

SUNDARAM TRUSTEE
COMPANY LIMITED

8

ANNUAL REPORT
2011-2012

Board of Directors

K V Ramanathan

Chairman

S Viji

R Rajamani

M S Sundara Rajan

Audit Committee

R Rajamani

Chairman

M S Sundara Rajan

Secretary

T S Sriharan

Bankers

IDBI Bank Ltd

Auditors

M/s. Sundaram & Srinivasan, Chennai

Chartered Accountants

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

Home Page

Website: www.sundarammutual.com

SUNDARAM TRUSTEE COMPANY LIMITED

A subsidiary of



SUNDARAM FINANCE

Enduring values. New age thinking.

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Sponsors



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

DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting the Eighth Annual Report with the audited financial statement of accounts for the year ended March 31, 2012. The summarized financial results of the Company are given hereunder:

Financial Results:

(Rs. In lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Total Income	133.92	129.18
Total Expenditure	70.46	70.92
Profit Before Taxation	63.45	58.27
Provision for Taxation	17.64	17.24
Profit After Tax	45.81	41.01
Surplus Brought Forward	22.48	32.06
Amount available for appropriation	68.29	73.07
Less : Appropriations		
- Dividend Proposed (Final)	40.00	40.00
- Dividend Distribution Tax	6.49	6.49
- Transfer to General Reserves	4.59	4.10
Surplus carried to Balance Sheet	17.21	22.48

Financial Performance

During the year under review, your Company earned a gross income of Rs 133.92 lakhs by way of trusteeship fees and other income as against Rs. 129.18 lakhs in the previous year 2010-11, recording a growth of 3.67 %. Your company reported a Profit after tax of Rs. 45.81 lakhs for the year ended March 31, 2012 as against Rs. 41.01 lakhs in the previous year, recording a growth of 11.70%. After taking into account a sum of Rs. 22.48 lakhs brought forward from the previous year, a sum of Rs. 68.29 lakhs is available as surplus for the financial year 2011-12. Your Directors are happy to recommend a dividend of 800% on the paid up capital of the company. The dividend together with dividend tax absorbs a sum of Rs 46.49 lakhs. After transferring Rs. 4.59 lakhs to General Reserve, the balance of Rs 17.21 lakhs will be retained as surplus.

Snapshot of the Mutual Fund Industry

Gross mobilization by the mutual fund industry during the year amounted to Rs. 68,19,679 Crores as against Rs. 88,59,515 Crores in the previous year, registering a decline of 23.02%. The industry also witnessed a gross redemption of Rs. 68,41,702 Crores representing 23.20 % decrease from the previous year's figure of Rs. 89,08,921 Crores. On a net basis, there was an outflow of Rs.22,023 Crores in 2011-12 as against the Net outflow of Rs. 49,406 Crores recorded in the previous year.

Sundaram Mutual Fund - Performance

Trend in flows: Your Directors report that during 2011-12, Sundaram Mutual Fund schemes mobilized a sum of Rs. 59,922 Crores (Rs.49,788 Crores in 2010-11). This represented an increase of 20 % in the amount mobilized.

During the year 2011-12, the gross redemption from the schemes was Rs.59,874 Crores as against the previous year's redemption amount of Rs.49,557 Crores. This represents an increase of 20.82% from the corresponding figure in the previous year. Net Inflow during the year 2011-12 was Rs.48.34 Crores.

State of AUM: The Average Assets under Management of Sundaram Mutual Fund for the year ended March 31, 2012 was Rs.14,226.33 Crores, as compared to Rs.13,945.54 Crores for the previous year ended at March 31, 2011. This represents a growth of 2.01 % from the previous year. The closing AUM of Rs. 11864.24 Crores of the Sundaram Mutual Fund as at March 31, 2012 represented a share of 2.02 % of the Industry AUM of Rs.5,87,217 Crores.

During the year 2011-12 the Fund house launched Sundaram Equity Plus, an open ended equity scheme and successfully mobilized Rs.133.68 Crores from 27,045 investors. The Fund house also launched a series of Fixed Term Plans and Capital Protection Oriented Funds during the year.

Performance of Scheme

The performance of Sundaram Mutual Fund schemes received critical acclaim from independent fund intelligence outfits during the year. The industry faced redemption pressures during the year following volatility in the equity market. The scheme's overall performance reflected the general trend in the mutual fund industry.

Board of Directors

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

under review, Six Board Meetings were held.

Directorship

Mr. S. Viji retires at the ensuing General Meeting and being eligible, offers himself for re-appointment. Necessary resolutions are submitted for your approval.

Audit Committee

The Audit committee of the Board consists of Mr. R. Rajamani and Mr. M. S. Sundara Rajan. The Managing Director and Deputy Managing Director of Sundaram Asset Management Company Ltd. (AMC), the Statutory Auditor, Internal Auditor, Head of Compliance, Operations and Risk Management were invited to the meetings of the Committee. During the year under review, the Committee met three times. The Committee reviewed the financial accounts/policies and adequacy of internal control systems and interacted with the Statutory Auditor and Internal Auditor. Besides, the Committee reviewed audit plans, unaudited /audited financial results, the observations of the Auditors and responses and follow-up reports of the management.

Public Deposits

Your company has not accepted any deposits from the public.

Particulars of Employee Remuneration

The Company has no employee on its payroll. Accordingly, the provisions of Section 217(2A) of the Companies Act, 1956 are not applicable.

Information under Section 217 (1) (e) of the Companies Act, 1956

Your Company has no activity relating to conservation of energy or technology absorption. The Company has no foreign exchange earnings.

There was no foreign exchange outgo during the year 2011-12. A sum of Rs. 14,97,000/- was paid during the year 2010-11 as dividend for the financial year 2009-10 to a Non Resident Shareholder, BNP Paribas Asset Management, France.

The 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, as would 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. Sundaram & Srinivasan, Chartered Accountants, Chennai, Statutory Auditors of your Company hold office until the conclusion of the Eighth Annual General Meeting and are recommended for re-appointment. The Company has received a certificate from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

Acknowledgement

Your Directors wish to place on record their deep appreciation of the professional support and guidance received from Sundaram Finance Limited, Sundaram Asset Management Company Ltd (AMC), Securities and Exchange Board of India and Association of Mutual Funds in India. Your Directors also acknowledge the support and co-operation extended by investors, bankers, Registrars, the Custodian and other service providers and look forward to their continued support. Your Directors place on record their appreciation of the dedication and commitment displayed by the employees of the AMC.

For and On behalf of the Board of Directors

Place: Chennai
Date : April 27, 2012

K V Ramanathan
Chairman

AUDITORS' REPORT

TO THE MEMBERS OF M/S. SUNDARAM TRUSTEE COMPANY LIMITED

1. We have audited the attached Balance Sheet of M/s. Sundaram Trustee Company Limited as at March 31, 2012, the Profit & Loss Statement for the year ended March 31, 2012 and cash flow statements of the company for the said year annexed hereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
 - (c) The Balance Sheet and the Profit and Loss Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion the Balance Sheet and the Profit and Loss Statement dealt with by this report comply with the Accounting Standards referred to in sub-section 3(c) of Section 211 of the Companies Act, 1956;
 - (e) As per information furnished to us, no director is disqualified as on March 31, 2012 from being appointed as a director of the company under clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - (ii) In the case of Profit and Loss Statement, of the profit for the year ended on that date; and
 - (iii) In the case of cash flow statement, of the cash flows for the year ended on that date.
 2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 3. As required by the Companies (Auditor's Report) Order, 2003 and on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of our audit, we enclose in the Annexure a statement on the matters specified in the said Order.
 4. Further to our comments in the Annexure referred to above 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 the audit;

for Sundaram & Srinivasan
Chartered Accountants
Firm Registration No. 004207S
 - (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 these books;

S. Usha
Partner
Membership No.211785
- Place: Chennai
Date : 27.04.2012

Annexure to the Auditors' Report

- i. (a) The company is maintaining proper records showing full particulars including quantitative details and the situation of fixed assets. Income Tax and Service Tax with the appropriate authorities. The other statutory dues are not applicable to the company.
- (b) These fixed assets were physically verified by the management at reasonable intervals. We are informed that no material discrepancies were noticed on such verification. (b) There are no disputed statutory dues by the company.
- (c) The company has not disposed off substantial part of fixed assets during the year. x. The company has no accumulated losses and has not incurred cash losses during this financial year and in the immediately preceding financial year.
- ii. The company does not hold any inventory. Hence, clauses (a), (b), (c) of paragraph (ii) of the Order are not applicable. xi. The company has not availed any loans from any financial institutions or bank or debenture holders and hence the clause (xi) of the Order is not applicable to the company.
- iii. The company has neither granted nor taken any loans, secured or unsecured to / and from companies, firms or other parties covered in the register maintained under section 301 of the Act. Hence the clauses (iii) (b) to (g) of the Order are not applicable. xii. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- iv. There is adequate internal control system commensurate with the size of the company and nature of its business for purchase of Fixed Assets. There are no major weaknesses in internal control system. xiii. The company is not a Chit Fund or Nidhi / Mutual Benefit Fund / Society. Therefore clause (xiii) of the Order is not applicable to the company.
- v. (a) The transactions that are needed to be entered into the register maintained under section 301 of the Act have been so entered. (b) Each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time. xiv. The company is not dealing or trading in Shares, Securities, Debentures and other investments.
- vi. The company has not accepted any deposits from the public. xv. The company has not given any guarantee for loans taken by other from banks or financial institutions.
- vii. As the company is not a listed company or the company's paid up capital and free reserves do not exceed Rs. 50 lakhs or its average annual turnover does not exceed Rs. 5 crores, the requirement of separate internal audit system is not applicable to the company. xvi. The company had not availed any Term Loans during the year.
- viii. The Central Government has not prescribed maintenance of cost records under clause (d) of sub section (1) of section 209 of the Act. xvii. The company had not raised any funds during the year.
- ix. (a) The company is regular in depositing xviii. The company has not made any preferential allotment of shares during the year.
- xix. The company has not issued any debentures during the year.
- xx. The company has not raised any money by way of public issues during the year.
- xxi. No fraud on or by the company has been noticed or reported during the year.

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

S. Usha
Partner

Place: Chennai
Date : 27.04.2012

Membership No.211785

Balance Sheet

as at 31st March 2012

Particulars	Note No.	31.03.12 Rs.	31.03.11 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Fund			
(a) Share Capital	1	5,00,000	5,00,000
(b) Reserves and Surplus	2	38,60,793	39,28,381
(2) Non- Current Liabilities			
(a) Deferred Tax Liabilities	3	17,639	10,862
(3) Current Liabilities			
(a) Trade Payables	4	1,62,140	-
(b) Other Current Liabilities	5	12,91,732	20,81,588
(c) Short term Provisions	6	46,48,900	46,48,900
		61,02,772	67,30,488
TOTAL		1,04,81,204	1,11,69,731
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	7	1,43,416	97,418
(b) Non-current Investments	8	15,00,000	-
(c) Long term Loans and Advances	9	7,29,312	6,09,448
(2) Current Assets			
(a) Current Investments	10	69,90,575	93,76,671
(b) Trade Receivables	11	9,78,972	10,13,433
(c) Cash and Cash Equivalents	12	1,17,474	56,446
(d) Short term Loan and Advances	13	21,455	16,315
		81,08,476	10,462,865
TOTAL		1,04,81,204	1,11,69,731

Significant Accounting Policies and other notes forming part of accounts 19

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

S Usha
Partner
Membership No. 211785

For SUNDARAM TRUSTEE COMPANY LIMITED

K V Ramanathan
Chairman

S Viji
Director

R Rajamani
Director

M.S. Sundara Rajan
Director

Chennai
April 27, 2012

T S Sritharan
Secretary

Profit and Loss Statement

for the year ended 31st March 2012

Particulars	Note No.	2011-12 Rs.	2010-11 Rs.
I Revenue from Operations			
Sale of Services			
- Trusteeship Fee	14	1,28,97,848	1,25,55,374
II Other Income	15	4,94,821	3,62,933
III Total Revenue	(A)	1,33,92,669	1,29,18,307
IV Expenses			
Administrative and Other Expenses	16	34,90,436	35,50,900
Finance Costs	17	3,450	-
Depreciation	7	52,902	40,830
Scheme Expenses Absorbed	18	35,00,000	35,00,000
Total Expenses	(B)	70,46,788	70,91,730
V Profit before Tax	(C)= (A-B)	63,45,881	58,26,577
VI Tax Expense			
Current Tax		18,50,000	17,40,000
Deferred Tax		6,777	(3,434)
Excess provision relating to Income Tax and Dividend Distribution Tax of previous years		(92,208)	(11,587)
Total - Tax Provisions	(D)	17,64,569	17,24,979
VII Profit after tax	(E) =(C-D)	45,81,312	41,01,598
Basic and diluted Earnings per Share	19	91.63	82.03

Significant Accounting Policies and other Notes forming part of accounts 19

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

S Usha
Partner
Membership No. 211785

For SUNDARAM TRUSTEE COMPANY LIMITED

K V Ramanathan
Chairman

S Viji
Director

R Rajamani
Director

M.S. Sundara Rajan
Director

T S Sritharan
Secretary

Chennai
April 27, 2012

ANNUAL REPORT 2011-2012

Notes forming part of the Balance Sheet as at March 31, 2012

Note No. 1 SHARE CAPITAL

Authorised

2,50,000 Equity Shares of Rs.10/- each

Issued, Subscribed and Fully Paid up

50,000 Equity Shares of Rs.10/- each

Total

31.03.12 Rs.	31.03.11 Rs.
25,00,000	25,00,000
5,00,000	5,00,000
5,00,000	5,00,000

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

There is no change in the holding pattern of the Share Capital during the year 2011-12.

b. **Terms/rights attached to Equity Shares:**

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

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

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

c. **Shares held by the Holding Company:**

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

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

M/s Sundaram Finance Ltd, the holding company and its nominees held 100% of the Equity Share Capital of the Company as on 31.3.12 & also on 31.3.11.

Note No. 2 RESERVES AND SURPLUS

1. General Reserve

As per the last Balance Sheet
Add: Transfer from surplus during the year

31.03.12 Rs.	31.03.11 Rs.
16,80,000	12,70,000
4,59,000	4,10,000
21,39,000	16,80,000
22,48,381	32,05,683
45,81,312	41,01,598
68,29,693	73,07,281
40,00,000	40,00,000
6,48,900	6,48,900
4,59,000	4,10,000
51,07,900	50,58,900
17,21,793	22,48,381
38,60,793	39,28,381

2. Surplus

As per the last Balance Sheet
Add: Profit for the year

Subtotal (a)

Less: Appropriation

(i) Dividend @ Rs.80/- per share
(ii) Dividend Distribution Tax
(iii) Transfer to General Reserve

Subtotal (b)

Balance (a) -(b)

Total

Notes forming part of the Balance Sheet as at March 31, 2012

Note No. 3**DEFERRED TAX LIABILITIES**

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

Total

31.03.12 Rs.	31.03.11 Rs.
17,639	10,862
17,639	10,862

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

For Services
-Sundaram Asset Management
Company Ltd (An associate)

Total

31.03.12 Rs.	31.03.11 Rs.
1,62,140	-
1,62,140	-

Note No. 5**OTHER CURRENT LIABILITIES**

Directors' Remuneration payable
Scheme & Other expenses payable
Audit Fees payable
Statutory Dues

Total

31.03.12 Rs.	31.03.11 Rs.
1,91,504	-
9,96,007	20,06,588
81,398	67,500
22,823	7,500
12,91,732	20,81,588

Note No. 6**SHORT TERM PROVISIONS**

Proposed Dividend
Dividend Distribution tax

Total

31.03.12 Rs.	31.03.11 Rs.
40,00,000	40,00,000
6,48,900	6,48,900
46,48,900	46,48,900

Notes forming part of the Balance Sheet as at March 31, 2012

Note No. 7**FIXED ASSETS - TANGIBLE ASSETS**

(in Rupees)

Description	Gross Block at Cost				Depreciation				Net Block	
	As at 1.04.11	Additions	Deductions	As at 31.03.12	As at 1.04.11	Additions	Deductions	As at 31.03.12	As at 31.03.12	As at 31.03.11
Computers	3,41,400	98,900	-	4,40,300	2,92,295	45,979	-	3,38,274	1,02,026	49,105
Furniture and Fixtures	13,906	-	-	13,906	9,059	877	-	9,936	3,970	4,847
Office Equipments	72,812	-	-	72,812	29,346	6,046	-	35,392	37,420	43,466
Total	4,28,118	98,900	-	5,27,018	3,30,700	52,902	-	3,83,602	1,43,416	97,418
Previous year figures(31.03.11)	4,28,118	-	-	4,28,118	2,89,870	40,830	-	3,30,700	97,418	

Note No. 8**NON-CURRENT INVESTMENTS****Other Investments Valued at Cost**

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

Sundaram Capital Protection Oriented Fund Growth Option - Series 2 at Cost: 50,000 units (Previous year Nil) of Rs.10/- each**Sundaram Fixed Term Plan Plan BQ- Growth Option at Cost:** - 1,00,000 units (Previous year Nil) of Rs.10/- each**Total****Aggregate value of unquoted Non Current Investments -**
[Net asset value - Rs.15,51,120/- (Previous year Nil)]**Total**

31.03.12 Rs.	31.03.11 Rs.
5,00,000	-
10,00,000	-
15,00,000	-
15,00,000	-
15,00,000	-

Note No. 9**LONG TERM LOANS AND ADVANCES**Advance Income Tax and Tax Deducted at Source
(Net of provisions)**Total**

31.03.12 Rs.	31.03.11 Rs.
7,29,312	6,09,448
7,29,312	6,09,448

Notes forming part of the Balance Sheet as at March 31, 2012

Note No. 10 CURRENT INVESTMENTS	31.03.12 Rs.	31.03.11 Rs.
Current Investments (valued at lower of cost and fair value)		
Investments in Mutual Funds - Sundaram Mutual Fund (an Associate)		
Sundaram Ultra Short Term Fund- Daily Dividend Reinvestment Option at Cost:- 2,82,850.828 units (Previous year 4,73,075.818 units) of Rs.10/- each.	28,38,974	47,48,262
Sundaram Bond Saver - Quarterly Dividend Option at Fair Value:- 26,875.700 units [Previous year 26,875.700 units] of Rs.10/- each. [Refer Note no.19 (B-2.2)]	2,89,927	2,82,689
Sundaram Quarterly Interval Fund Plan A -Growth Option at Cost:- 39,838 units (Previous year 39,837.463 units) of Rs.10/- each.	5,00,000	5,00,000
Sundaram Quarterly Interval Fund Plan B - Dividend Option at Cost:- 30,915 units (Previous year 30,544.770 units) of Rs.10/- each.	3,09,214	3,05,448
Sundaram Quarterly Interval Fund Plan E - Dividend Option at Cost:- 1,05,247 units (Previous year 1,04,027.225 units) of Rs.10/- each.	10,52,460	10,40,272
Sundaram Fixed Term Plan 367 days Series AN -Growth Option at Cost:- Nil units (Previous year 50,000 units) of Rs.10/- each	-	5,00,000
Sundaram Fixed Term Plan 367 days Series AO -Dividend Option at Cost:- Nil units (Previous year 50,000 units) of Rs.10/- each	-	5,00,000
Sundaram Fixed Term Plan 18 months Series R -Dividend Option at Cost:- Nil units (Previous year 1,50,000 units) of Rs. 10/- each.	-	15,00,000
Sundaram Quarterly Interval Fund Plan C - Growth option at Cost:- 80,611 units (Previous year Nil) of Rs.10/- each	10,00,000	-
Sundaram Fixed Term Plan Plan CC at Cost:- 1,00,000 units (Previous year Nil) of Rs.10/- each.	10,00,000	-
Total	69,90,575	93,76,671
Aggregate value of unquoted Investments - Current (Net asset value - Rs.71,63,938/- (Previous year Rs.94,91,960/-)	69,90,575	93,76,671
Total	69,90,575	93,76,671

Notes forming part of the Balance Sheet as at March 31, 2012

Note No. 11**TRADE RECEIVABLES - CURRENT**

Unsecured, considered good

Sundaram Mutual Fund (Associate)

Total

31.03.12 Rs.	31.03.11 Rs.
9,78,972	10,13,433
9,78,972	10,13,433

Note No. 12**CASH AND CASH EQUIVALENTS**

Balance with Scheduled Banks

- In Current Accounts

Total

31.03.12 Rs.	31.03.11 Rs.
1,17,474	56,446
1,17,474	56,446

Note No. 13**SHORT TERM LOANS AND ADVANCES**

Unsecured -Considered Good

Service tax credit receivable

Fringe Benefit Tax - Refund receivable

Total

31.03.12 Rs.	31.03.11 Rs.
17,415	12,275
4,040	4,040
21,455	16,315

Notes forming part

of the Profit and Loss Statement for the year ended March 31, 2012

Note No. 14

REVENUE FROM SALE OF SERVICES

Services Rendered

Trusteeship Fees

Total

2011-12 Rs.	2010-11 Rs.
1,28,97,848	1,25,55,374
1,28,97,848	1,25,55,374

Note No. 15

OTHER INCOME

Interest on Short term Deposit with a Scheduled Bank

Profit on Sale of Current Investments

Dividend from Current Investments

Interest on Income Tax Refund

Diminution in value of current investments written back

[Refer note no.19 (B-2.2)]

Total

2011-12 Rs.	2010-11 Rs.
-	96,314
68,445	261
4,00,522	2,55,944
18,616	3,168
7,238	7,246
4,94,821	3,62,933

Note No. 16

ADMINISTRATIVE AND OTHER EXPENSES

Directors Remuneration @

Directors Sitting Fees

Payments to the Auditor:

- Statutory Audit fees

- Tax Audit fees

Travel Expenses - Directors

Administrative expenses

Insurance

Printing and Stationery

Professional Fees

ROC Filing charges

Other expenses

Bank Charges

Total

2011-12 Rs.	2010-11 Rs.
7,48,598	6,53,913
2,90,000	3,20,000
75,000	75,000
30,000	16,000
3,29,006	4,61,292
18,00,000	18,00,000
1,71,000	1,37,500
19,250	16,335
23,500	65,000
2,520	5,610
1,562	-
-	250
34,90,436	35,50,900

@ Refer Note no. 19-B-2.3

Notes forming part

of the Profit and Loss Statement for the year ended March 31, 2012

Note No. 17

FINANCE COST

Interest on shortfall in payment of advance income tax

Total

2011-12 Rs.	2010-11 Rs.
3,450	-
3,450	-

Note No. 18

SCHEME EXPENSES ABSORBED

Sundaram Select Focus

Sundaram Select Midcap

Sundaram Tax Saver

Total

2011-12 Rs.	2010-11 Rs.
-	15,00,000
-	20,00,000
35,00,000	-
35,00,000	35,00,000

NOTE NO. 19

A Corporate Information

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

B SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012**1 SIGNIFICANT ACCOUNTING POLICIES****1.1 Accounting Policies**

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

1.2 Presentation and disclosure of financial statements

During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

1.3 Income Recognition

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

1.4 Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as Current investments. All other investments are classified as Non-Current Investments. Current investments are carried in the financial statements at lower of cost and fair value determined on individual investment basis. Non-current investments are carried at cost.

1.5 Valuation of Fixed Assets

Fixed assets are carried at historical cost less accumulated depreciation.

1.6 Depreciation Policy

Depreciation on assets is provided on the Written Down Value Method at rates prescribed in Schedule XIV to the Companies Act, 1956.

1.7 Scheme Expenses Absorbed

As permitted by Regulation 52(7) of SEBI (Mutual Funds) Regulations 1996, the expenses representing a part of expenses incurred by one of the Schemes of Sundaram Mutual Fund in excess of the limits specified in the Regulations have been borne by the Company.

2 Other Notes and Disclosures

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

2.2 Adjustment to the Carrying amount of investments**Current Investments - Investments In Mutual Funds**

Sundaram Bond Saver - Cost at the beginning of the year
Add - Adjustment towards reversal of diminution provision in value of investment
Carrying Cost at fair value at the year end

	2011-12 Rs.	2010-11 Rs.
	2,82,689	2,75,443
	7,238	7,246
	2,89,927	2,82,689

2.3 Directors Remuneration

Directors remuneration includes provision of Rs.2,12,782/- towards remuneration payable to one of the independent Directors, for the period from 16th June 2011 to 31st March 2012 and it is subject to the approval of Central Government for which an application has been submitted

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

Enclosed as Annexure A

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

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

2.6 Related Party Disclosures

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

Sl No.	Name	Relationship	Nature of Transaction	2011-12 (Rs.)	2010-11 (Rs.)
1	Sundaram Finance Ltd	Holding Company	Dividend Paid	40,00,000	15,03,000
2	BNP Paribas Asset Management, Paris	Associate (upto 30th September 2010)	Dividend Paid	-	14,97,000
3	Sundaram Asset Management Company Ltd	Fellow Subsidiary	Expenses	18,00,000	18,00,000
4	Sundaram Mutual Fund	Associate	Investments in Units	1,34,06,666	1,09,69,347
			Sale of Units	1,43,68,445	87,06,981
			Income	1,33,66,815	1,28,11,579
			Scheme Expenses	35,00,000	35,00,000
5	Sundaram BNP Paribas Home Finance Ltd.	Fellow Subsidiary		Nil	Nil
6	Sundaram Finance Distribution Ltd.	Fellow Subsidiary		Nil	Nil
7	Sundaram Infotech Solutions Ltd	Fellow Subsidiary		Nil	Nil
8	LGF Services Limited	Fellow Subsidiary		Nil	Nil
9	Sundaram Business Services Ltd	Fellow Subsidiary		Nil	Nil
10	Royal Sundaram Alliance Insurance Company Limited	Associate	Insurance	1,71,000	1,37,500
11	Infreight Logistics Solutions Limited	Fellow Subsidiary		Nil	Nil
12	Professional Management Consultants Limited	Fellow Subsidiary		Nil	Nil
13	Sundaram BNP Paribas Funds Services Ltd	Fellow Subsidiary		Nil	Nil
14	Sundaram Parekh Warehousing Services Ltd	Fellow Subsidiary		Nil	Nil
15	Sundaram Insurance Broking Services Ltd	Fellow Subsidiary		Nil	Nil
16	Caltec Servicez Pvt Ltd	Fellow Subsidiary		Nil	Nil
Outstanding Receivable as on 31st March 2012 - Sundaram Mutual Fund				9,78,972	10,13,433
Outstanding Payable as on 31st March 2012 - Sundaram Asset Management Company Limited				11,58,147	20,06,588

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

	31.03.12 Rs.	31.03.11 Rs.
Profit as per Profit and Loss Account	45,81,312	41,01,598
Weighted average number of equity shares	50,000	50,000
Basic and diluted earnings per share	91.63	82.03
Nominal Value of Shares	10	10

2.8 Remittances during the year in foreign currency on account of dividend to non-resident shareholders were as follows:

	31.03.12 Rs.	31.03.11 Rs.
No. of shareholders	-	1
Number of equity shares (Shares of Rs.10/- each)	-	24,950
Dividend Amount Remitted	-	14,97,000
Dividend paid for the year ended	-	31.03.2010

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

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

As per our report of even date attached

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

S Usha
Partner
Membership No. 211785

Chennai
April 27, 2012

For SUNDARAM TRUSTEE COMPANY LIMITED

K V Ramanathan
Chairman

R Rajamani
Director

S Viji
Director

M.S. Sundara Rajan
Director

T S Sritharan
Secretary

Cash Flow Statement

ANNEXURE A

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

	2011-12 Rs.	2010-11 Rs.
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit	45,81,312	41,01,598
Add: Lease Equalisation Account	-	-
Provision for Taxation (Including Wealth Tax)	17,64,569	17,24,979
	63,45,881	58,26,577
Add: Financial Expenses		
Depreciation	52,902	40,830
Provision against Investments (net)	-	-
Diminution - Value of investments written back	(7,238)	(7,246)
Provision against Non - Performing assets (net)	-	-
Contingent Provisions against Standard Assets	-	-
Employee Stock Option Compensation Expenses	-	-
(Profit) loss on sale of assets	-	-
(Profit) loss on sale of Investments	(68,445)	(261)
Interest / Dividend Income	(4,00,522)	(3,55,426)
Provision for Income tax and Dividend		
Distribution tax written back	92,208	11,587
Effect of Foreign Exchange rates on Cash and Cash Equivalents, net	-	-
	(3,31,095)	(3,10,516)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	60,14,786	55,16,061
(Increase) Decrease in Leased assets - net of sales	-	-
(Increase) Decrease in Long Term Loans and Advances	1,73,806	(11,68,482)
(Increase) Decrease in Short Term Loans and Advances	(5,140)	12,464
(Increase) Decrease in Other Non-Current Assets	-	-
(Increase) Decrease in Other Current Assets	34,461	11,45,750
(Increase) Decrease in SLR Investments - net of sales	-	-
Increase (Decrease) in Other Long-Term Provisions	-	-
Increase (Decrease) in Other Short-Term Provisions	-	-
Increase (Decrease) in Other Long-Term Liabilities	-	-
Increase (Decrease) in Non- Current Liabilities	-	-
Increase (Decrease) in Other Current Liabilities	(6,27,716)	(22,028)
	(4,24,589)	(32,296)
Cash generated from Operations	55,90,197	54,83,765
Financial Expenses	-	-
Direct Taxes Paid	(21,43,670)	(16,80,998)
NET CASH FROM OPERATING ACTIVITIES (A)	34,46,527	38,02,767
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(98,900)	-
Sale of Fixed Assets	-	-
Purchase of non-current Investments	(15,00,000)	-
Purchase of Investments in Subsidiaries / Joint Venture	-	-

Cash Flow Statement (Contd...)

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

	2011-12 Rs.	2010-11 Rs.
Purchase of current investments	(1,19,06,666)	(1,09,69,347)
Sale of non-current Investments	-	-
Sale of current Investments	1,43,68,445	87,07,242
Sale / Redemption of Investments in Subsidiaries / Joint Venture	-	-
Interest Received	-	99,482
Dividend Received	4,00,522	2,55,944
	12,63,401	(19,06,679)
NET CASH FROM INVESTING ACTIVITIES (B)	12,63,401	(19,06,679)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Increase (Decrease) in Long Term Borrowings	-	-
Increase (Decrease) in Short Term Borrowings	-	-
Dividend paid (including Corporate Dividend Tax)	(46,48,900)	(35,09,850)
	(46,48,900)	(35,09,850)
NET CASH FROM FINANCING ACTIVITIES (C)	(46,48,900)	(35,09,850)
D) Effect of Foreign Exchange rates on Cash and Cash Equivalents (D)	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C) - (D)	61,028	(16,13,762)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	56,446	16,70,208
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,17,474	56,446
E) COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Current Account with Banks	1,17,474	56,446
Cash, Stamps and Stamp Papers on Hand	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,17,474	56,446

As per our report of even date attached

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

S Usha
Partner
Membership No. 211785

Chennai
April 27,2012

For SUNDARAM TRUSTEE COMPANY LIMITED

K V Ramanathan
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