

SUNDARAM TRUSTEE  
COMPANY LIMITED

1 1

ANNUAL REPORT  
2014-2015



### Board of Directors

K V Ramanathan

Chairman

S Viji

R Rajamani

M S Sundara Rajan

### Audit Committee

R Rajamani

Chairman

M S Sundara Rajan

### 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](http://www.sundarammutual.com)

SUNDARAM TRUSTEE COMPANY LIMITED

A subsidiary of



**SUNDARAM FINANCE**  
Enduring values. New age thinking.

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Sponsor



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

## DIRECTORS' REPORT

### To the Members

Your Directors have pleasure in presenting the Eleventh Annual Report with the audited financial statement of accounts for the year ended March 31, 2015. The summarized financial results of the Company are given hereunder:

### Financial Results:

(Rs. In lakhs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Total Income	91.85	118.53
Less : Total Expenses	37.06	35.85
<b>Profit Before Tax</b>	<b>54.79</b>	<b>82.68</b>
Provision for Taxation	15.54	24.26
<b>Profit After Tax</b>	<b>39.25</b>	<b>58.42</b>
Surplus Brought Forward	12.50	6.73
Amount available for appropriation	51.75	65.15
<b>Less : Appropriations</b>		
- Dividend Proposed (Final)	25.00	40.00
- Dividend Distribution Tax	5.00	6.80
- Transfer to General Reserves	3.93	5.85
<b>Surplus carried to Balance Sheet</b>	<b>17.82</b>	<b>12.50</b>

### Financial Performance

During the year under review, your Company earned a gross income of Rs. 91.85 lakhs by way of trusteeship fees and other income as against Rs. 118.53 lakhs reported in the previous year 2013-14. The expenditure for the year under review was Rs. 37.06 lakhs in the current financial year compared to Rs.35.85 lakhs in 2013-14. Your company reported a Profit after tax of Rs. 39.25 lakhs for the year ended March 31, 2015 as against Rs. 58.42 lakhs in the previous year. A sum of Rs. 51.75 lakhs is available for appropriation for the financial year 2014-15. Your Directors are happy to recommend a dividend of 500% on the paid up capital of the company. The dividend together with dividend tax absorbs a sum of Rs 30 lakhs. After transferring Rs. 3.93 lakhs to General Reserve, the balance of Rs 17.82 lakhs will be retained as surplus in the profit and loss account.

### Mutual Fund Industry-Broad Trends

The Gross mobilization by the industry, excluding liquid schemes, for the year was Rs.6,80,995 Cr. as against Rs. 6,69,554 Cr., in the previous year, registering a marginal growth of 1.71%. The industry witnessed a gross redemption of Rs. 5,87,488 Cr. (excluding liquid schemes), leading to a net new cash (excluding liquid schemes) of Rs. 93,507 Cr. when compared to Rs. 29,684 Cr in 2013-14.

The total assets managed by the industry comprising 46 mutual fund houses (including fund houses setup for launching infrastructure debt funds) as at March 31, 2015 was Rs. 10,82,757 Cr., an increase of 31.21% from the previous year's figure of Rs. 8,25,240 Cr.

### **Sundaram Mutual Fund-Performance**

In 2014-15, Sundaram Mutual Fund schemes mobilized a sum of Rs. 13,336 Cr., excluding liquid schemes, compared to Rs. 13,579 Cr. in 2013-14. This represents a marginal decline of 1.79% compared to the previous year's collections. The gross redemption from Sundaram Mutual schemes was Rs. 14,383 cr. (excluding liquid schemes) in 2014-15, as against the previous year's redemption amount of Rs. 12,472 Cr., (excluding liquid schemes) representing an increase of 15.32%. The Net outflow (without liquid schemes) during the year 2014-15 was Rs.1,047.00 Cr. when compared to Net Inflow (without liquid schemes) of Rs. 1,108.00 Cr. in 2013-14.

The AUM of Sundaram Mutual Fund schemes as at March 31, 2015 was Rs. 19,116.18 Cr. when compared to Rs. 15,193.17 Cr. as at March 31, 2014, representing a growth of 25.83% over the previous year. On year end figure the closing AUM of Sundaram Mutual Fund Schemes represents a share of 1.77 % of the Industry AUM of Rs 10,82,757 Cr.

### **Fund Performance**

The schemes of Sundaram Mutual Fund achieved good performance during the year. Sundaram SMILE fund was ranked as #1 equity fund in the country recording 105.60% on a one year basis for the financial year 2014-15. Sundaram Select Midcap was ranked as #1 equity scheme in the country recording 21.90% of annualized return on a 10 year basis. Sundaram Select Midcap, Sundaram Global Advantage, Sundaram Select Debt Short Term Asset Plan and Sundaram Gilt Fund secured the Best Fund awards for 2014 from LIPPER, an independent rating agency.

### **Risk management**

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

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

### **Internal Control System and Adequacy**

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

### **Outlook**

The Government is pushing ahead with its growth agenda and making efforts to deepen Centre-State relations. The adoption of the 14th finance commission recommendations is a move in that direction. The Government is in the process of reforming the system of subsidies and is committed to fiscal consolidation. A slow domestic recovery would test the Government's resolve on reform and fiscal consolidation, but it is expected that the Government will hold their ground and not turn populist. While the Government's passing of The Insurance Laws Amendment Bill 2015, The Coal Mines (Special Provisions) Bill 2015 and the Mines & Minerals (Development and Regulation) Amendment Bill 2015 are structurally positive steps, the passing of the Goods and Services Tax (GST) Bill 2015 and the Land Acquisition Bill 2015 would bring further impetus to the economy.

Risks exist to the domestic growth story. While a number of indicators indicate a gradual uptick in growth, leading indicators continue to remain subdued. Credit growth in India is yet to see a turn around. The pace of growth and investment appear slow. A poor monsoon during the year could exert pressure on inflation and reduce the RBI's room to cut rates. This would then have a circular impact on the country's growth, pushing back the recovery by a few quarters.

## **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 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. M.S. Sundara Rajan retires at the ensuing General Meeting and being eligible, offers himself for re-appointment. Necessary resolution is submitted for your approval.

## **Audit Committee**

The Audit Committee of the Board is constituted as per the SEBI Regulations. Mr. M S Sundara Rajan and Mr. R Rajamani are the members of the Committee. During the year, four meetings of the Committee were held. The Committee reviewed the internal audit plans, financial statements, adequacy of internal control systems. The Committee reviewed the reports, the observations of the internal / external auditors and the responses of the management on the reports.

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

## **AMC Directors**

Mr. Pratip Chaudhuri MBA., CAIIB has been appointed as an independent director on the Board of Sundaram Asset Management Company Ltd., (AMC) with effect from 3rd February 15. Mr. Pratip Chaudhuri, a former Chairman of the State Bank of India (SBI), has held senior positions in SBI and its associates. He was also associated with SBI Mutual Fund as Chief Investment Officer for a brief period. His knowledge and rich experience will immensely benefit the Mutual Fund and the AMC.

The Board of Directors noted with grief the passing away of Mr. Ashoke Bijapurkar on 11th February 2015. Mr. Ashoke was on the Board of the AMC since March 2003 and a member of its Products and Strategy committee, Executive Committee and Nomination & Remuneration Committee. The Board of Directors remembered his long association with the AMC and the mutual fund and recorded its appreciation of his immense contribution and valuable services to the growth of the AMC and Sundaram Mutual Fund.

## **Public Deposits**

Your company has not accepted any deposits from the public.

## **Particulars of Employee Remuneration**

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

During the year, Mr. T S Sritharan, Secretary, resigned from the Company. Mr. C Balasubramanian who was appointed as the Secretary in August 2014 resigned during January 2015. The Company is not required to appoint a Whole Time Key Managerial Personnel in accordance with the provisions of the Companies Act, 2013.

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

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

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

Your Company has no activity relating to conservation of energy or technology absorption. The Company had no foreign exchange earnings or outgo during the year 2014-15 and in 2013-14.

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

The Company has not given any loan or guarantee to any person or body corporate nor invested in securities of any other body corporate during the year 2014-15.

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

During the year 2014-15, there was no new contract or arrangement or transaction referred to Section 188(1) of the Companies Act, 2013, entered with the related parties. Suitable disclosure as required by the Accounting Standard 18 (AS 18) issued by the Institute of Chartered Accountants of India has been made in the Annual Report.

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

Your directors confirm that:

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

**Extract of Annual Returns:**

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

**Auditors**

M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, Statutory Auditors of your Company will hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. The Company has received a certificate from them pursuant to Section 139 confirming their eligibility under section 141 of the Companies Act, 2013 and rules issued thereunder.

**Acknowledgement**

Your Directors wish to place on record their deep appreciation of the professional support and guidance received from Sundaram Finance Limited, Sundaram 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 : 27.04.2015

**K V Ramanathan**  
Chairman



**FORM NO MGT-9**

Extract of Annual Return as on the financial year ended on 31st March 2015  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I REGISTRATION AND OTHER DETAILS**

i) C I N	U65999TN2003PLC052058
ii) Registration Date	2-Dec-03
iii) Name of the Company	Sundaram Trustee Company Limited
iv) Category / Sub-category of the company	Public Company / Company having share capital
v) Address of the Registered office and contact details	21 Patullos Road, Chennai 600 002. Tel:044-28583362
vi) Whether listed company	No
vii) Name, address and contact details of Registrar and Transfer agent, if any	Not applicable

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

**III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-**

Sl. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
1	Sundaram Finance Limited, 21, Patullos Road, Chennai 600002	L6519TN1954 PLC002429	Holding Company	100%	Sec. 2 (87)

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

i) Category-wise Share Holding

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

Sub Total B(2)	-	-	-	-	-	-	-	-	-
Total Public Share Holding (B) = B(1) + B(2)	-	-	-	-	-	-	-	-	-
C) Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A)+(B)+(C)	-	50,000	50,000	100%	-	50,000	50,000	100%	Nil

ii) Shareholding of promoters

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

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	<b>Sundaram Finance Limited</b> At the beginning of the year:	50,000	100%	50,000	100%
	Date wise increase / decrease in promoter Share holding during the year specifying the reasons for increase / decrease (e.g Allotment / Transfer / Bonus / sweat equity)	No Change			
	At the End of the year:	-	-	50,000	100%

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

Sl. No.	For Each of the Top 10 Share Holders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	At the beginning of the year:	Nil	Nil	Nil	Nil
	Date wise increase / decrease in promoter Share holding during the year specifying the reasons for increase / decrease (e.g Allotment / Transfer/Bonus/ sweat equity)	Nil			
	At the End of the year (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil

v) Shareholding pattern of Directors and Key Managerial Personnel

Sl. No.	For each of the directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	At the beginning of the year:	Nil	Nil	Nil	Nil
	Date wise increase / decrease in promoter Share holding during the year specifying the reasons for increase / decrease (e.g Allotment / Transfer / Bonus / sweat equity)	Nil			
	At the End of the year	Nil	Nil	Nil	Nil

V) Indebtedness

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

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

VI) Remuneration of Directors and Key Managerial Personnel.

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

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

b) Remuneration to Other Directors

Sl. No.	Particulars of Remuneration	Name of Director				Total Amount
		K.V. Ramanathan	R. Rajamani	M.S. Sundararajan	S. Viji	
1	Independent Directors - Fee for attending board/ Committee meetings - Commission - Others, Please Specify Total (1)	- - - -	- - - -	- - - -	- - - -	- - - -
2	Other Non-Executive Directors - Fee for attending board/ Committee meetings - Commission - Others, Please Specify Total (2)	1,25,000 2,40,900 - 3,65,900	2,25,000 1,80,900 - 4,05,900	2,25,000 1,80,900 - 4,05,900	75,000 - - 75,000	6,50,000 6,02,700 - 12,52,700
	Total (3) = (1)+(2)	3,65,900	4,05,900	4,05,900	75,000	12,52,700
3	Total Managerial Remuneration	2,40,900	1,80,900	1,80,900	-	6,02,700
	Overall Ceiling as per the Act					7,40,486

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

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

VII. Penalties/ Punishment/Compounding of Offences

Type	U/s of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding Fees Imposed	Authority [ RD/ NCLT/ Court]	Appeal Made, if any
<p>A. Company</p> <p>Penalty Punishment Compounding</p> <p>B. Directors</p> <p>Penalty Punishment Compounding</p> <p>c. Other Officers at Default</p> <p>Penalty Punishment Compounding</p>			<p>Nil</p>		

## **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 31st March, 2015, 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**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Generally Accepted Accounting Principles in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the company's directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March 2015 ;



**INDEPENDENT AUDITOR'S REPORT**

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

- (b) In the case of the Statement of Profit and Loss, of the Profit the year ended on that date.
- (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**

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Government of India in terms of sub-section(11) of section 143 of the Companies Act, 2015, we give in the Annexure statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, 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 above statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
- (f) In our Opinion and to the best of our information and according to the explanation given to us:
  - i) The Company does not have any pending litigations which would impact its financial position.
  - ii) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

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

Place: Chennai  
Date : 27.04.2015

S. Usha  
Partner  
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.  
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.
- ii. The company does not hold any inventory. Hence, clauses (a), (b), (c) of paragraph (ii) of the Order are not applicable.
- 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.
- 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.
- v. The company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.
- vii. (a) The company is regular in depositing Income Tax and Service Tax with appropriate authorities. The other statutory dues are not applicable to the company.  
(b) There are no disputed statutory dues by the company. However, disputed income tax liability amounting to Rs.4,68,950/- has not been deposited on account of dispute contested before Assistant Commissioner of Income Tax in rectification proceedings.  
(c) There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company.
- viii. The company has no accumulated losses and has not incurred cash losses during this financial year and in the immediately preceding financial year.
- ix. The company has not availed any loans from any financial institutions or bank or debenture holders and hence the clause (ix) of the Order is not applicable to the company.
- x. The company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. The company had not availed any Term Loans during the year.
- xii. No fraud on or by the company has been noticed or reported during the year.
- xiii. In our opinion, the above statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. On the basis of written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of sub-section(2) of Section 164 of the Companies Act, 2013.
- xv. With respect to other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors Rules 2014). In our opinion and to the best of our information and according to the explanation given to us:-  
(i) The Company has disclosed the impact of pending litigations on its financial position in Note 2.2 of Note No.16B to the Financial Statements.  
(ii) The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.

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

S. Usha  
Partner

Place: Chennai  
Date : 27.04.2015

Membership No.211785

## Balance Sheet

as at 31st March 2015

Particulars	Note No.	<b>31.03.15</b> Rs.	<b>31.03.14</b> Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Fund</b>			
(a) Share Capital	1	5,00,000	5,00,000
(b) Reserves and Surplus	2	52,84,472	43,78,971
<b>(2) Non- Current Liabilities</b>			
(a) Deferred Tax Liabilities	3	-	9,165
<b>(3) Current Liabilities</b>			
(a) Trade Payables	4	1,87,613	76,710
(b) Other Current Liabilities	5	7,22,200	3,00,600
(c) Short term Provisions	6	29,99,750	46,79,800
		<b>39,09,563</b>	<b>50,57,110</b>
<b>TOTAL</b>		<b>96,94,035</b>	<b>99,45,246</b>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
Tangible Assets	7	10,093	67,127
(b) Long term Loans and Advances	8	10,40,182	9,72,917
(c) Deferred Tax Asset	3	5,800	-
<b>(2) Current Assets</b>			
(a) Current Investments	9	77,26,579	80,79,894
(b) Trade Receivables	10	8,27,494	6,13,343
(c) Cash and Cash Equivalents	11	55,927	1,52,803
(d) Short term Loan and Advances	12	27,960	59,162
		<b>86,37,960</b>	<b>89,05,202</b>
<b>TOTAL</b>		<b>96,94,035</b>	<b>99,45,246</b>
Significant Accounting Policies and other Notes forming part of accounts	16		

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

**S Usha**  
Partner  
Membership No. 211785

**Chennai**  
April 27, 2015

For **SUNDARAM TRUSTEE COMPANY LIMITED**

**K V Ramanathan**  
Chairman

**R Rajamani**  
Director

**S Viji**  
Director

**M.S. Sundara Rajan**  
Director

## Profit and Loss Statement

for the period ended 31st March 2015

Particulars	Note No.	2014-15 Rs.	2013-14 Rs.
<b>I Revenue from Operations</b>			
Sale of Services			
- Trusteeship Fee	13	86,82,537	1,11,29,909
<b>II Other Income</b>	14	5,02,435	7,23,227
<b>III Total Revenue (A)</b>		<b>91,84,972</b>	<b>1,18,53,136</b>
<b>IV Expenses</b>			
Administrative and Other Expenses	15	36,83,647	35,56,021
Depreciation	7	22,334	29,555
<b>Total Expenses (B)</b>		<b>37,05,981</b>	<b>35,85,576</b>
<b>V Profit Before Tax (C)= (A-B)</b>		<b>54,78,991</b>	<b>82,67,560</b>
<b>VI Tax Expense</b>			
Current Tax		15,60,000	24,30,000
Deferred Tax		(6,095)	(4,235)
<b>Total - Tax Provisions (D)</b>		<b>15,53,905</b>	<b>24,25,765</b>
<b>VII Profit After Tax (E)= (C-D)</b>		<b>39,25,086</b>	<b>58,41,795</b>
Basic and diluted Earnings per Share			
[Ref 2.6 of Note No 16	16	78.50	116.84
Significant Accounting Policies and other Notes forming part of accounts	16		

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

**S Usha**  
Partner  
Membership No. 211785

**Chennai**  
April 27, 2015

For **SUNDARAM TRUSTEE COMPANY LIMITED**

**K V Ramanathan**  
Chairman

**R Rajamani**  
Director

**S Viji**  
Director

**M.S. Sundara Rajan**  
Director

## Notes forming part

of the Balance Sheet as at March 31, 2015

**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**

31.03.15 Rs.	31.03.14 Rs.
25,00,000	25,00,000
5,00,000	5,00,000
<b>5,00,000</b>	<b>5,00,000</b>

**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 years 2014-15 and 2013-14.

**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 31.03.15 & also as on 31.03.14.

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

As per the last Balance Sheet

Add: Transfer from surplus during the year

Less : Depreciation on Assets whose useful life has expired adjusted against the reserves

**2. Surplus**

As per the last Balance Sheet

Add: Profit for the year

**Subtotal (a)****Less: Appropriation**

(i) Dividend

(ii) Dividend Distribution Tax

(iii) Transfer to General Reserve

**Subtotal (b)****Balance (a) -(b)****Total**

	31.03.15 Rs.	31.03.14 Rs.
As per the last Balance Sheet	31,29,000	25,44,000
Add: Transfer from surplus during the year	3,92,500	5,85,000
	35,21,500	31,29,000
Less : Depreciation on Assets whose useful life has expired adjusted against the reserves	19,835	-
	<b>35,01,665</b>	<b>31,29,000</b>
As per the last Balance Sheet	12,49,971	6,72,976
Add: Profit for the year	39,25,086	58,41,795
<b>Subtotal (a)</b>	<b>51,75,057</b>	<b>65,14,771</b>
<b>Less: Appropriation</b>		
(i) Dividend	25,00,000	40,00,000
(ii) Dividend Distribution Tax	4,99,750	6,79,800
(iii) Transfer to General Reserve	3,92,500	5,85,000
<b>Subtotal (b)</b>	<b>33,92,250</b>	<b>52,64,800</b>
<b>Balance (a) -(b)</b>	<b>17,82,807</b>	<b>12,49,971</b>
<b>Total</b>	<b>52,84,472</b>	<b>43,78,971</b>

## Notes forming part of the Balance Sheet as at March 31, 2015

**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.

- Liabilities

- Assets

**Total**

31.03.15 Rs.	31.03.14 Rs.
-	9,165
5,800	-
<b>5,800</b>	<b>9,165</b>

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

For Services

-Sundaram Asset Management  
Company Ltd (An associate)

**Total**

31.03.15 Rs.	31.03.14 Rs.
1,87,613	76,710
<b>1,87,613</b>	<b>76,710</b>

**Note No. 5****OTHER CURRENT LIABILITIES**

Director Remuneration Payable

Commission to Director Payable

Audit Fees payable

Statutory Dues

**Total**

31.03.15 Rs.	31.03.14 Rs.
-	2,10,600
5,42,430	-
1,17,000	90,000
62,770	-
<b>7,22,200</b>	<b>3,00,600</b>

**Note No. 6****SHORT TERM PROVISIONS**

Proposed Dividend

Dividend Distribution tax

**Total**

31.03.15 Rs.	31.03.14 Rs.
25,00,000	40,00,000
4,99,750	6,79,800
<b>29,99,750</b>	<b>46,79,800</b>

## Notes forming part

of the Balance Sheet as at March 31, 2014

## Note No. 7

## FIXED ASSETS - TANGIBLE ASSETS

(in Rupees)

Description	Gross Block at Cost				Depreciation				Net Block	
	As at 01.04.14	Additions	Deductions	As at 31.03.15	As at 01.04.14	Additions	Deductions	As at 31.03.15	As at 31.03.15	As at 31.03.14
Computers	4,40,300	-	2,06,400	2,33,900	4,03,570	25,789	2,00,405	2,28,954	4,946	36,730
Furniture and Fixtures	13,906	-	-	13,906	11,243	1,156	-	12,399	1,507	2,663
Office Equipments	72,812	-	-	72,812	45,078	24,094	-	69,172	3,640	27,734
<b>Total</b>	<b>5,27,018</b>	<b>-</b>	<b>2,06,400</b>	<b>3,20,618</b>	<b>4,59,891</b>	<b>51,039</b>	<b>2,00,405</b>	<b>3,10,525</b>	<b>10,093</b>	<b>67,127</b>
Previous year figures(31.03.14)	5,27,018	-	-	5,27,018	4,30,336	29,555	-	4,59,891	67,127	-

## Note No. 8

## LONG TERM LOANS AND ADVANCES

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

**Total**

31.03.15 Rs.	31.03.14 Rs.
10,40,182	9,72,917
<b>10,40,182</b>	<b>9,72,917</b>

## Note No. 9

## 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:- 713931.582 units (Previous year  
754676.392 Units) of Rs.10/ each.

Sundaram Ultra Short Term Fund- Growth at Cost:-  
28859.423 units (Previous year Nil units) of Rs.10/- each.

Sundaram Money Fund - Daily Dividend Reinvestment Option  
at Cost: 586.178 units (Previous year Nil Units) of Rs.10/- each

Sundaram Fixed Term Plan Plan DC at Cost:- Nil units (Previous  
year : 50,000 Units) of Rs.10/-each.

**Total**

Aggregate value of unquoted Investments - Current

[Net asset value - Rs.77,33,829/-(Previous year - Rs.81,31,879/-)]

**Total**

31.03.15 Rs.	31.03.14 Rs.
7,170,657	7,579,894
550,000	-
5,922	-
-	500,000
<b>7,726,579</b>	<b>8,079,894</b>
7,726,579	8,079,894
<b>7,726,579</b>	<b>8,079,894</b>

## Notes forming part of the Balance Sheet as at March 31, 2015

**Note No. 10****TRADE RECEIVABLES - CURRENT**

Unsecured, considered good

Sundaram Mutual Fund (Associate)

**Total**

31.03.15 Rs.	31.03.14 Rs.
8,27,494	6,13,343
<b>8,27,494</b>	<b>6,13,343</b>

**Note No. 11****CASH AND CASH EQUIVALENTS**

Balance with Scheduled Banks

- In Current Accounts

**Total**

31.03.15 Rs.	31.03.14 Rs.
55,927	1,52,803
<b>55,927</b>	<b>1,52,803</b>

**Note No. 12****SHORT TERM LOANS AND ADVANCES**

Unsecured -Considered Good

Service tax credit receivable

Fringe Benefit Tax - Refund receivable

**Total**

31.03.15 Rs.	31.03.14 Rs.
23,920	55,122
4,040	4,040
<b>27,960</b>	<b>59,162</b>

## Notes forming part of the Profit and Loss Statement for the year 2014-15

**Note No. 13****REVENUE FROM SALE OF SERVICES****Services Rendered**

Trusteeship Fees

**Total**

31.03.15 Rs.	31.03.14 Rs.
86,82,537	1,11,29,909
<b>86,82,537</b>	<b>1,11,29,909</b>



## Notes forming part of the Profit and Loss Statement for the year 2014-15

**Note No. 14****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

**Total**

2014-15 Rs.	2013-14 Rs.
-	2,685
55,750	2,18,355
4,46,685	4,69,364
-	32,823
<b>5,02,435</b>	<b>7,23,227</b>

**Note No. 15****ADMINISTRATIVE AND OTHER EXPENSES**

Directors Remuneration

Commission to Directors

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

Bank Charges

Loss on Write Off of Obsolete Assets

**Total**

2014-15 Rs.	2013-14 Rs.
-	890,370
602,700	-
650,000	300,000
140,000	100,000
40,000	30,000
165,087	151,619
1,800,000	1,800,000
171,000	171,000
24,197	61,204
78,878	49,035
5,600	2,550
190	243
5,995	-
<b>3,683,647</b>	<b>3,556,021</b>

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, 2015

**NOTE NO. 16**

**A Corporate Information**

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

**B SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015**

**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.

**1.4 Valuation of Fixed Assets**

Fixed assets are carried at historical cost less accumulated depreciation.

**1.5 Depreciation Policy**

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

**2 Other Notes and Disclosures**

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

**2.2 Contingent Liability**

Disputed income tax liability of Rs.4,68,950/- (Previous year Rs. 10,29,910/-) contested before the Asst.Commissioner of Income Tax in rectification proceedings is not provided for.

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

Enclosed as Annexure A

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

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

## 2.5 Related Party Disclosures

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

Sl No.	Name	Relationship	Nature of Transaction	2014-15 (Rs.)	2013-14 (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	88,46,685	1,02,88,262
			Sale of Units	92,55,750	1,25,37,253
			Income	91,84,972	1,18,17,628
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 2015 - Sundaram Mutual Fund				8,27,494	6,13,343
Outstanding Payable as on 31st March 2015 - Sundaram Asset Management Company Limited				1,87,613	76,710

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

	<b>31.03.15</b> Rs.	<b>31.03.14</b> Rs.
Profit as per Profit and Loss Account	39,25,086	58,41,795
Weighted average number of equity shares	50,000	50,000
Basic and diluted earnings per share	78.50	116.84
Nominal Value of Shares	10	10

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

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

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

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, 2015

For **SUNDARAM TRUSTEE COMPANY LIMITED**

**K V Ramanathan**  
Chairman

**S Viji**  
Director

**R Rajamani**  
Director

**M.S. Sundara Rajan**  
Director

## Cash Flow Statement

ANNEXURE A

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

	2014-15		2013-14	
	Rs.	Rs.	Rs.	Rs.
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net Profit	39,25,086		58,41,795	
Provision for Taxation	15,53,905		24,25,765	
		54,78,991		82,67,560
Add: Financial Expenses				
Depreciation	22,334		29,555	
Add: Loss on Sale of Obsolete Items	5,995		-	
(Profit) loss on sale of Investments	(55,750)		(2,18,355)	
Interest / Dividend Income	(4,46,685)		(5,04,872)	
		(4,74,106)		(6,93,672)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>50,04,885</b>		<b>75,73,888</b>
(Increase) Decrease in Long Term Loans and Advances	-		(13,500)	
(Increase) Decrease in Short Term Loans and Advances	(31,202)		(13,880)	
(Increase) Decrease in Other Current Assets	(2,14,151)		3,94,565	
Increase (Decrease) in Other Current Liabilities	5,46,003		(34,29,381)	
		3,63,054		(30,62,196)
<b>Cash generated from Operations</b>		<b>53,67,939</b>		<b>45,11,692</b>
Financial Expenses	-		-	
Direct Taxes Paid	(16,40,765)	(16,40,765)	(25,42,126)	(25,42,126)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		<b>37,27,174</b>		<b>19,69,566</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of current investments	(88,46,685)		(1,02,88,262)	
Sale of current Investments	92,55,750		1,25,37,253	
Dividend Received	4,46,685		4,69,364	
		8,55,750		27,18,355
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>		<b>8,55,750</b>		<b>27,18,355</b>

## Cash Flow Statement (Contd...)

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

	2014-15		2013-14	
	Rs.	Rs.	Rs.	Rs.
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Increase (Decrease) in Long Term Borrowings	-		-	
Interest Income	-		35,508	
Dividend paid (including Corporate Dividend Tax)	(46,79,800)	(46,79,800)	(46,79,800)	(46,44,292)
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	(46,79,800)		(46,44,292)	
<b>D) EFFECT OF FOREIGN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS (D)</b>		-		-
Net increase in cash and cash Equivalents (A)+(B)+(C) - (D)		(96,875)		43,629
Cash and Cash Equivalents at the Beginning of the year		1,52,803		1,09,174
Cash and Cash Equivalents at the End of the year		55,927		1,52,803
<b>E) COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>				
Current Account with Banks		55,927		1,52,803
Cash, Stamps and Stamp Papers on Hand		-		-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		55,927		1,52,803

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

**S Usha**  
Partner  
Membership No. 211785

**Chennai**  
April 27, 2015

For SUNDARAM TRUSTEE COMPANY LIMITED

**K V Ramanathan**  
Chairman

**R Rajamani**  
Director

**S Viji**  
Director

**M.S. Sundara Rajan**  
Director



