayya & Co.**  
Chartered Accountants  
Firm Registration Number: 000511S

**P.Babu**  
Partner  
Membership No.203358

Chennai  
15th May, 2013

**D.N.Ghosh**  
Chairman  
**T T Srinivasaraghavan**  
Director  
**T Anantha Narayanan**  
Director  
**T P Raman**  
Director  
**P. Sundararajan**  
Company Secretary

**S Krishnamurthy**  
Director  
**Ashoke Bijapurkar**  
Director  
**Rishiksha T Krishnan**  
Director  
**Harsha Viji**  
Managing Director

## Statement Pursuant to Section 212(1) (e) of The Companies Act, 1956, relating to Subsidiary Companies.

Name of the Subsidiary Company	Financial Year of the Subsidiary Ended.	Holding Company's Interest in the Subsidiary	Net aggregate amount of the profits of the subsidiary not dealt with in the Holding Company's accounts.		Net aggregate amount of the profits of the subsidiary dealt with in the Holding Company's accounts by way of dividends on the shares held in Subsidiary Company	
			a) For the financial year of the Subsidiary Company	b) For the previous financial years since it became a Subsidiary Company	c) For the previous financial years, since it became a Subsidiary Company	d) For the previous financial years, since it became a Subsidiary Company
Sundaram Asset Management Singapore Pte Ltd	31.03.2013	17,75,001 Equity Shares of 1 SGD ( 100%)	(2,89,65,692)	(2,47,12,778)	Nil	Nil

Conversion Rate: 1 SGD = INR 43.8124

**D.N.Ghosh**  
Chairman**T T Srinivasaraghavan**  
Director**T Anantha Narayanan**  
Director**S Krishnamurthy**  
Director**Ashoke Bijapurkar**  
Director**T P Raman**  
Director**Harsha Viji**  
Managing Director**Rishiksha T Krishnan**  
Director**P. Sundararajan**  
Company SecretaryChennai  
15th May, 2013

**Cash Flow Statement**

For the Year ended 31.03.2013

(Amount in Rs.)

Particulars	2012-13	2011-12
<b>A Cash Flow from Operating Activities :</b>		
Profit/(Loss) after tax	16,86,48,086	11,00,31,493
Add: Profit on sale of tangible assets	(45,212)	(6,32,372)
Financial Cost	13,81,242	15,50,959
Profit on sale of Non Current Investments	(48,140)	(1,16,64,843)
Loss on Sale of tangible Assets	3,16,363	80,615
Loss on sale of Current Investments	-	5,297
Depreciation	1,87,36,659	1,52,45,019
Income Tax	10,72,00,000	4,70,00,000
Deferred Tax	(2,73,58,533)	(18,17,014)
Interest Income	(22,27,800)	(70,69,548)
Dividend Income	(37,13,032)	(16,82,447)
Effect of foreign exchange rates on cash and cash equivalents	(34,003)	98,715
<b>Operating profit before working capital changes</b>	<b>26,28,55,630</b>	<b>15,11,45,874</b>
(Increase) / Decrease in Current Assets	-	-
(Increase) / Decrease in Long Term Loan and Advances	12,96,55,579	(16,24,63,028)
(Increase) / Decrease in Short Term Loan and Advances	(73,62,065)	(16,94,01,190)
(Increase) / Decrease in Trade Receivables	(3,58,62,149)	2,97,73,998
Increase / (Decrease) in Current Liabilities (Trade Payables)	8,23,83,799	(4,62,79,575)
Increase / (Decrease) in Other Long Term Liabilities	1,05,00,000	-
Increase / (Decrease) in Current Liabilities (Other current liabilities)	(8,82,053)	(32,71,515)
Increase / (Decrease) in Current Liabilities (Short Term Provisions)	25,29,145	61,69,221
<b>Cash generated from Operations</b>	<b>44,38,17,886</b>	<b>(19,43,26,215)</b>
Financial Cost	(13,81,242)	(15,50,959)
Direct Taxes Paid	(3,73,51,248)	(68,30,981)
<b>Net cash from operating activities</b>	<b>40,50,85,396</b>	<b>(20,27,08,154)</b>
<b>B Cash flow from investing activities</b>		
Purchase / Sale of Current Investments	(17,36,29,151)	19,42,55,959
Purchase / Sale of Non Current Investments	(14,17,69,760)	-
Purchase of Fixed Assets - Tangible	(63,38,175)	(2,05,57,060)
Purchase of Fixed Assets - InTangible	(20,88,384)	(34,07,627)
Sale of Fixed Assets - Tangible	5,90,369	9,01,378
Profit on Sale of Non-Investments	48,140	1,16,64,843
Loss on Sale of Current Investments	-	(5,297)
Dividend Income	37,13,032	16,82,447
Interest Income	22,27,800	70,69,548
<b>Net cash from investing activities</b>	<b>(31,72,46,129)</b>	<b>19,16,04,191</b>
<b>C Cash flow from financing activities</b>		
Dividend paid (including corporate dividend tax)	(3,56,40,557)	(4,45,50,697)
Current Liability ( Short Term Borrowing)	(5,33,33,334)	5,33,33,334
<b>Net cash from financing activities</b>	<b>(8,89,73,891)</b>	<b>87,82,637</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A) + (B) + (C)</b>	<b>(11,34,624)</b>	<b>(23,21,327)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>61,05,771</b>	<b>84,27,098</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>49,71,147</b>	<b>61,05,771</b>
<b>Note : Cash &amp; Cash Equivalents comprise the following :</b>		
a. Cash on hand	66,164	1,17,877
b. Balances with Banks in Current accounts	49,04,983	59,87,894
<b>Total</b>	<b>49,71,147</b>	<b>61,05,771</b>

For **Brahmayya & Co.**  
Chartered Accountants  
Firm Registration Number: 000511S

**P.Babu**  
Partner  
Membership No.203358

Chennai  
15th May, 2013

**D.N.Ghosh**  
Chairman

**T T Srinivasaraghavan**  
Director

**T Anantha Narayanan**  
Director

**T P Raman**  
Director

**P. Sundararajan**  
Company Secretary

**S Krishnamurthy**  
Director

**Ashoke Bijapurkar**  
Director

**Rishiksha T Krishnan**  
Director

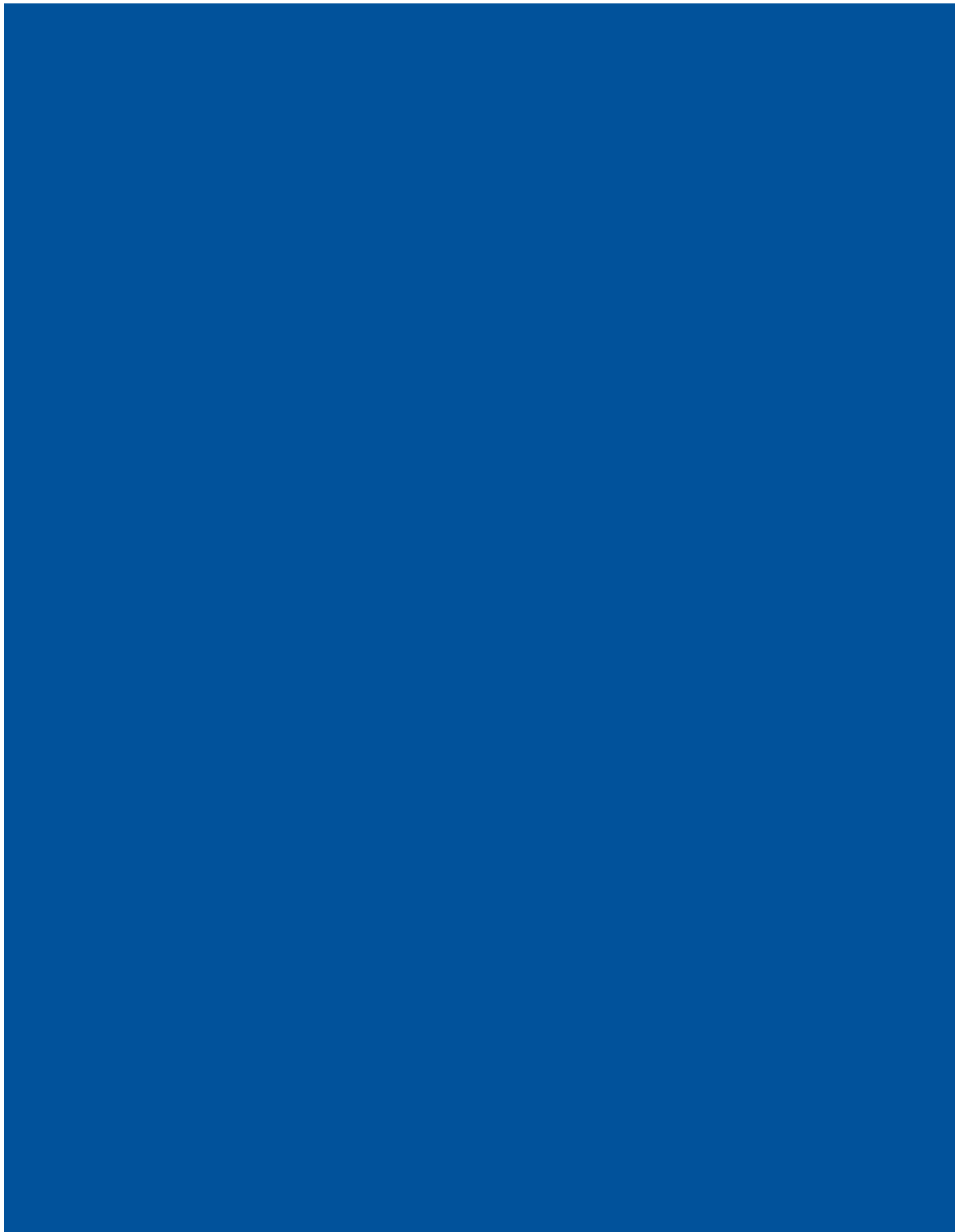
**Harsha Viji**  
Managing Director

**Branches**

<b>Ahmedabad</b>	<b>Jodhpur</b>
<b>Bangalore</b>	<b>Kanpur</b>
<b>Baroda (Vadodara)</b>	<b>Kolkatta</b>
<b>Bhilai</b>	<b>Lucknow</b>
<b>Bhopal</b>	<b>Ludhiana</b>
<b>Bhubaneshwar</b>	<b>Madurai</b>
<b>Calicut (Kozhikode)</b>	<b>Mangalore</b>
<b>Chandigarh</b>	<b>Mumbai</b>
<b>Chennai</b>	<b>Nagpur</b>
<b>Cochin</b>	<b>Nashik</b>
<b>Coimbatore</b>	<b>Patna</b>
<b>Cuttack</b>	<b>Pondicherry</b>
<b>Dehradun</b>	<b>Pune</b>
<b>Delhi</b>	<b>Raipur</b>
<b>Durgapur (Kolkatta)</b>	<b>Rajkot</b>
<b>Goa</b>	<b>Salem</b>
<b>Guwahati</b>	<b>Surat</b>
<b>Hyderabad</b>	<b>Trichy</b>
<b>Indore</b>	<b>Trivandrum</b>
<b>Jaipur</b>	<b>Varanasi</b>
<b>Jalandhar</b>	<b>Vijayawada</b>
<b>Jamshedpur</b>	<b>Vizag</b>

\* Corporate office and two branches in Chennai.





**Sundaram Asset Management Singapore Pte. Ltd.**  
**Registration Number 201111900M**

**Annual Report**

Period from 19 May 2011 (date of incorporation) to 30 September 2012





## Directors Report

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial period from 19 May 2011 (date of incorporation) to 30 September 2012.

### Directors

The directors in office at the date of this report are as follows:

Benoy Philip	(Appointed on 19 May 2011)
Harsha Viji	(Appointed on 3 June 2011)
Tallam Puranam Raman	(Appointed on 3 June 2011)
Vijayendiran Ranganatha Rao	(Appointed on 3 June 2011)
Colin Ng Teck Sim	(Appointed on 18 June 2012)

### Directors Interest

According to the register kept by the Company for the purposes of Section 164 of the Companies Act Chapter 50 (the Act), particulars of interests of director who held office at the end of the financial period (including those held by their spouses and infant children) in shares, debentures, warrants or share options of the Company or of related corporations (other than wholly-owned subsidiaries) are as follows.

Name of director and corporation in which interests are held	Holdings at date of incorporation/ date of appointment	Holdings at end of the period
<b>Ordinary shares</b>		
<b>Harsha Viji</b>		
Sundaram Finance Ltd		
- interests held	6,74,987	6,78,737
- deemed interests	4,06,991	4,16,991
Sundaram Asset Management Company Ltd		
Sundaram Trustee Company Ltd		
Sundaram Infotech Solutions Ltd		
Sundaram Business Services Ltd	1 ordinary share in each company	1 ordinary share in each company
Professional Management Consultants Ltd		
Sundaram Insurance Broking Services Ltd		
Sundaram BNP Paribas Fund Services Ltd		
<b>Tallam Puranam Raman</b>		
Sundaram Finance Ltd		
- interests held	1,314	3,814
Sundaram Asset Management Company Ltd		
-interests held	1	1
<b>Ranganathan Rao Vijayendiran</b>		
Sundaram Finance Ltd		
- interests held	700	700

### Benoy Philip

Sundaram Asset Management Singapore Pte Ltd

-interests held	1	—
-----------------	---	---

### Options to subscribe to ordinary shares

#### Tallam Puranam Raman

Sundaram Finance Ltd

-INR 10 per share between 1 June 2013 and 31

August 2013	2,500	750
-------------	-------	-----

Except as disclosed in this report, no director who held office at the end of the financial period had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the date of incorporation, or date of appointment if later, or at the end of the financial period.

Neither at the end of, nor at any time during the financial period, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in note 11 to the financial statements, since the date of incorporation, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

### Share options

During the financial period, there were:

- no options granted by the Company to any person to take up unissued shares in the Company; and
- no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial period, there were no unissued shares of the Company under option

### Auditors

KPMG LLP were appointed as auditors of the Company by a resolution of the Board of Directors dated 16 August 2011.

The auditors, KPMG LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

**Ranganatha Rao Vijayendiran**

Director

29 October 2012

**Harsha Viji**

Director

## Statement by Directors

In our opinion:

- (a) the financial statements set out on pages FS1 to FS 15 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 30 September 2012 and the results, changes in equity and cash flows of the Company for the financial period from 19 May 2011 (date of incorporation) to 30 September 2012 in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On Behalf of the Board of Directors

**Ranganatha Rao Vijayendiran**

Director

**Harsha Viji**

Director

29 October 2012



**KPMG LLP**  
 16 Raffles Quay #22-00  
 Hong Leong Building  
 Singapore 048581

Telephone +65 6213 3388  
 Fax +65 6225 0984  
 Internet www.kpmg.com.sg

## Independent auditors' report

Member of the Company  
 Sundaram Asset Management Singapore Pte. Ltd,

### Report on the financial statements

We have audited the accompanying financial statements of Sundaram Asset Management Singapore Pte. Ltd. (the Company), which comprise the statement of financial position as at 30 September 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 19 May 2011 (date of incorporation) to 30 September 2012, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS15.

### Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards.

Management has acknowledged that its responsibility includes devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

### Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. 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 disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

### Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Company as at 30 September 2012 and the results, changes in equity and cash flows of the Company for the period from 19 May 2011 (date of incorporation) to 30 September 2012.

### Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

### KPMG LLP

*Public Accountants and  
 Certified Public Accountants*

### Singapore

Dated: 29<sup>th</sup> October 2012

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

## Statement of financial position

As at 30 September 2012

	Note	2012 \$
<b>Non-current assets</b>		
Property, plant and equipment	4	59,152
		<u>59,152</u>
<b>Current assets</b>		
Other receivables		26,020
Prepayment		24,120
Cash and cash equivalents	5	9,03,505
		<u>9,53,645</u>
<b>Total assets</b>		<u>10,12,797</u>
<b>Equity</b>		
Share capital	6	11,00,001
Accumulated losses		(5,64,059)
<b>Total equity</b>		<u>5,35,942</u>
<b>Current liabilities</b>		
Other payables	7	4,76,855
<b>Total liabilities</b>		<u>4,76,855</u>
<b>Total equity and liabilities</b>		<u>10,12,797</u>

## Statement of comprehensive income

Period from 19 May 2011 (date of incorporation) to 30 September 2012

	Note	Period from 19/05/2011 (date of incorporation) to 30/09/2012 \$
Revenue		—
Staff costs		(2,81,218)
Depreciation expense	4	(10,467)
Operating lease expense		(69,167)
Other operating expenses		(2,03,207)
<b>Loss before tax</b>	8	<u>(5,64,059)</u>
Tax expense	9	—
<b>Loss for the period</b>		<u>(5,64,059)</u>
Other comprehensive income for the period, net of tax		—
<b>Total comprehensive income for the period</b>		<u>(5,64,059)</u>

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

## Statement of changes in equity

Period from 19 May 2011 (date of incorporation) to 30 September 2012

	Note	Share Capital \$	Accumulated Losses \$	Total \$
At 19 May 2011 (date of incorporation)	6	1	—	1
Loss for the period		—	(5,64,059)	(5,64,059)
<b>Total comprehensive income for the period</b>		—	(5,64,059)	(5,64,059)
<b>Transactions with owners, recognised directly in equity</b>				
Issue of ordinary shares	6	11,00,000	—	11,00,000
Total transactions with owners		11,00,000	—	11,00,000
At 30 September 2012		11,00,001	(5,64,059)	5,35,942

## Statement of cash flows

Period from 19 May 2011 (date of incorporation) to 30 September 2012

	Note	2012 \$
<b>Cash Flows from operating activities</b>		
Loss before tax		(5,64,059)
Adjustments for:		
Depreciation	4	10,467
		(5,53,592)
<b>Changes in working capital:</b>		
Other receivables		(26,020)
Prepayments		(24,120)
Other payables		4,76,855
<b>Net cash used in operating activities</b>		(126,877)
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	4	(69,619)
<b>Net cash used in investing activities</b>		(69,619)
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares	6	11,00,001
<b>Net cash generated from financing activities</b>		11,00,001
<b>Net decrease in cash and cash equivalents</b>		9,03,505
<b>Cash and cash equivalents at beginning of period</b>		—
<b>Cash and cash equivalents at end of period</b>	5	9,03,505

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

## Notes to the Financial Statements

These notes form an integral part of the financial statements. The financial statements were authorised for issue by the Board of Directors on 29 October 2012.

### 1 Domicile and activities

Sundaram Asset Management Singapore Pte. Ltd. (the "Company") is a company incorporated in Singapore. The address of the Company's registered office is 47 Hill Street #3-01 Singapore Chinese Chamber of Commerce & Industry Building Singapore 179365.

The immediate and ultimate holding Companies are Sundaram Asset Management Company Limited and Sundaram Finance Ltd respectively, both of which incorporated in the Republic of India.

The principal activities of the Company are those relating to the provision of fund management and related services, for which the Company holds a Capital Markets Services Licence granted by the Monetary Authority of Singapore ("MAS") on 31 August 2012.

### 2 Basis of preparation

- (a) **Statement of compliance**  
The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).
- (b) **Basis of measurement**  
The financial statements have been prepared on the historical cost basis.
- (c) **Functional and presentation currency**  
The financial statements are presented in Singapore dollars, which is the Company's functional currency.
- (d) **Use of estimates and judgements**  
The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.  
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### 3 Significant accounting policies

- (a) **Foreign currency transactions**  
Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at

the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognized in profit or loss.

#### (b) *Financial instruments*

##### **Non-derivative financial assets**

The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into loans and receivables.

##### **Loan and receivables**

Loan and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and other receivables.

Cash and cash equivalents comprise bank balances, fixed deposits and cash held in trust by a third party service provider.

**Non-derivative financial liabilities**

All other financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise other payables.

**Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(c) *Impairment*

**Non-derivative financial asset**

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Company considers evidence of impairment for loans and receivables at a specific asset level. All individually significant loans and receivables are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest

rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

**Non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuous use that are largely independent of the cash inflows of other assets.

Impairment losses are recognised in profit or loss. An impairment loss in respect of assets recognised in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

(d) *Employee benefits*

**Defined contribution plans**

Obligations for contribution to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

**Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or conservative obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

*(e) Property, plant and equipment*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

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

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

The estimated useful lives are as follows:

Furniture and fittings 3 years

Office equipment 3 years

Computer and electrical equipment 3 years

Depreciation methods, useful lives and residual values are reviewed, at the end of each reporting period and adjusted if appropriate.

*(f) Revenue recognition*

Revenue is recognised in profit or loss on an accrual basis when services are rendered.

*(g) Lease payments*

Payments made under operating lease are recognised in profit or loss on a straight-line basis over the term of the lease.

*(h) Income tax*

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects either accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In the ordinary course of business, there are many transactions and calculations for which the ultimate tax treatment is uncertain. Therefore, the Company recognises tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognised when the Company believes that certain positions may not be fully sustained upon review by tax authorities, despite the Company's belief that its tax return positions are supportable. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of multifaceted judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities, such changes to tax liabilities will impact tax expense in the period that such a determination is made.

*(i) New accounting standards and interpretations not yet adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 19 May 2011, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.



**4 Property, plant and equipment**

	Furniture and fittings	Office equipment	Computer electrical equipment	Total
	\$	\$	\$	\$
<b>Cost</b>				
At 19 May 2011 (date of incorporation)	–	–	–	–
Additions	57,220	5,689	6,710	69,619
At 30 September 2012	57,220	5,689	6,710	69,619
<b>Accumulated depreciation</b>				
At 19 May 2011 (date of incorporation)	–	–	–	–
Depreciation for the period	9,242	650	575	10,467
At 30 September 2012	9,242	650	575	10,467
<b>Carrying amount</b>				
At 19 May 2011 (date of incorporation)	–	–	–	–
At 30 September 2012	47,978	5,039	6,135	59,152

**5 Cash and cash equivalents**

	2012
	\$
Bank balances	6,53,505
Fixed deposits with bank	2,50,000
	<u>9,03,505</u>

**6 Share capital**

	Number of shares
<b>Issued and fully paid with no par value:</b>	
At 19 May 2011 (date of incorporation)	1
Issued for cash during the period	11,00,000
At 30 September 2012	<u>11,00,001</u>

On 19 May 2011, the Company was incorporated with issued and paid up share capital of \$1 comprising 1 ordinary share. Subsequently, the Company issued 4,00,000 and 7,00,000 ordinary shares at \$1 per share on 6 June 2012 and 26 September 2012 respectively.

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

**Capital management**

The Company defines "capital" to be share capital and accumulated profits. The immediate holding company ensure that the Company has adequate capital in order to meet its obligations and to sustain the operations of the Company. The Company is subject to externally imposed minimum base capital requirements under Securities and Futures ((Financial and Margin Requirements For Holders of Capital Markets Services Licenses) Regulations.

**7 Other payables**

	2012
	\$
Amount due to a director	81,748
Amount due to immediate holding company	3,70,996
Accrued expenses	17,591
Others	6,520
	<u>4,76,855</u>

Amount due to immediate holding company and a director is unsecured, interest-free and repayable on demand.

**8 Loss before tax**

The following items have been included in arriving at loss before tax:

	Period from 19/5/2011 (date of incorporation) to 30/9/2012
	\$
Contribution to a defined contribution plans included in staff costs	2,445

	Period from 19/5/2011 (date of incorporation) to 30/9/2012
	\$
Contribution to a defined contribution plans included in staff costs	2,445

**9 Tax expense**

	Period from 19/5/2011 (date of incorporation) to 30/9/2012
	\$
<b>Tax recognised in profit or loss</b>	
<b>Current tax expense</b>	
Current period	–
<b>Reconciliation of effective tax rate</b>	
Loss before tax	(5,64,059)
Income tax using the Singapore tax rate of 17%	(95,890)
Deferred tax asset not recognised	95,890
	<u>–</u>

**Tax recognised in profit or loss****Current tax expense**

Current period	–
----------------	---

**Reconciliation of effective tax rate**

Loss before tax	(5,64,059)
Income tax using the Singapore tax rate of 17%	(95,890)
Deferred tax asset not recognised	95,890
	<u>–</u>

Unutilised tax losses amounting to \$564,059 are available for set off against taxable profits of future years subject to compliance with the provisions of Section 37 of the Singapore Income Tax Act, Chapter 134 and agreement with the Inland Revenue Authority of Singapore.

Deferred tax assets have not been recognised in respect of these tax losses because it is not probable that future taxable profits will be available against which the Company can utilise the benefits.

**10 Commitments****Operating lease commitment**

At reporting date, the Company has commitments for future

minimum lease payments under non-cancellable operating leases as follows:

	2012 \$
Within 1 year	80,424
After 1 year but within 5 years	15,828
	<u>96,252</u>

## 11 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

### Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors are considered as key management personnel of the Company. The compensation details of key management personnel are as follows:

	2012 \$
Director's fees	9,850
Short-term employee benefits	1,42,060
Contribution to a defined contribution plan	800

Other than disclosed elsewhere in the financial statements, the significant transactions between the Company and its related corporations during the financial period are as follows:

	2012 \$
<b>Immediate holding company</b>	
Short-term employee benefits	<u>2,07,113</u>

## 12 Financial risk management

### Overview of risk management

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks.

The Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

### Credit risk

#### Exposure to credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Concentration of credit risk exist when a number of counterparties are engaged in similar activities, or operate in the same geographical areas or industry sectors and have similar economic characteristics so that their ability to meet

contractual obligations is similarly affected by changes in economic, political or other conditions.

As at reporting date, there were no significant concentrations of credit risks. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Cash is placed with a bank which is of reputable credit standing.

### Impairment losses

The ageing of loans and receivables at the reporting date was:

	2012 Gross \$	2012 Impairment losses \$
Not past due	26,020	–

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages the liquidity structure of its assets, liabilities and commitments so that cash flows are appropriately balanced and all funding obligations are met when due.

As at reporting date, liabilities mainly comprise of amount due to immediate holding company and a director. The Company do not have significant liabilities due to third parties.

### Currency risk

The Company is not exposed to significant foreign currency risk as most of its transactions and balances are denominated in Singapore dollar.

### Interest rate risk

The Company is not exposed to significant interest rate risk.

### Estimation of fair values

The carrying amounts of financial assets and financial liabilities as disclosed in the statement of financial position approximate their fair values because of their short period of maturity.

### Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Loan and receivables \$	Other financial liabilities within the scope of FRS 39 \$	Total carrying amount \$	Fair value \$
<b>30 September 2012</b>					
Cash and cash equivalents	5	9,03,505	–	9,03,505	9,03,505
Other receivables		26,020	–	26,020	26,020
Other payables	7	–	(4,76,855)	(4,76,855)	(4,76,855)
		<u>9,29,525</u>	<u>(4,76,855)</u>	<u>4,52,670</u>	<u>4,52,670</u>

## 13 Comparative information

No comparative figures are provided as this is the first set of financial statements prepared for the Company since the date of its incorporation.

**Sundaram Asset Management Singapore Pte. Ltd.**  
**Registration Number 201111900M**

**Annual Report**

Period from 1 October 2012 to 31 March 2013



## Directors Report

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial period from 1 October 2012 to 31 March 2013.

### Directors

The directors in office at the date of this report are as follows:

Harsha Viji  
Tallam Puranam Raman  
Colin Ng Teck Sim  
Ranganatha Rao Vijayendiran  
Benoy Philip

### Change of financial year end

During the period, the Company changed its financial year end from 30 September to 31 March to be in line with the financial year end of its immediate and ultimate holding company, Sundaram Asset Management Company Limited and Sundaram Finance Limited respectively.

### Directors Interest

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the Act), particulars of interests of director who held office at the end of the financial period (including those held by their spouses and infant children) in shares, debentures, warrants or share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the period	Holdings at end of the period
<b>Ordinary shares</b>		
<b>Harsha Viji</b>		
Sundaram Finance Ltd		
- interests held	6,78,737	13,57,474
- deemed interests	4,16,991	8,33,382
Sundaram Asset Management Company Ltd		
Sundaram Trustee Company Ltd		
Sundaram Infotech Solutions Ltd	1 ordinary share	1 ordinary share
Sundaram Business Services Ltd	in each company	in each company
Professional Management Consultants Ltd		
Sundaram Insurance Broking Services Ltd		
Sundaram BNP Paribas Fund Services Ltd		
<b>Ordinary shares</b>		
<b>Tallam Puranam Raman</b>		
Sundaram Finance Ltd		
- interests held	3,814	7,628
Sundaram Asset Management Company Ltd		
-interests held	1	1

### Ranganatha Rao Vijayendiran

Sundaram Finance Ltd  
- interests held 700 1,400

### Options to subscribe to ordinary shares

#### Tallam Puranam Raman

Sundaram Finance Ltd  
- INR 10 per share between 1 June 2013 and 31 August 2013 750 1,500

Except as disclosed in this report, no director who held office at the end of the financial period had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning or at the end of the financial period.

Neither at the end of, nor at any time during the financial period, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in note 8 and 11 to the financial statements, since the end of the last financial period, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

### Share options

During the financial period, there were:

- no options granted by the Company to any person to take up unissued shares in the Company; and
- no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial period, there were no unissued shares of the Company under option.

### Auditors

The auditors, KPMG LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

**Ranganatha Rao Vijayendiran**

Director

30 April 2013

**Harsha Viji**

Director

## Statement by Directors

In our opinion:

- (a) the financial statements set out on pages FS1 to FS15 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2013 and the results, changes in equity and cash flows of the Company for the period from 1 October 2012 to 31 March 2013 in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On Behalf of the Board of Directors

**Ranganatha Rao Vijayendiran**  
Director

**Harsha Viji**  
Director

30 April 2013



**KPMG LLP**  
 16 Raffles Quay #22-00  
 Hong Leong Building  
 Singapore 048581

Telephone +65 6213 3388  
 Fax +65 6225 0984  
 Internet www.kpmg.com.sg

## Independent auditors' report

Member of the Company

Sundaram Asset Management Singapore Pte. Ltd,

### Report on the financial statements

We have audited the accompanying financial statements of Sundaram Asset Management Singapore Pte. Ltd. (the Company), which comprise the statement of financial position as at 31 March 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 1 October 2012 to 31 March 2013, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS15.

### Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards.

Management has acknowledged that its responsibility includes devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

### Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. 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 disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

### Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Company as at 31 March 2013 and the results, changes in equity and cash flows of the Company for the period from 1 October 2012 to 31 March 2013.

### Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

### KPMG LLP

*Public Accountants and*

*Certified Public Accountants*

**Singapore**

30<sup>th</sup> April 2013

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

## Statement of financial position

As at 31 March 2013

	Note	31/03/13 \$	30/09/12 \$
<b>Non-current assets</b>			
Property, plant and equipment	4	47,893	59,152
		<u>47,893</u>	<u>59,152</u>
<b>Current assets</b>			
Other receivables		34,956	26,020
Prepayment		35,513	24,120
Cash and cash equivalents	5	5,83,500	9,03,505
		<u>6,53,969</u>	<u>9,53,645</u>
<b>Total assets</b>		<b><u>7,01,862</u></b>	<b><u>10,12,797</u></b>
<b>Equity</b>			
Share capital	6	17,75,001	11,00,001
Accumulated losses		(12,25,189)	(5,64,059)
<b>Total equity</b>		<u>5,49,812</u>	<u>5,35,942</u>
<b>Current liabilities</b>			
Other payables	7	1,52,050	4,76,855
Total liabilities		<u>1,52,050</u>	<u>4,76,855</u>
Total equity and liabilities		<u>7,01,862</u>	<u>10,12,797</u>

## Statement of comprehensive income

Period from 1 October 2012 to 31 March 2013

	Note	Period from 01/10/2012 to 31/03/2013 \$	Period from 19/05/2011 (date of incorporation) to 30/09/2012 \$
Revenue		—	—
Staff costs		(5,30,830)	(2,81,218)
Depreciation expense	4	(11,259)	(10,467)
Operating lease expense		(43,027)	(69,167)
Other operating expenses		(76,014)	(2,03,207)
<b>Loss before tax</b>	8	<u>(6,61,130)</u>	<u>(5,64,059)</u>
Tax expense	9	—	—
<b>Loss for the period</b>		<u>(6,61,130)</u>	<u>(5,64,059)</u>
<b>Other comprehensive income for the period, net of tax</b>		—	—
<b>Total comprehensive income for the period</b>		<u>(6,61,130)</u>	<u>(5,64,059)</u>

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



## Statement of changes in equity

Period from 1 October 2012 to 31 March 2013

	Note	Share Capital \$	Accumulated Losses \$	Total \$
At 19 May 2011 (date of incorporation)	6	1	—	1
Loss for the period		—	(5,64,059)	(5,64,059)
<b>Total comprehensive income for the period</b>		—	(5,64,059)	(5,64,059)
<b>Transactions with owners, recognised directly in equity</b>				
Issue of ordinary shares	6	11,00,000	—	11,00,000
Total transactions with owners		11,00,000	—	11,00,000
At 30 September 2012		11,00,001	(5,64,059)	5,35,942
At 1 October 2012		11,00,001	(5,64,059)	5,35,942
Loss for the period		—	(6,61,130)	(6,61,130)
Total comprehensive income for the period		—	(6,61,130)	(6,61,130)
<b>Transactions with owners, recognised directly in equity</b>				
Issue of ordinary shares	6	6,75,000	—	6,75,000
Total transactions with owners		6,75,000	—	6,75,000
At 31 March 2013		17,75,001	(12,25,189)	5,49,812

## Statement of cash flows

Period from 1 October 2012 to 31 March 2013

	Note	Period from 01/10/2012 to 31/03/2013 \$	Period from 19/05/2011 (date of incorporation) to 30/09/2012 \$
<b>Cash flows from operating activities</b>			
Loss before tax		(6,61,130)	(5,64,059)
Adjustments for:			
Depreciation	4	11,259	10,467
		(6,49,871)	(5,53,592)
Changes in working capital:			
Other receivables		(8,936)	(26,020)
Prepayments		(11,393)	(24,120)
Other payables		(3,24,805)	4,76,855
<b>Net cash used in operating activities</b>		(9,95,005)	(1,26,877)
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	4	—	(69,619)
<b>Net cash used in investing activities</b>		—	(69,619)
<b>Cash flows from financing activities</b>			
Proceeds from issue of ordinary shares	6	6,75,000	11,00,001
<b>Net cash generated from financing activities</b>		6,75,000	11,00,001
<b>Net (decrease)/increase in cash and cash equivalents</b>		(3,20,005)	9,03,505
Cash and cash equivalents at beginning of period		9,03,505	—
<b>Cash and cash equivalents at end of period</b>	5	5,83,500	9,03,505

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

## Notes to the financial statements

These notes form an integral part of the financial statements. The financial statements were authorised for issue by the Board of Directors on 30 April 2013.

### 1 Domicile and activities

Sundaram Asset Management Singapore Pte. Ltd. (the "Company") is a company incorporated in Singapore. The address of the Company's registered office is 47 Hill Street #3-01 Singapore Chinese Chamber of Commerce & Industry Building Singapore 179365.

The immediate and ultimate holding companies are Sundaram Asset Management Company Limited and Sundaram Finance Limited respectively, both of which incorporated in the Republic of India.

The principal activities of the Company are those relating to the provision of fund management and related services, for which the Company holds a Capital Markets Services Licence granted by the Monetary Authority of Singapore ("MAS") on 31 August 2012.

### 2 Basis of preparation

#### 2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

#### 2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis.

#### 2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the Company's functional currency.

#### 2.4 Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### 3.1 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to

the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognized in profit or loss.

#### 3.2 Financial instruments

##### **Non-derivative financial assets**

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into loans and receivables.

##### **Loan and receivables**

Loan and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and other receivables.

Cash and cash equivalents comprise cash at bank and fixed deposits with bank.

##### **Non-derivative financial liabilities**

All other financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise other payables.

#### **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

### 3.3 Impairment

#### **Non-derivative financial asset**

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Company considers evidence of impairment for loans and receivables at both a specific and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

#### **Non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

### 3.4 Employee benefits

#### **Defined contribution plans**

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

#### **Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

### 3.5 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

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

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

The estimated useful lives for the current and comparative periods are as follows:

Furniture and fittings 3 years

Office equipment 3 years

Computer equipment 3 years

Depreciation methods, useful lives and residual values are reviewed, at the end of each reporting period and adjusted if appropriate.

### 3.6 Revenue recognition

Revenue is recognised in profit or loss on an accrual basis when services are rendered.

### 3.7 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

### 3.8 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects either accounting nor taxable profit or loss.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes

levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

### 3.9 New accounting standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 October 2012, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

## 4 Property, plant and equipment

	Furniture and fittings \$	Office equipment \$	Computer equipment \$	Total \$
<b>Cost</b>				
At 19 May 2011 (date of incorporation)	—	—	—	—
Additions	57,220	5,689	6,710	69,619
At 30 September 2012	57,220	5,689	6,710	69,619
Additions	—	—	—	—
At 31 March 2013	57,220	5,689	6,710	69,619
<b>Accumulated depreciation</b>				
At 19 May 2011 (date of incorporation)	—	—	—	—
Depreciation for the period	9,242	650	575	10,467
At 30 September 2012	9,242	650	575	10,467
Depreciation for the period	9,193	948	1,118	11,259
At 31 March 2013	18,435	1,598	1,693	21,726

**Carrying amount**

At 19 May 2011 (date of incorporation)	—	—	—	—
At 30 September 2012	47,978	5,039	6,135	59,152
At 31 March 2013	38,785	4,091	5,017	47,893

**5 Cash and cash equivalents**

	31/3/2013 \$	30/9/2012 \$
Cash at bank	3,33,500	6,53,505
Fixed deposits with bank	2,50,000	2,50,000
	5,83,500	9,03,505

**6 Share capital**

	Number of shares
Issued and fully paid shares with no par value:	
At 19 May 2011 (date of incorporation)	1
Issued for cash during the period	11,00,000
At 30 September 2012	11,00,001
At 1 October 2012	11,00,001
Issued for cash during the period	6,75,000
At 31 March 2013	17,75,001

On 26 December 2012, the Company issued 6,75,000 ordinary shares at \$1 per share for working capital purposes. The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

**Capital management**

The Company defines "capital" to be share capital and accumulated profits. The immediate holding company ensures that the Company has adequate capital in order to meet its obligations and to sustain the operations of the Company. The Company is subject to externally imposed minimum base capital requirements under Securities and Futures (Financial and Margin Requirements For Holders of Capital Markets Services Licenses) Regulations.

**7 Other payables**

	31/3/2013 \$	30/9/2012 \$
Amount due to a director	84	81,748
Amount due to immediate holding company	6,650	370,996
Accrued expenses	1,40,050	17,591
Others	5,266	6,520
	1,52,050	4,76,855

Amount due to immediate holding company and a director is unsecured, interest-free and repayable on demand.

**8 Loss before tax**

The following items have been included in arriving at loss before tax:

	Period from 1/10/2012 to 31/3/2013 \$	Period from 19/5/2011 (date of incorporation) to 30/9/2012 \$
Contribution to a defined contribution plans included in staff costs	25,980	2,445

**9 Tax expense**

	Period from 1/10/2012 to 31/3/2013 \$	Period from 19/5/2011 (date of incorporation) to 30/9/2012 \$
<b>Tax recognised in profit or loss</b>		
<b>Current tax expense</b>		
Current period	—	—
<b>Reconciliation of effective tax rate</b>		
Loss before tax	(6,61,130)	(564,059)
Income tax using the Singapore tax rate of 17%	(1,12,392)	(95,890)
Deferred tax asset not recognised	1,12,392	95,890
	—	—

Unutilised tax losses amounting to \$12,25,189 (2012: \$5,64,059) are available for set off against taxable profits of future periods subject to compliance with the provisions of Section 37 of the Singapore Income Tax Act, Chapter 134 and agreement with the Inland Revenue Authority of Singapore. Deferred tax assets have not been recognised in respect of these tax losses because it is not probable that future taxable profits will be available against which the Company can utilise the benefits.

**10 Commitments****Operating lease commitment**

At reporting date, the Company has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	31/3/2013 \$	30/9/2012 \$
Within 1 year	1,13,673	80,424
After 1 year but within 5 years	57,600	15,828
	1,71,273	96,252

**11 Related parties**

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and

operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

### Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors are considered as key management personnel of the Company.

The compensation details of key management personnel are as follows:

	31/3/2013	30/9/2012
	\$	\$
Director's fees	17,650	9,850
Short-term employee benefits	2,90,760	1,42,060
Contribution to a defined contribution plan	8,800	800
Other than disclosed elsewhere in the financial statements, the significant transactions between the Company and its related corporations during the financial period are as follows:		
	31/3/2013	30/9/2012
	\$	\$
<b>Immediate holding company</b>		
Short-term employee benefits	–	2,07,113

## 12 Financial risk management

### Overview of risk management

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks.

The Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

### Credit risk

#### Exposure to credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Concentration of credit risk exist when a number of counterparties are engaged in similar activities, or operate in the same geographical areas or industry sectors and have similar economic characteristics so that their ability to meet contractual obligations is similarly affected by changes in economic, political or other conditions.

As at reporting date, there were no significant concentrations of credit risks. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Cash is placed with a bank which has reputable credit standing.

### Impairment losses

The ageing of loans and receivables at the reporting date was:

	31/3/2013		30/9/2012	
	Gross	Impairment losses	Gross	Impairment losses
	\$	\$	\$	\$
Not past due	34,956	—	26,020	—

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages the liquidity structure of its assets, liabilities and commitments so that cash flows are appropriately balanced and all funding obligations are met when due.

The carrying amount of the financial liabilities as at 31 March 2013 approximates their contractual cash flows and are repayable on demand or due within 6 months from the end of the reporting period.

### Currency risk

The Company is not exposed to significant foreign currency risk as most of its transactions and balances are denominated in Singapore dollar.

### Interest rate risk

The Company is not exposed to significant interest rate risk.

### Estimation of fair values

The carrying amounts of financial assets and financial liabilities as disclosed in the statement of financial position approximate their fair values because of their short period of maturity.

### Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Loan and receivables	Other financial liabilities within the scope of FRS 39	Total carrying amount	Fair value
		\$	\$	\$	\$
<b>31 March 2013</b>					
Cash and cash equivalents	5	5,83,500	–	5,83,500	5,83,500
Other receivables		34,956	–	34,956	34,956
Other payables	7	–	(1,52,050)	(1,52,050)	(1,52,050)
		6,18,456	(1,52,050)	4,66,406	4,66,406
<b>30 September 2012</b>					
Cash and cash equivalents	5	9,03,505	–	9,03,505	9,03,505
Other receivables		26,020	–	26,020	26,020
Other payables	7	–	(4,76,855)	(4,76,855)	(4,76,855)
		9,29,525	(4,76,855)	4,52,670	4,52,670

## 13 Comparative information

During the period, the Company changed its financial year end from 30 September to 31 March to be in line with the financial year end of its immediate and ultimate holding company, Sundaram Asset Management Company Limited and Sundaram Finance Limited respectively. The current period figures cover the 6 months period from 1 October 2012 to 31 March 2013 whilst the comparative figures cover the period from 19 May 2011 (date of incorporation) to 30 September 2012.



