

SUNDARAM TRUSTEE
COMPANY LIMITED

9

ANNUAL REPORT
2012-2013

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

Website: www.sundarammutual.com

SUNDARAM TRUSTEE COMPANY LIMITED


A subsidiary of



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Sponsors


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

DIRECTORS' REPORT

To the Members

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

Financial Results: (Rs. In lakhs)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Total Income	126.96	133.92
Total Expenditure	70.65	70.47
Profit Before Taxation	56.31	63.45
Provision for Taxation	15.95	17.64
Profit After Tax	40.36	45.81
Surplus Brought Forward	17.22	22.48
Amount available for appropriation	57.58	68.29
Less : Appropriations		
- Dividend Proposed (Final)	40.00	40.00
- Dividend Distribution Tax	6.80	6.49
- Transfer to General Reserves	4.05	4.59
Surplus carried to Balance Sheet	6.73	17.21

Financial Performance

During the year under review, your Company earned a gross income of Rs. 126.96 lakhs by way of trusteeship fees and other income as against Rs. 133.92 lakhs reported in the previous year 2011-12, a marginal decline of 5.2%. Your company reported a Profit after tax of Rs. 40.36 lakhs for the year ended March 31, 2013 as against Rs. 45.81 lakhs in the previous year. After taking into account a sum of Rs. 17.22 lakhs brought forward from the previous year, a sum of Rs. 57.58 lakhs is available as surplus for the financial year 2012-13. 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 46.80 lakhs. After transferring Rs. 4.05 lakhs to General Reserve, the balance of Rs 6.73 lakhs will be retained as surplus in the profit and loss account.

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 other debt-oriented 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).

Board of Directors

We report with profound grief and sorrow, the sad demise of Mr. K. V. Krishnamurthy, who served as a Director in your company from December 2003 to October 2010. He also served as a member of the Audit Committee of your Company and the Products and Strategy Committee of Sundaram Asset Management Company Limited. Your Directors wish to place on record the immense contribution of Mr. K. V. Krishnamurthy towards the growth of the Company and the Mutual Fund.

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

Directorship

Mr. K.V. Ramanathan retires at the ensuing General Meeting and being eligible, offers himself for re-appointment. Necessary resolution is submitted for your approval.

Committees of the Board

Particulars	Terms of reference	No. of meetings held during 2012-13
Audit Committee	Reviewing the internal audit plans, 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

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 had no foreign exchange earnings or outgo during the year 2012-13 and 2011-12.

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 Ninth 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, 2013

K V Ramanathan
Chairman

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

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.

Auditor's Responsibility

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.

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.

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

Report on Other Legal and Regulatory Requirements

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

S. Usha
Partner

Place: Chennai
Date : 27.04.2013

Membership No.211785

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. xiv. The company is not dealing or trading in Shares, Securities, Debentures and other investments.
- (b) Each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time. xv. The company has not given any guarantee for loans taken by other from banks or financial institutions.
- vi. The company has not accepted any deposits from the public. xvi. The company had not availed any Term Loans during the year.
- 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. xvii. The company had not raised any funds during the year.
- 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.
- viii. The Central Government has not prescribed maintenance of cost records under clause (d) of sub section (1) of section 209 of the Act.
- ix. (a) The company is regular in depositing

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

Place: Chennai
Date : 27.04.2013

S. Usha
Partner
Membership No.211785

Balance Sheet

as at 31st March 2013

Particulars	Note No.	31.03.13 Rs.	31.03.12 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Fund			
(a) Share Capital	1	5,00,000	5,00,000
(b) Reserves and Surplus	2	32,16,976	38,60,793
(2) Non- Current Liabilities			
(a) Deferred Tax Liabilities	3	13,400	17,639
(3) Current Liabilities			
(a) Trade Payables	4	1,65,169	1,62,140
(b) Other Current Liabilities	5	36,41,522	12,91,732
(c) Short term Provisions	6	46,79,800	46,48,900
		84,86,491	61,02,772
TOTAL		1,22,16,867	1,04,81,204
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	7	96,682	1,43,416
(b) Non-current Investments	8	5,00,000	15,00,000
(c) Long term Loans and Advances	9	8,47,291	7,29,312
(2) Current Assets			
(a) Current Investments	10	96,10,530	69,90,575
(b) Trade Receivables	11	10,07,908	9,78,972
(c) Cash and Cash Equivalents	12	1,09,174	1,17,474
(d) Short term Loan and Advances	13	45,282	21,455
		1,07,72,894	81,08,476
TOTAL		1,22,16,867	1,04,81,204
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

Chennai
April 27, 2013

ANNUAL REPORT 2012-2013

For SUNDARAM TRUSTEE COMPANY LIMITED

K V Ramanathan
Chairman

R Rajamani
Director

S Viji
Director

M.S. Sundara Rajan
Director

T S Sritharan
Secretary

Profit and Loss Statement

for the year ended 31st March 2013

Particulars	Note No.	2012-13 Rs.	2011-12 Rs.
I Revenue from Operations			
Sale of Services			
- Trusteeship Fee	14	1,20,80,598	1,28,97,848
II Other Income	15	6,15,951	4,94,821
III Total Revenue	(A)	1,26,96,549	1,33,92,669
IV Expenses			
Administrative and Other Expenses	16	35,18,071	34,90,436
Finance Costs	17	-	3,450
Depreciation	7	46,734	52,902
Scheme Expenses Absorbed	18	35,00,000	35,00,000
Total Expenses	(B)	70,64,805	70,46,788
V Profit before Tax	(C)= (A-B)	56,31,744	63,45,881
VI Tax Expense			
Current Tax		16,00,000	18,50,000
Deferred Tax		(4,239)	6,777
Excess provision relating to Income Tax and Dividend Distribution Tax of previous years		-	(92,208)
Total - Tax Provisions	(D)	15,95,761	17,64,569
VII Profit after tax	(E) =(C-D)	40,35,983	45,81,312
Basic and diluted Earnings per Share	19	80.72	91.63

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

Chennai
April 27, 2013

ANNUAL REPORT 2012-2013

For SUNDARAM TRUSTEE COMPANY LIMITED

K V Ramanathan
Chairman

R Rajamani
Director

S Viji
Director

M.S. Sundara Rajan
Director

T S Sritharan
Secretary

Notes forming part

of the Balance Sheet as at March 31, 2013

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

31.03.13 Rs.	31.03.12 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 2012-13 (Previous year - Nil change)

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

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

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

- c. **Shares held by the Holding Company:**
50,000 shares (Previous year 50,000 shares) are held by M/s.Sundaram Finance Ltd, the holding company and its nominees.
- d. **Details of shareholders holding more than 5% of the Equity Shares of Rs.10 each in the Company:**
M/s Sundaram Finance Ltd, the holding company and its nominees held 100% of the Equity Share Capital of the Company as on 31.3.13 & also on 31.3.12

Note No. 2
RESERVES AND SURPLUS**1. General Reserve**

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

	31.03.13 Rs.	31.03.12 Rs.
	21,39,000	16,80,000
	4,05,000	4,59,000
	25,44,000	21,39,000
2. Surplus		
As per the last Balance Sheet	17,21,793	22,48,381
Add: Profit for the year	40,35,983	45,81,312
Subtotal (a)	57,57,776	68,29,693
Less: Appropriation		
(i) Dividend @ Rs.80/- per share (previous year: Rs. 80/- per share)	40,00,000	40,00,000
(ii) Dividend Distribution Tax	6,79,800	6,48,900
(iii) Transfer to General Reserve	4,05,000	4,59,000
Subtotal (b)	50,84,800	51,07,900
Balance (a) -(b)	6,72,976	17,21,793
Total	32,16,976	38,60,793

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

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

31.03.13 Rs.	31.03.12 Rs.
13,400	17,639
13,400	17,639

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

For Services

-Sundaram Asset Management
Company Ltd (An associate)

Total

31.03.13 Rs.	31.03.12 Rs.
1,65,169	1,62,140
1,65,169	1,62,140

Note No. 5**OTHER CURRENT LIABILITIES**

Directors' Remuneration payable

Scheme & Other expenses payable

Audit Fees payable

Statutory Dues

Total

31.03.13 Rs.	31.03.12 Rs.
-	1,91,504
35,30,858	9,96,007
90,000	81,398
20,664	22,823
36,41,522	12,91,732

Note No. 6**SHORT TERM PROVISIONS**

Proposed Dividend

Dividend Distribution tax

Total

31.03.13 Rs.	31.03.12 Rs.
40,00,000	40,00,000
6,79,800	6,48,900
46,79,800	46,48,900

Notes forming part

of the Balance Sheet as at March 31, 2013

Note No. 7

FIXED ASSETS - TANGIBLE ASSETS

(in Rupees)

Description	Gross Block at Cost				Depreciation				Net Block	
	As at 1.04.12	Additions	Deductions	As at 31.03.13	As at 1.04.12	Additions	Deductions	As at 31.03.13	As at 31.03.13	As at 31.03.12
Computers	4,40,300	-	-	4,40,300	3,38,274	40,810	-	3,79,084	61,216	1,02,026
Furniture and Fixtures	13,906	-	-	13,906	9,936	719	-	10,655	3,251	3,970
Office Equipments	72,812	-	-	72,812	35,392	5,205	-	40,597	32,215	37,420
Total	5,27,018	-	-	5,27,018	3,83,602	46,734	-	4,30,336	96,682	1,43,416
Previous year figures(31.03.12)	4,28,118	98,900	-	5,27,018	3,30,700	52,902	-	3,83,602	1,43,416	-

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 2 years Series 4

-Growth Option -at Cost: 50,000 units

(Previous year 50,000 units) of Rs.10/ each

Sundaram Fixed Term Plan Plan BQ - Growth Option at Cost: -

1,00,000 units (Previous year 1,00,000 units) of Rs.10/- each

Sundaram Fixed Term Plan Plan DC - Growth Option at Cost: -

50,000 units (Previous year Nil units) of Rs.10/- each

Total

Aggregate value of unquoted Non Current Investments -

[Net asset value - Rs.5,07,535/- (Previous year Rs.15,51,120/-)]

Total

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

Note No. 9

LONG TERM LOANS AND ADVANCES

Advance Income Tax and Tax Deducted at Source

(Net of provisions)

Total

31.03.13 Rs.	31.03.12 Rs.
8,47,291	7,29,312
8,47,291	7,29,312

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

Note No. 10	31.03.13	31.03.12
CURRENT INVESTMENTS	Rs.	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:- 8,07,715.078 units (Previous year 2,82,850.528 units) of Rs.10/- each.	81,10,530	28,38,974
Sundaram Bond Saver - Quarterly Dividend Option at Fair Value: - Nil units [Previous year 26,875.700 units] of Rs.10/- each. [Refer Note no.19 (B-2.2)]	-	2,89,927
Sundaram Quarterly Interval Fund Plan A - Growth Option at Cost: - Nil units (Previous year 39,838 units) of Rs.10/- each.	-	5,00,000
Sundaram Quarterly Interval Fund Plan B - Dividend Option at Cost: Nil units (Previous year 30,915 units) of Rs.10/- each.	-	3,09,214
Sundaram Quarterly Interval Fund Plan E - Dividend Option at Cost: - Nil units (Previous year 1,05,247 units) of Rs.10/- each.	-	10,52,460
Sundaram Fixed Term Plan Plan CC - Growth option at Cost:- Nil units (Previous year 1,00,000 units) of Rs.10/- each.	-	10,00,000
Sundaram Quarterly Interval Fund Plan C - Growth option at Cost:- Nil units (Previous year 80,611 units) of Rs.10/- each	-	10,00,000
Sundaram Capital Protection Oriented Fund 2 years Series 4 - Growth Option -at Cost: 50,000 units (Previous year 50,000 units) of Rs.10/- each	5,00,000	-
Sundaram Fixed Term Plan Plan BQ - Growth Option at Cost: - 1,00,000 units (Previous year 1,00,000 units) of Rs.10/- each	10,00,000	-
Total	96,10,530	69,90,575
Aggregate value of unquoted Investments - Current (Net asset value - Rs.97,98,930/- (Previous year Rs.71,63,938/-)	96,10,530	69,90,575
Total	96,10,530	69,90,575

Notes forming part

of the Balance Sheet as at March 31, 2013

Note No. 11	31.03.13	31.03.12
TRADE RECEIVABLES - CURRENT	Rs.	Rs.
Unsecured, considered good		
Sundaram Mutual Fund (Associate)	10,07,908	9,78,972
Total	10,07,908	9,78,972

Note No. 12	31.03.13	31.03.12
CASH AND CASH EQUIVALENTS	Rs.	Rs.
Balance with Scheduled Banks		
- In Current Accounts	1,09,174	1,17,474
Total	1,09,174	1,17,474

Note No. 13	31.03.13	31.03.12
SHORT TERM LOANS AND ADVANCES	Rs.	Rs.
Unsecured -Considered Good		
Service tax credit receivable	41,242	17,415
Fringe Benefit Tax - Refund receivable	4,040	4,040
Total	45,282	21,455

Notes forming part

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

Note No. 14	31.03.13	31.03.12
REVENUE FROM SALE OF SERVICES	Rs.	Rs.
Services Rendered		
Trusteeship Fees	1,20,80,598	1,28,97,848
Total	1,20,80,598	1,28,97,848

Note No. 15	31.03.13	31.03.12
OTHER INCOME	Rs.	Rs.
Profit / (Loss) on Sale of Current Investments	2,74,722	68,445
Dividend from Current Investments	3,31,156	4,00,522
Interest on Income Tax Refund	-	18,616
Diminution in value of current investments written back [Refer note no.19 (B-2.2)]	10,073	7,238
Total	6,15,951	4,94,821

Notes forming part

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

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

	31.03.13 Rs.	31.03.12 Rs.
	8,43,908	7,48,598
	3,20,000	2,90,000
	1,00,000	75,000
	30,000	30,000
	2,14,806	3,29,006
	18,00,000	18,00,000
	1,71,000	1,71,000
	21,000	19,250
	16,057	23,500
	1,020	2,520
	-	1,562
	280	-
Total	35,18,071	34,90,436

Note No. 17**FINANCE COST**

Interest on shortfall in payment of advance income tax
--

	31.03.13 Rs.	31.03.12 Rs.
	-	3,450
Total	-	3,450

Note No. 18**SCHEME EXPENSES ABSORBED**

-
Sundaram Tax Saver

	31.03.13 Rs.	31.03.12 Rs.
	35,00,000	35,00,000
Total	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, 2013**1 SIGNIFICANT ACCOUNTING POLICIES****1.1 Accounting Policies**

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

1.2 Income Recognition

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

1.3 Investments

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

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
Add - Adjustment towards reversal of diminution provision on sale of investments

31.03.13 Rs.	31.03.12 Rs.
2,89,927	2,82,689
-	7,238
10,073	-
3,00,000	2,89,927

Carrying Cost at fair value at the year end

- 2,89,927

2.3 Contingent Liability

Disputed income tax liability of Rs.4,68,950/- contested before the Asst. Commissioner of Income Tax in rectification proceedings is not provided for.

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	2012-13 (Rs.)	2011-12 (Rs.)
1	Sundaram Finance Ltd	Holding Company	Dividend Paid	40,00,000	40,00,000
2	Sundaram Asset Management Company Ltd	Fellow Subsidiary	Expenses	18,00,000	18,00,000
3	Sundaram Mutual Fund	Associate	Investments in Units	1,61,07,676	1,34,06,666
			Sale of Units	1,47,72,516	1,43,68,445
			Income	1,26,86,476	1,33,66,815
			Scheme Expenses	35,00,000	35,00,000
4	Sundaram BNP Paribas Home Finance Ltd.	Fellow Subsidiary		Nil	Nil
5	Sundaram Finance Distribution Ltd.	Fellow Subsidiary		Nil	Nil
6	Sundaram Infotech Solutions Ltd	Fellow Subsidiary		Nil	Nil
7	LGF Services Limited	Fellow Subsidiary		Nil	Nil
8	Sundaram Business Services Ltd	Fellow Subsidiary		Nil	Nil
9	Royal Sundaram Alliance Insurance Company Limited	Associate	Insurance	1,71,000	1,71,000
10	Infreight Logistics Solutions Limited	Fellow Subsidiary		Nil	Nil
11	Professional Management Consultants Limited	Fellow Subsidiary		Nil	Nil
12	Sundaram BNP Paribas Funds Services Ltd	Fellow Subsidiary		Nil	Nil
13	Sundaram Parekh Warehousing Services Ltd	Fellow Subsidiary		Nil	Nil
14	Sundaram Insurance Broking Services Ltd	Fellow Subsidiary		Nil	Nil
15	Caltec Servicez Pvt Ltd	Fellow Subsidiary		Nil	Nil
16	Sundaram BPO India Ltd	Fellow Subsidiary		Nil	Nil
17	Sundaram Asset Management Singapore Pte.Ltd	Fellow Subsidiary		Nil	Nil
Outstanding Receivable as on 31st March 2013 - Sundaram Mutual Fund				10,07,908	9,78,972
Outstanding Payable as on 31st March 2013 - Sundaram Asset Management Company Limited				36,96,027	11,58,147

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

	31.03.13 Rs.	31.03.12 Rs.
Profit as per Profit and Loss Account	40,35,983	45,81,312
Weighted average number of equity shares	50,000	50,000
Basic and diluted earnings per share	80.72	91.63
Nominal Value of Shares	10	10

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

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, 2013

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

	2012-13 Rs.	2011-12 Rs.
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit	40,35,983	45,81,312
Add: Lease Equalisation Account	-	-
Provision for Taxation (Including Wealth Tax)	15,95,761	17,64,569
	56,31,744	63,45,881
Add: Financial Expenses		
Depreciation	46,734	52,902
Provision against Investments (net)	-	-
Diminution - Value of investments written back	(10,073)	(7,238)
(Profit) loss on sale of assets	-	-
(Profit) loss on sale of Investments	(2,74,722)	(68,445)
Interest / Dividend Income	(3,31,156)	(4,00,522)
Provision for Income tax and Dividend		
Distribution tax written back	-	92,208
Effect of Foreign Exchange rates on Cash and Cash Equivalents, net	-	-
	(5,69,217)	(3,31,095)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	50,62,527	60,14,786
(Increase) Decrease in Leased assets - net of sales	-	-
(Increase) Decrease in Long Term Loans and Advances	1	1,73,806
(Increase) Decrease in Short Term Loans and Advances	(23,827)	(5,140)
(Increase) Decrease in Other Non-Current Assets	-	-
(Increase) Decrease in Other Current Assets	(28,936)	34,461
Increase (Decrease) in Non- Current Liabilities	-	-
Increase (Decrease) in Other Current Liabilities	23,52,819	(6,27,716)
	23,00,057	(4,24,589)
Cash generated from Operations	73,62,584	55,90,197
Financial Expenses	-	-
Direct Taxes Paid	(17,17,980)	(21,43,670)
	(17,17,980)	(21,43,670)
NET CASH FROM OPERATING ACTIVITIES (A)	56,44,604	34,46,527
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(98,900)
Sale of Fixed Assets	-	-
Purchase of non-current Investments	(5,00,000)	(15,00,000)
Purchase of Investments in Subsidiaries / Joint Venture	-	-
Purchase of current investments	(1,56,07,676)	(1,19,06,666)
Sale of non-current Investments	-	-
Sale of current Investments	1,47,72,516	1,43,68,445
Sale / Redemption 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

	2012-13 Rs.	2011-12 Rs.
Interest Received	-	-
Dividend Received	3,31,156	4,00,522
	(10,04,004)	12,63,401
NET CASH FROM INVESTING ACTIVITIES (B)	(10,04,004)	12,63,401
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)	(46,48,900)
	(46,48,900)	(46,48,900)
NET CASH FROM FINANCING ACTIVITIES (C)	(46,48,900)	(46,48,900)
D) EFFECT OF FOREIGN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS (D)	-	-
Net increase in cash and cash Equivalents (A)+(B)+(C) - (D)	(8,300)	61,028
Cash and Cash Equivalents at the Beginning of the year	1,17,474	56,446
Cash and Cash Equivalents at the End of the year	1,09,174	1,17,474
E) COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Current Account with Banks	1,09,174	1,17,474
Cash, Stamps and Stamp Papers on Hand	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,09,174	1,17,474

