

The logo consists of a large, light blue curved shape that resembles a stylized 'S' or a wave, set against a dark blue background. The text is centered within the lower part of this shape.

*Sundaram
Asset Management
Company Limited*

*18th Annual Report
2013-2014*

Board of Directors

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

Deputy CEO

Sunil Subramaniam

Subsidiary

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

Bankers

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

Auditors

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

Information Security Assurance Auditors

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

Registered Office

No. 21, Patullos Road,
Chennai - 600 002

Corporate Office

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

Website : www.sundarammutual.com

Committees

Audit Committee

S Krishnamurthy	Chairman
T Anantha Narayanan	
Harsha Viji	

Executive Committee*

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

Risk Management Committee

T Anantha Narayanan	Chairman
Harsha Viji	
Rishikesh T Krishnan	

Remuneration Committee

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

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

Senior Management

Sales and Marketing

Benis Kumar M	National Head - Sales
Priya A Kumar	National Head - Distribution
Surendra Singh Yadav	Head - Sales (Institutional Channel)
Amit Kumar Ray	Head -Sales (Delhi & East Region)
Venkatesh P	Head- Sales (Special Business)

Risk Management, Operations, Customer Service & Compliance

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

Investment Management

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

Sponsor

**SUNDARAM FINANCE****Sundaram Finance Limited**

Registered Office: 21, Patullos Road, Chennai 600 002. India

Sundaram Asset Management Company Limited

A subsidiary of



SUNDARAM FINANCE
Enduring values. New age thinking.

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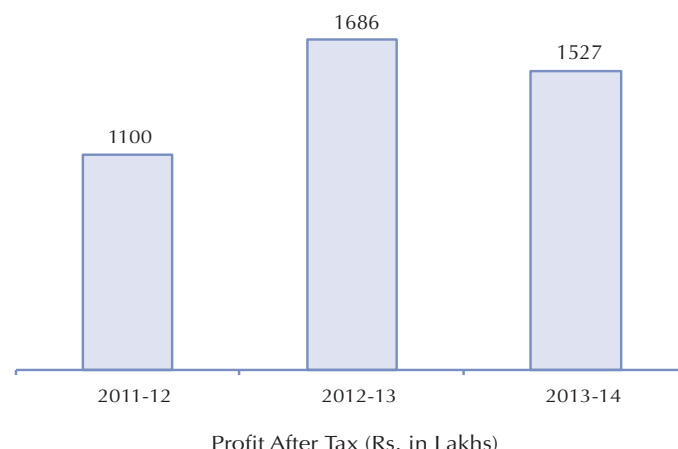
Report of the Directors

Your Directors have pleasure in presenting the Eighteenth Annual Report along with the audited accounts for the year ended March 31, 2014. The summarised financial results of the Company are given below:

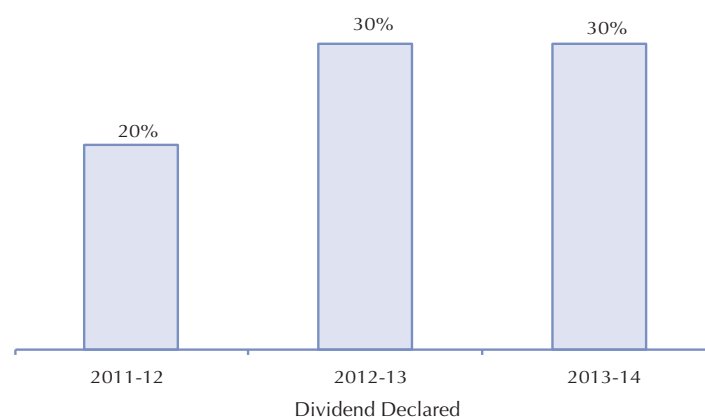
	(Rs in lakhs)	
	For the year ended	
	March	March
	31, 2014	31, 2013
Gross Income	12,406.17	11,830.26
Profit / (loss) before depreciation and tax	2,450.04	2,672.26
Less: Provision for Depreciation	187.14	187.37
Profit Before Tax	2,262.90	2,484.89
Provision for Taxation	735.80	798.41
Profit after tax	1,527.10	1,686.48
Surplus brought forward from the previous year	4,979.38	3,999.72
Surplus available for appropriation	6,506.48	5,686.20
Less: Appropriations		
Dividend Proposed (Final)	460.00	460.00
Dividend Distribution Tax	78.18	78.18
Transfer to General Reserve	152.71	168.64
Surplus carried to Balance Sheet	5,815.59	4,979.38

Your Company earned a total income of Rs. 12,406.17 lakhs for the year 2013-14, by way of investment management and advisory fees and other income during the year. This total income includes Rs. 251.79 lakhs pertaining to provision created in an earlier year that has been written back. Current year's income represents an increase of 4.87% over the previous year's total income of Rs. 11,830.26 lakhs. Your

Company reported a profit after tax of Rs. 1,527.10 lakhs for the year compared to Rs. 1,686.48 lakhs in the previous year.



Your Directors are pleased to recommend a dividend of 30% on the paid-up capital of the Company. The dividend, together with dividend tax, amounts to Rs. 538.17 lakhs. A sum of Rs. 152.71 lakhs will be transferred to the General Reserve leaving a surplus of Rs. 5,815.59 lakhs to be retained in the profit and loss account.



Snapshot of the Mutual Fund Industry

The total assets managed by the industry comprising 45 mutual fund houses (excluding fund houses set up for launching Infrastructure Debt Funds) as at March 31, 2014 was Rs.8,24,361 Cr. from the previous year's figure of Rs. 7,01,443 Cr., an increase of 17.52%.

Equities had a net outflow of Rs 9,269 Cr., lower than net outflow of Rs 14,587 Cr. last year. The net inflow in debt oriented schemes was Rs. 62,777 Cr.

Sundaram Mutual Fund Performance

The average Assets under Management of Sundaram Mutual Fund schemes for the year 2013-14 was Rs. 15,248.25 Cr. compared to Rs. 13,573.76 Cr. for 2012-13, an increase of 12.33%. The closing AUM of Sundaram Mutual Fund schemes was Rs. 15,193.17 Cr. as at March 31, 2014 compared to Rs. 12,873.28 Cr. as at March 31, 2013, representing a growth of 18.02 %. The closing AUM of Sundaram Mutual Fund Schemes represented a 1.84 % share of the Industry AUM. The fixed income funds and hybrid schemes contributed significantly to the inflows during the year.

Sundaram Gilt Fund, Sundaram Ultra Short Term Fund and Sundaram Select Debt Short Term Asset Plan were given 5-star ratings by Value Research. Of 600+ open ended debt schemes ranked by Morningstar, three of the top twenty schemes were those of Sundaram Mutual. Sundaram Gilt Fund was the top performer in the list.

The equity funds recorded good performance as majority of the funds have beaten the benchmark on a six-month basis ending March '14. Sundaram Select Mid Cap declared dividend aggregating to 20% in two tranches of 10% each. Nine of the equity schemes have declared dividend to the investors.

The portfolio of Sundaram Capex Opportunities (Dividend), Sundaram Capex Opportunities (Growth) and Sundaram Energy Opportunities were merged to form Sundaram Infrastructure Advantage Fund.

On the Portfolio Management side, as on March 31, 2014 Sundaram Portfolio Managers manage assets worth Rs. 191.85 Cr. under discretionary portfolio management services and Rs. 188.81 Cr. under advisory services.

During the year, your Company adopted ten districts in Tamilnadu as a part of District Adoption Program initiated by SEBI and AMFI. Your Company has been taking active steps including conducting financial literacy campaigns in the districts that it has adopted.

During the year, 60 Investor Awareness Programs (IAP) in 60 centres were conducted.

Your Company has a total of 44 branches as at the year-end of which 31 branches were located outside the top 15 cities as defined by SEBI.

Regulation

During the year, Securities and Exchange Board of India (SEBI) approved the long term policy for Mutual Funds to deal with the public policy objectives of achieving sustainable growth of the mutual fund industry and mobilisation of household savings for the growth of the economy

In continuation to the policy, SEBI had issued a circular requiring the Asset Management Companies (AMCs) to disclose, inter alia, contribution to Average AUM (AAUM) from Top -15 cities / Beyond Top -15 cities, Contribution to AAUM by sponsor of the Mutual Fund and its associates and State-wise/Union Territory-wise contribution to AUM.

SEBI further notified increase in the minimum net-worth requirement of the AMCs from Rs. 10 cr. to Rs.50 cr. within three-year time frame and introduced the seed capital requirement from Sponsor or AMC, at the lower of 1% of AUM as on the notification date or Rs. 50 lakhs, in the growth option of all the open-ended schemes of their Mutual Fund within one-year time frame.

Your Company satisfies the minimum net-worth requirement and other disclosure requirements prescribed by SEBI.

Outlook

The International Monetary Fund in its update on World Economic Outlook released in January 2014 revised the growth projection for the world economy slightly upwards to 3.7 per cent for the year 2014. Based on this report, the prospects for global growth are expected to improve over the near term at a steady pace from 2014 onwards. The Indian GDP growth is projected to be in the range of 5% - 6% in the year 2014-15. The Current Account deficit is expected about 2% of the GDP. Increase in forex reserves on account of inflows is further augmented by repayment by public sector oil companies. The RBI's policy will be influenced by inflation which is hovering around 8%.

The election results this month will prove to be a seminal event boosting investor confidence that a new Government with a strong mandate will initiate reform and enhance growth. Looking ahead, the economic activity during 2014-15 is expected to show good improvement over the last year, despite concerns on below normal monsoon.

Your Company continues to make investment in enhancing its research, fund management capability and customer service enhancements. New schemes will be introduced taking into consideration the long-term interest of the investors.

Subsidiary - Sundaram Asset Management Singapore Pte. Ltd.

Sundaram Asset Management Singapore Pte Ltd (SAMS), a wholly owned subsidiary of your Company has a paid up share capital of SGD 31,75,001 as on March 31, 2014 (Rs. 14.72 Cr.). During the year 2013-14 the company reported a loss of SGD 11.62 lakhs (Rs. 5.51 Cr). SAMS has renewed its FII registration with SEBI in March 2014 and has been taking active steps to initiate fund management activity in the current FY 2014-15.

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

Directors

The Board of Directors of Sundaram Asset Management met five times in 2013-14. Mr. S. Krishnamurthy and Mr. Harsha Viji retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-election. Necessary resolutions are submitted for your approval.

Board Committees

The Board has constituted an Audit Committee, an Executive Committee, a Risk management Committee and a Remuneration Committee with specific Terms of Reference and delegated powers. The details of the committees are set out in **Annexure I**. In line with the requirement of Companies Act, 2013, the Board of Directors has reviewed and reconstituted the Committees as under:

1. Corporate Social Responsibility Committee has been formed.
2. The Remuneration Committee has been reconstituted as Nomination and Remuneration Committee
3. The Risk Management Committee has been merged with the Audit Committee

The Board also enlarged the scope of these committees as required.

Public Deposits

Your Company has not accepted any deposits.

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

- (a) As the Company does not carry out any manufacturing activities, particulars required to be disclosed with respect

to the conservation of energy and technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

(b) During 2013-14, foreign exchange earnings amounted to Rs. 0.42 Cr. (2012-13: 0.34 Cr.) and foreign exchange expenditure was Rs. 2.54 Cr. (2012-13: 1.69 Cr.)

Personnel

Sundaram Asset Management Company Limited had 257 employees on its rolls as on March 31, 2014. During the year, your Company carried out various employee engagement activities and welfare measures. Your Board of Directors place on record their acknowledgement for the support, dedication and unswerving commitment displayed by the employees of the Company.

Particulars of Employee Remuneration

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, details are set out in the Annexure to the Directors' Report. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the registered office of the Company.

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

The Directors confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. That they selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the

financial year and the profit or loss for that period;

3. That they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. That they have prepared the annual accounts on a going concern basis.

Auditors

M/s. Brahmayya & Co., firm of Chartered Accountants, retires at the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a certificate from them in accordance with Section 139 and 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 the Trustees of Sundaram Mutual Fund and the Sponsors - Sundaram Finance Limited.

Your Board of Directors also thanks the Securities and Exchange Board of India, Monetary Authority of Singapore, Association of Mutual Funds of India, the Company's bankers and other intermediaries for their unstinting support.

Your Directors place on record their deep appreciation for the dedication and commitment displayed by the employees of your Company

For and on behalf of the Board

Place: Chennai

D N Ghosh

Date: May 07, 2014

Chairman

Annexure to the Directors Report

Annexure I

Name of the Committee	Members of the Committee	No. of meetings held during 2013-14
Audit Committee	Mr. S. Krishnamurthy Mr. T. Anantha Narayanan Mr. Harsha Viji	Five
Executive Committee	Mr. T T Srinivasaraghavan Mr. Ashoke Bijapurkar Mr. T. Anantha Narayanan Mr. T P Raman Mr. Harsha Viji	Two
Risk Management Committee	Mr. T. Anantha Narayanan Mr. Rishiksha T Krishnan Mr. Harsha Viji	One
Remuneration Committee	Mr D N Ghosh Mr. T P Raman Mr. T T Srinivasaraghavan Mr. Ashoke Bijapurkar Mr. Harsha Viji	One

For and on behalf of the Board

Place: Chennai
Date: May 07, 2014

D N Ghosh
Chairman

Annexure – II

Sl.No	Name of the Schemes	Closing AUM as on 31-03-14 (Rs. in Crore)
Equity Schemes		
1	Sundaram Select Mid Cap	1,787.74
2	Sundaram Tax Saver	1,137.13
3	Sundaram Select Focus	445.25
4	Sundaram Select Thematic Funds – Energy Opportunities	441.00
5	Sundaram S.M.I.L.E Fund	275.38
6	Sundaram Growth Fund	176.06
7	Sundaram Select Micro Cap (4 schemes)	166.72
8	Sundaram Select Thematic Funds – Capex Opportunities (Growth)	138.63
9	Sundaram Financial Services Opportunities Fund	137.48
10	Sundaram Select Thematic Funds – PSU Opportunities	121.27
11	Sundaram Select Thematic Funds – Rural India Fund	116.89
12	Sundaram Equity Multiplier	110.49
13	Sundaram Select Thematic Funds – Capex Opportunities (Dividend)	108.69
14	Sundaram Equity Plus	83.61
15	Sundaram Global Advantage – Fund of Funds	37.56
16	Sundaram Balanced Fund	33.85
17	Sundaram Entertainment Opportunities Fund	28.45
Total AUM – Equity Schemes – (A)		5,346.20
Debt & Liquid Schemes		
18	Sundaram Fixed Term Plans (including Interval Funds) (28 schemes)	2,349.10
19	Sundaram Money Fund	1,941.05
20	Sundaram Flexible Fund – Short Term Plan	1,782.47
21	Sundaram Ultra Short Term Fund	1,161.73
22	Sundaram Select Debt – Short Term Asset Plan	830.81
23	Sundaram Capital Protection Oriented Schemes (Closed-end Scheme) (9 schemes)	762.48
24	Sundaram Flexible Fund – Flexible Income Plan	372.57
25	Sundaram Bond Saver	363.15
26	Sundaram Monthly Income Plan (Not an assured Income Scheme) – Moderate Plan	122.48
27	Sundaram Hybrid Funds (3 schemes)	99.20
28	Sundaram Gilt Fund	35.39
29	Sundaram Monthly Income Plan (Not an assured Income Scheme) – Aggressive Plan	19.54
30	Sundaram Monthly Income Plan (Not an assured Income Scheme) – Conservative Plan	5.54
31	Sundaram Income Plus	1.45
TOTAL AUM – Debt & Liquid Schemes – (B)		9,846.97
GRAND TOTAL – (A) + (B)		15,193.17

For and on behalf of the Board

Place: Chennai

Date: May 07, 2014

D N Ghosh

Chairman

INDEPENDENT AUDITOR'S REPORT

To the Members of Sundaram Asset Management Company Limited

To the Members of Sundaram Asset Management Company Limited

1) Report on the Financial Statements

We have audited the accompanying financial statements of Sundaram Asset Management Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2) Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3) Auditor's Responsibility

- a) Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- b) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

- c) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4) Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the

information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5) Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Regn. No.000511S

Place: Chennai

Date : 7th May, 2014

P. BABU
Partner

Membership No.203358

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

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) Fixed assets have been physically verified by the management during the year in accordance with a phased plan of verification, which in our opinion is reasonable having regard to the size of the company and the nature of fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.
- c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets have not been disposed off by the company during the year.
2. In our opinion and according to the information and explanations given to us, the company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, clauses (iii)a to (iii)g of paragraph 4 of the Order are not applicable to the company for the year.
3. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and for services rendered. During the course of our audit, no major weaknesses have been noticed in the internal controls and therefore the reporting of the same does not arise.
4. a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 of the Act have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of rupees five lakh in respect of any party during the year have, prima facie, been made at prices which are reasonable having regard to the nature of services and the prevailing market prices at the relevant time.
5. The company has not accepted deposits from public.
6. The company has an internal audit system, which in our opinion, is commensurate with the size and the nature of its business.
7. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act.
8. According to the records of the company and the information and explanations given to us, undisputed statutory dues, including Provident Fund, Employees State Insurance, Income tax, Wealth Tax, Service Tax and other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, there are no arrears of statutory dues which are outstanding as at 31st March, 2014 for a period of six months from the date they became payable.
9. According to the records of the company and the information and explanations given to us, there are no dues of Provident Fund, Employees State Insurance, Income tax and Wealth tax which have not been deposited on account of any dispute. Details of disputed service tax not deposited are as follows:

Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Service tax	6,30,66,652	2007-08 and 2008-09	Appellate Tribunal
10. The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the current and immediately preceding financial year.
11. Based on our audit procedure and on the information and explanations given by the management, the company does not have any borrowing from banks, financial institutions, or by issue of debentures.
12. According to the information and explanations given to us, the company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the company.
14. Based on our examination of records and information and explanations given to us, proper records have been maintained of the transactions and contracts relating to dealing in securities and other investments and timely entries have been made therein. The securities and other investments have been held by the company in its own name.
15. In our opinion and according to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The company has not availed any long term loan during the year.
17. According to the information and explanations given to us, the company has not raised funds on short term or long term basis during the year.
18. The company has not issued debentures during the year.
19. The company has not raised monies by public issue during the year.
20. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.
21. In our opinion and according to the information and explanations given to us, the nature of the company's business/ activities during the year have been such that clauses ii and xiii and xviii of paragraph 4 of the Companies (Auditors' Report) Order, 2003 are not applicable to the company for the year.

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Regn. No.000511S

Place: Chennai
Date : 7th May, 2014

P. BABU
Partner
Membership No.203358

Balance Sheet

As at 31st March, 2014

(Amount in Rs)

Particulars	Note	31.03.14	31.03.13
I. Equity and Liabilities			
1. Shareholders' Funds			
(a) Share Capital	2	15,33,32,290	15,33,32,290
(b) Reserves and Surplus	3	72,74,85,114	62,85,92,585
(c) Money received against share warrants		-	-
		88,08,17,404	78,19,24,875
2. Share Application Money Pending Allotment		-	-
3. Non-Current Liabilities			
(a) Long Term Borrowings		-	-
(b) Deferred Tax Liabilities	4	2,21,20,374	2,83,40,648
(c) Other Long Term Liabilities	5	1,07,02,000	1,05,00,000
(d) Long Term Provisions		-	-
		3,28,22,374	3,88,40,648
4. Current Liabilities			
(a) Short Term Borrowings		-	-
(b) Trade Payables	6	14,05,17,020	14,49,00,760
(c) Other Current Liabilities	7	90,22,118	94,22,872
(d) Short Term Provisions	8	5,68,18,789	6,37,51,561
		20,63,57,927	21,80,75,193
Total		111,99,97,705	103,88,40,716
II. Assets			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	3,47,39,493	3,47,09,218
(ii) Intangible Assets	9	13,64,996	59,05,824
(iii) Capital work-in-progress		-	-
(iv) Intangible Asset Under Development		-	-
(b) Non-Current Investments	10	22,41,86,020	14,18,68,250
(c) Deferred Tax Assets		-	-
(d) Long Term Loans and Advances	11	40,43,41,201	34,37,88,210
(e) Other Non-Current Assets		-	-
		66,46,31,710	52,62,71,502
2. Current Assets			
(a) Current Investments	12	16,51,80,241	19,21,29,151
(b) Inventories		-	-
(c) Trade receivables	13	9,87,03,093	7,29,50,635
(d) Cash and Bank Balances	14	1,60,09,746	57,10,872
(e) Short Term Loans and Advances	15	17,54,72,915	24,17,78,556
(f) Other Current Assets		-	-
		45,53,65,995	51,25,69,214
Total		111,99,97,705	103,88,40,716

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

P. Babu
Partner
Membership No. 203358

Chennai
07th May, 2014

D. N. Ghosh
Chairman

T T Srinivasaraghavan
Director

T Anantha Narayanan
Director

T P Raman
Director

S Krishnamurthy
Director

Rishikesha T Krishnan
Director

Harsha Viji
Managing Director

P. Sundararajan
Company Secretary

Profit and Loss Statement

For the year ended 31st March 2014

(Amount in Rs)

Particulars	Note	2013-14	2012-13
Income			
Revenue from operations	16	1,19,66,08,594	1,17,63,18,419
Other Income	17	4,40,08,080	67,07,649
Total	(A)	<u>1,24,06,16,674</u>	<u>1,18,30,26,068</u>
Expenditure			
Employee Benefits	18	34,45,06,585	38,53,91,932
Administrative and other expenses	19	30,03,62,863	25,71,82,626
Finance Cost - Interest		-	13,81,242
Scheme expenses borne by the company	20	35,07,43,451	27,18,44,056
Depreciation	9	1,87,14,185	1,87,36,659
Total	(B)	<u>101,43,27,084</u>	<u>93,45,36,515</u>
Profit before tax	(A-B)	22,62,89,590	24,84,89,553
Less : Tax			
Current Tax		7,98,00,000	10,72,00,000
Deferred Tax		(6,220,274)	(27,358,533)
		<u>7,35,79,726</u>	<u>7,98,41,467</u>
Profit after Tax from continuing operations		15,27,09,864	16,86,48,086
Earnings per Equity Share			
Number of Shares		1,53,33,229	1,53,33,229
Earnings per Equity Share		9.96	11.00

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

P.Babu
Partner
Membership No.203358

Chennai
07th May, 2014

D.N.Ghosh
Chairman

T T Srinivasaraghavan
Director

T Anantha Narayanan
Director

T P Raman
Director

S Krishnamurthy
Director

Rishiksha T Krishnan
Director

Harsha Viji
Managing Director

P. Sundararajan
Company Secretary

NOTES TO THE ACCOUNTS**1. SIGNIFICANT ACCOUNTING POLICIES**

1.1 The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the relevant provisions of the Companies Act, 1956.

The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the year and disclosure of contingent liabilities as at that date. The estimate and assumptions used in the financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements. The assets and liabilities have been classified as current and non-current based on a twelve month operating cycle.

1.2 Income Recognition:

Investment Management Fees, Advisory Fees and Portfolio Management Service Fees are accounted on accrual basis.

1.3 Fixed Assets and Depreciation:

Fixed Assets are stated at historical cost less accumulated depreciation.

Depreciation on assets is provided on the Written down Value Method at rates prescribed in Schedule XIV to the Companies Act, 1956. Assets costing Rs.5000 or less acquired during the year are written down to Re.1.

Expenditure incurred towards renovation, interior decoration etc. in respect of leased office premises is

capitalised under "Improvement to rented premises" and amortised over the primary lease period.

Vehicles taken on lease:

Operating Lease payments are recognised as expenditure in the Profit and Loss Account on a straight line basis over the lease term.

1.4 Valuation of Investments:

Long Term investments are carried at cost and provision for decline in value, other than temporary is considered wherever necessary.

Current Investments are valued at lower of cost and market value/ net asset value.

1.5 Transactions in Foreign Currency:

Transactions in foreign currency are accounted for at the rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies are restated at the prevailing rates of exchange at the Balance Sheet date. Gain or loss arising out of fluctuations in exchange rates is accounted for in the Profit and Loss Statement.

1.6 Employee Benefits :**A) Short Term Employee Benefits:**

Short Term Employee Benefits to be paid for the services rendered by employees are recognized during the period when the services are rendered.

B) Post employment benefits:Defined Contribution Plan*i) Provident Fund*

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

Defined Benefit Plan*i) Gratuity*

The Company contributes annually to a Gratuity Fund administered by trustees and managed by Life Insurance Corporation of India. The company accounts its liability for future gratuity benefits based on actuarial valuation, as at Balance Sheet date, determined every year by Life Insurance Corporation of India using the Projected Unit Credit method.

ii) Leave Encashment

The Company contributes to a staff leave encashment scheme managed by Life Insurance Corporation of India. The Company accounts its liability based on an actuarial valuation, as at the Balance Sheet date, determined every year, using the Projected Unit Credit method.

The expenses and actuarial gain / loss on account are recognised in the Profit and Loss on the basis of actuarial valuation.

1.7 Taxation:

Current tax is provided on the taxable income for the year. Deferred tax liabilities on the timing differences are fully provided for. Deferred tax assets are recognised on the consideration of prudence.

1.8 Intangible Assets:

Computer Software acquired is recorded as an intangible asset and the cost is amortised over the expected useful life.

1.9 Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal / external factors. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The amount recoverable is higher of the net selling price of assets and their value in use.

1.10 Provisions:

Provisions are recognised when the company has present legal or constructive obligations, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

1.11 Scheme Expenses

a) New Fund Offer Expenses – Equity Schemes

Open Ended - Expenses incurred in relation to new fund offer are amortized over a period of 24 Months.

Close Ended - Expenses incurred in relation to new fund offer are amortized over the tenor of the Scheme.

b) New Fund Offer Expenses – Debt Schemes

Expenses incurred in relation to new fund offer are amortized over the tenor of the scheme.

c) Amortization Policy on Brokerage Expenses:

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

Notes to the Accounts

forming part of the Balance Sheet as at March 31, 2014

(Amount in Rs.)

Note 2

Share Capital :

Particulars	31.03.14	31.03.13
Share Capital		
Authorised		
2,00,00,000 Equity Shares of Rs 10/- each	20,00,00,000	20,00,00,000
5,00,000 Redeemable Preference Shares of Rs.100/- each	5,00,00,000	5,00,00,000
	<u>25,00,00,000</u>	<u>25,00,00,000</u>
Issued, Subscribed and fully paid up		
1,53,33,229 Equity Shares of Rs 10/- each	15,33,32,290	15,33,32,290
	<u>15,33,32,290</u>	<u>15,33,32,290</u>

Details of number of Shares held by shareholders holding more than 5% shares are set out below

Name of the Shareholder	Status	No. of Shares #	% held as at 31.03.2014
Sundaram Finance Limited	- Holding Company	1,53,33,229	100%

Includes six equity shares held by nominees of Sundaram Finance Limited.

Reconciliation of the number of equity shares outstanding at the beginning and at the end of financial year are as follows:

Particulars	31.03.14	31.03.13
Opening number of shares outstanding	1,53,33,229	1,53,33,229
Add : Shares issued	-	-
Less: Shares bought back	-	-
Closing number of shares outstanding	1,53,33,229	1,53,33,229

Note 3

Reserves And Surplus

Particulars	31.03.14	31.03.13
a) Securities Premium Account	4,13,57,051	4,13,57,051
b) General Reserve		
Opening balance	8,92,97,172	7,24,32,362
Add: Transfer from Surplus in the Profit and Loss Statement	1,52,70,986	1,68,64,810
c) Surplus in the Profit and Loss Statement		
Opening balance	49,79,38,364	39,99,72,423
Add: Profit for the year from the Profit and Loss Statement	15,27,09,864	16,86,48,086
	<u>65,06,48,228</u>	<u>56,86,20,509</u>
Less: Appropriations		
General Reserve	1,52,70,986	1,68,64,810
Dividend		
Final (Proposed)	4,59,99,687	4,59,99,687
Dividend Distribution Tax	78,17,650	78,17,650
	58,15,59,905	49,79,38,362
	<u>72,74,85,114</u>	<u>62,85,92,585</u>

Notes to the Accounts

forming part of the Balance Sheet as at March 31, 2014

(Amount in Rs.)

Note 4

Deferred Tax Liabilities:

Particulars	31.03.14	31.03.13
Deferred Tax Liability:		
Depreciation	22,25,241	41,10,359
Amortisation of Brokerage	1,98,95,133	2,42,30,289
	<u>2,21,20,374</u>	<u>2,83,40,648</u>

Note 5

Other Long Term Liabilities

Particulars	31.03.14	31.03.13
Outstanding liabilities for expenses	1,07,02,000	1,05,00,000
	<u>1,07,02,000</u>	<u>1,05,00,000</u>

Note 6

Trade Payables

Particulars	31.03.14	31.03.13
Trade Payables		
For Expenses	13,74,80,645	14,17,80,275
For others	30,36,375	31,20,485
	<u>14,05,17,020</u>	<u>14,49,00,760</u>

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

Note 7

Other Current Liabilities:

Particulars	31.03.14	31.03.13
Other Payable (Service Tax & TDS payable)	90,22,118	94,22,872
	<u>90,22,118</u>	<u>94,22,872</u>

Note 8

Short Term Provisions

Particulars	31.03.14	31.03.13
Provision for Employee Benefits	30,01,452	99,34,224
Others		
Dividend	4,59,99,687	4,59,99,687
Dividend Distribution Tax	78,17,650	78,17,650
	<u>5,68,18,789</u>	<u>6,37,51,561</u>

Note: 9
Fixed Assets

(Amount in Rupees)

Description	GROSS BLOCK AT COST			DEPRECIATION			NET BLOCK			
	As at 01.04.2013	Additions	Deductions	As at 31.03.2014	Upto 31.03.2013	Additions	Deductions	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
Tangible Assets										
Office Equipment	1,75,55,384 (1,65,80,472)	2,95,256 (13,81,656)	7,868 (4,06,744)	1,78,42,772 (1,75,55,384)	99,64,479 (89,84,308)	11,22,402 (12,32,780)	5,302 (2,52,609)	1,10,81,579 (99,64,479)	67,61,193 (75,90,905)	75,90,907 (75,96,164)
Electrical Equipment	1,74,28,741 (1,76,50,742)	23,74,539 (3,13,174)	1,72,829 (5,35,175)	1,96,30,451 (1,74,28,741)	93,28,308 (82,61,220)	16,76,654 (13,07,590)	1,12,046 (2,40,502)	1,08,92,916 (93,28,308)	87,37,535 (81,00,433)	81,00,433 (93,89,522)
Computers	5,17,94,632 (4,96,67,037)	96,61,824 (29,62,613)	23,23,885 (8,35,018)	5,91,32,571 (5,17,94,632)	4,43,79,827 (4,07,02,998)	52,88,337 (44,84,113)	22,16,650 (8,07,284)	4,74,51,514 (4,43,79,827)	1,16,81,057 (74,14,805)	74,14,805 (89,64,039)
Furniture and fixtures	1,52,60,292 (1,53,63,171)	3,52,316 (4,60,235)	3,48,117 (5,63,114)	1,52,64,491 (1,52,60,292)	1,28,28,364 (1,25,43,247)	6,28,160 (7,14,147)	3,00,636 (4,29,030)	1,31,55,888 (1,28,28,364)	21,08,603 (24,31,928)	24,31,928 (28,19,924)
Vehicles	12,52,026 (23,69,927)	3,25,630 (83,742)	2,55,218 (12,01,643)	13,22,438 (12,52,026)	10,23,803 (19,15,978)	1,20,361 (68,612)	1,93,446 (9,60,787)	9,50,718 (10,23,803)	3,71,720 (2,28,223)	2,28,223 (4,53,949)
Improvement to rented premises	3,87,60,547 (3,79,17,718)	13,05,865 (11,36,755)	- (2,93,929)	4,00,66,412 (3,87,60,544)	2,98,17,623 (2,41,89,723)	51,69,404 (59,11,784)	- (2,83,884)	3,49,87,027 (2,98,17,623)	50,79,385 (89,42,921)	89,42,921 (1,37,27,995)
Total Tangible Assets	14,20,51,622 (16,75,46,474)	1,43,15,430 (84,26,559)	31,07,917 (38,35,623)	15,32,59,135 (17,21,37,410)	10,73,42,404 (11,57,59,810)	1,40,05,319 (1,87,36,659)	28,28,080 (29,74,096)	11,85,19,642 (13,15,22,370)	3,47,39,493 (4,06,15,039)	3,47,09,218 (5,17,86,664)
Intangible Assets										
Computer Software	3,00,85,791 (2,79,97,407)	1,68,038 (20,88,384)	- (-)	3,02,53,829 (3,00,85,791)	2,41,79,966 (1,91,62,336)	47,08,867 (50,17,631)	- (-)	2,88,88,833 (2,41,79,967)	13,64,996 (59,05,824)	59,05,824 (88,35,071)
Total Intangible Assets	3,00,85,791 (2,79,97,407)	1,68,038 (20,88,384)	- (-)	3,02,53,829 (3,00,85,791)	2,41,79,966 (1,91,62,336)	47,08,867 (50,17,631)	- (-)	2,88,88,833 (2,41,79,967)	13,64,996 (59,05,824)	59,05,824 (88,35,071)
Grand Total	17,21,37,413 (16,75,46,474)	1,44,83,468 (84,26,559)	31,07,917 (38,35,623)	18,35,12,964 (17,21,37,410)	13,15,22,370 (11,57,59,810)	1,87,14,185 (1,87,36,659)	28,28,080 (29,74,096)	14,74,08,475 (13,15,22,370)	3,61,04,489 (4,06,15,039)	4,06,15,042 (5,17,86,664)
Previous Year										

Figures in brackets pertain to 31st March 2013.

'Intangible Assets : In accordance with Accounting Standard AS 26 – Intangible Assets, Software purchase amounting to Rs. 1,68,038/-(31.03.2013 – Rs.20,88,384/-) is amortised over a period of three years based on a technical valuation.

Notes to the Accounts

forming part of the Balance Sheet as at March 31, 2014

(Amount in Rs.)

Note 10

Non - Current Investments

Particulars	31.03.14	31.03.13
Un-Quoted		
Non Trade:		
Investments in Mutual Funds	7,70,00,000	6,20,00,000
(Net asset value as of 31.03.14 - Rs 8,11,06,000/-)		
Investment in Equity Instruments : Fully paid		
- Subsidiary Company		
Sundaram Asset Management Singapore Pte. Ltd	14,71,86,020	7,98,68,250
Number of Shares Holding : 31,75,001		
Face Value : 1 SGD		
Total	22,41,86,020	14,18,68,250

Particulars	Face Value	As at 31.03.14		As at 31.03.13	
		Holding (Number)	Cost (Rs.)	Holding (Number)	Cost (Rs.)
Investments in Mutual Funds					
Sundaram FTP DC - Growth Option	10	-	-	30,00,000	3,00,00,000
Sundaram FTP DD - Growth Option	10	22,00,000	2,20,00,000	22,00,000	2,20,00,000
Sundaram FTP DF - Growth Option	10	-	-	10,00,000	1,00,00,000
Sundaram Hybrid C - Growth Option	10	35,00,000	3,50,00,000	-	-
Sundaram FTP EU - Growth Option	10	20,00,000	2,00,00,000	-	-
Total			7,70,00,000		6,20,00,000

Note 11

Long Term Loans and Advances

Particulars	31.03.14	31.03.13
Unsecured, Considered Good :		
Advance Income Tax and Tax Deducted at Source (Net)	18,25,79,918	16,32,73,825
Brokerage Recoverable from Mutual Fund Schemes	16,50,55,412	13,91,45,842
Prepaid Expenses	3,89,25,718	2,62,79,375
Security Deposit	1,38,15,747	1,24,95,917
Others	39,64,406	25,93,251
Total	40,43,41,201	34,37,88,210

Advance Income Tax and Tax Deducted at Source in net of provision for taxation Rs.52,14,33,918/- (31.03.13 Rs.44,16,33,918/-)

Others includes Rs.25,00,000/- Service Tax paid under dispute

Notes to the Accounts

forming part of the Balance Sheet as at March 31, 2014

(Amount in Rs.)

Note 12

Current Investments

Particulars	31.03.14	31.03.13
Un-Quoted		
Non Trade:		
Investments in Mutual Funds	16,51,80,241	19,21,29,151
Total	16,51,80,241	19,21,29,151

Particulars	Face Value	As at 31.03.14		As at 31.03.13	
		Holding (Number)	Cost (Rs.)	Holding (Number)	Cost (Rs.)
Investments in Mutual Funds					
Sundaram FTP BO-Growth Option	10	-	-	50,000	5,00,000
Sundaram FTP DC- Growth Option	10	30,00,000	3,00,00,000	-	-
Sundaram FTP DF- Growth Option	10	10,00,000	1,00,00,000	-	-
Sundaram FTP ES- Growth Option	10	2,50,000	25,00,000	-	-
Sundaram CPOF - 3 Year Series II	10	-	-	9,849	98,490
DSP Blackrock FMP-Series 81	10	-	-	10,00,000	1,00,00,000
Sundaram Select Debt-Short Term Asset Plan	10	8,60,347	1,07,32,155	8,09,687	1,00,93,119
Sundaram Ultra Short Term-Daily Dividend Reinv-Direct	10	69,66,778	6,99,73,613	1,70,67,722	17,14,26,542
Sundaram Ultra Short Term-Weekly Dividend Reinv-Direct	10	-	-	92.18	1,000
Sundaram Ultra Short Term-Fortnightly Dividend Reinv-Direct	10	98.65	1,048	94.32	1,000
Sundaram Ultra Short Term-Quarterly Dividend Reinv- Direct	10	-	-	89.50	1,000
Sundaram Ultra Short Term-Monthly Dividend Reinv-Direct	10	-	-	94.73	1,000
Sundaram Ultra Short Term-Growth-Direct	10	-	-	63.93	1,000
Sundaram Ultra Short Term-Bonus-Direct	10	123.60	2,000	-	-
Sundaram Money Fund-Daily Dividend Reinv-Direct	10	41,36,439	4,17,88,375	100.61	1,000
Sundaram Money Fund-Weekly Dividend Reinv-Direct	10	-	-	91.98	1,000
Sundaram Money Fund-Fortnightly Dividend Reinv-Direct	10	43.27	1,050	41.29	1,000
Sundaram Money Fund-Quarterly Dividend Reinv-Direct	10	-	-	80.23	1,000
Sundaram Money Fund-Monthly Dividend Reinv-Direct	10	-	-	96.65	1,000
Sundaram Money Fund-Growth-Direct	10	-	-	41.29	1,000
Sundaram Money Fund-Bonus-Direct	10	130.80	2,000	-	-

Notes to the Accounts

forming part of the Balance Sheet as at March 31, 2014

(Amount in Rs.)

HDFC Liquid Fund - Growth - Direct	10	430.37	10,000	-	-
Religare Liquid Fund - Growth - Direct	1000	6.17	10,000	-	-
ICICI Liquid Fund - Growth - Direct	10	57.38	10,000	-	-
DWS Insta Cash Plus Fund - Growth - Direct	10	65.25	10,000	-	-
Canara Rebecco Liquid Fund - Growth - Direct	1000	6.97	10,000	-	-
DSP Balckrock Liquidity Fund - Growth - Direct	1000	5.93	10,000	-	-
Birlasunlife Cash Plus - Growth - Direct	10	52.99	10,000	-	-
IDFC Cash Fund - Growth - Direct	10	6.98	10,000	-	-
L&T Liquid Fund - Growth - Direct	1000	6.19	10,000	-	-
Axis Liquid Fund - Growth - Direct	1000	7.65	10,000	-	-
JM High Liquidity Fund - Growth - Direct	10	311.02	10,000	-	-
SBI Magnum Insta Cash Fund - Growth - Direct	1000	3.84	10,000	-	-
Tata Liquidity Fund - Growth - Direct	1000	6.27	10,000	-	-
JP Morgan India liquid Fund - Growth - Direct	10	654.62	10,000	-	-
Reliance Liquid Fund - Growth - Direct	1000	5.64	10,000	-	-
Kotak Liquid Scheme - Growth - Direct	1000	4.18	10,000	-	-
LIC Nomura Liquid Scheme - Growth - Direct	1000	4.68	10,000	-	-
IDBI Liquid Fund - Growth - Direct	1000	7.91	10,000	-	-
Total			16,51,80,241		19,21,29,151

Particulars	31.03.14	
	Cost	Net Asset Value
Aggregate of Quoted Investments	-	-
Aggregate of Unquoted Investments	16,51,80,241	16,95,68,000

Note 13

Trade Receivables

Particulars	31.03.14	31.03.13
Unsecured, Considered Good :		
Trade Receivables		
Investment Management Fee	8,26,89,601	6,40,01,070
Advisory Fee	22,46,974	11,10,348
Portfolio Management Fee & Reimbursements	1,37,66,518	78,39,217
Total	9,87,03,093	7,29,50,635

Notes to the Accounts

forming part of the Balance Sheet as at March 31, 2014

(Amount in Rs.)

Note 14

Cash and Bank Balances

Particulars	31.03.14	31.03.13
Cash and Bank Balances		
Cash on Hand	89,973	66,164
Balances with Scheduled Banks in		
Current Accounts	50,37,663	48,94,422
Deposit Accounts - Less than 3 months	1,00,00,000	-
Balances with Bank held in abroad		
Current Accounts	68,855	10,561
Deposit Accounts - More than 12 months	8,13,255	7,39,725
(A lien has been created on the deposit in favour of a Bank for Guarantee issued)		
Total	<u>1,60,09,746</u>	<u>57,10,872</u>

Note 15

Short Term Loans and Advances

Particulars	31.03.14	31.03.13
Unsecured, Considered Good :		
Brokerage Recoverable from Mutual Fund Schemes	11,55,34,681	13,08,18,767
Prepaid Expenses	4,80,00,747	9,00,14,900
Security Deposit	73,54,791	85,76,938
Others	45,13,464	1,20,76,898
Amount receivable from Subsidiary Company	69,233	2,91,053
Total	<u>17,54,72,915</u>	<u>24,17,78,556</u>

Note 16

Revenue from Operations

Particulars	2013-14	2012-13
Services Rendered:		
Investment Management Fees (Net)	117,80,27,980	116,64,24,710
Advisory Fees	58,37,013	38,29,295
Portfolio Management Service Fees (Net)	1,27,43,601	60,64,414
Total	<u>119,66,08,594</u>	<u>117,63,18,419</u>

Investment Management fees is net of advisory fees paid Rs. 9,95,066 /- (31.03.13-Rs. 36,37,499/-).

Portfolio Management Services fees is net of brokerage paid Rs. 2,30,67,732 /- (31.03.13-Rs. 1,61,27,611/-).

Notes to the Accounts

forming part of the Balance Sheet as at March 31, 2014

(Amount in Rs.)

Note: 17**Other Income**

Particulars	2013-14	2012-13
Interest receipts	3,82,946	22,27,800
Dividend Income	1,21,79,527	37,13,032
Profit on Sale of Tangible Assets	16,284	45,212
Profit on Sale of Current Investment	13,36,938	-
Profit on Sale of Non Current Investment	1,17,858	48,140
Gain on Exchange Fluctuation	88,074	6,56,519
Miscellaneous income	2,98,86,453	16,946
Total	4,40,08,080	67,07,649

Note: 18**Employee Benefits**

Particulars	2013-14	2012-13
Salaries, allowances and bonus	32,09,46,303	35,61,09,621
Company's contribution to Provident Fund, ESI Scheme	1,36,53,515	1,50,12,881
Contribution to Gratuity Fund	23,14,080	60,60,752
Staff welfare expenses	75,92,687	82,08,678
Total	34,45,06,585	38,53,91,932

1. Defined Contribution Plan:

(In Rs.)

Company Contribution to	2013-14	2012-13	2011-12	2010-11	2009-10
1. Provident Fund	1,07,90,984	1,29,75,694	1,26,00,971	1,08,79,969	92,89,367
2. Pension Fund	16,83,992	18,09,040	18,25,634	16,53,122	15,50,449
3. Employees State Insurance	27,672	65,856	1,04,784	1,65,253	Nil

2. Defined Benefit Plan:**Gratuity****A. Reconciliation of opening and closing balances of present value of the defined benefit obligation**

	2013-14	2012-13
Present Value of obligations at the beginning of the Year	3,03,16,459	2,58,67,922
Interest Cost	24,25,317	20,69,434
Current Service Cost	46,10,598	23,25,684
Benefit Paid	(58,21,557)	(37,47,288)
Actuarial (Gain) / Loss on obligation	(30,63,271)	38,00,707
Present value of obligation at the end of the Year	2,84,67,546	3,03,16,459

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

	2013-14	2012-13
Fair Value of Plan asset at the beginning of the Year	2,43,15,678	2,08,88,682
Expected return on plan assets	22,62,380	21,35,073
Contribution	60,00,781	50,39,211
Benefit Paid	(58,21,557)	(37,47,288)
Actuarial Gain on obligation	Nil	Nil
Fair Value of plan asset at the end of the Year	2,67,57,282	2,43,15,678

Notes to the Accounts

forming part of the Profit and Loss Statement

(Amount in Rs.)

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

	2013-14	2012-13
Present Value of obligations at end of the Year	2,84,67,546	3,03,16,459
Fair Value of Plan asset at the end of the Year.	2,67,57,282	2,43,15,678
Net Liability recognised in the balance sheet	17,10,264	60,00,781

D. Expenses recognised in the profit and loss account

	2013-14	2012-13
Current Service Cost	46,10,598	23,25,684
Interest Cost	24,25,317	20,69,434
Expected return on plan assets	(22,62,380)	(21,35,073)
Net Actuarial loss recognised in the year	(30,63,271)	(38,00,707)
Expenses to be recognised in the Profit and Loss Account	17,10,264	60,60,752

E. Actuarial Gain / Loss recognised

	2013-14	2012-13
Actuarial loss on obligation	30,63,271	38,00,707
Actuarial gain on plan assets	Nil	Nil
Actuarial Loss for the year	30,63,271	38,00,707

F. Actuarial Assumption Per Annum

	31.03.14	31.03.13
Actuarial Assumption*		
Discount Rate	8.00%	8.00%
Salary Increment	7.00%	7.00%
Expected Rate of Return	8.75%	8.25%
Attrition Rate	1-3%	1-3%

* The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors like supply and demand in the employment market.

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Defined Benefit Obligation	2,84,67,546	3,03,16,459	2,58,67,922	1,99,02,183	1,68,17,856
Plan Asset	2,67,57,282	2,43,15,678	2,08,88,682	1,86,66,325	1,35,42,235
Surplus / Deficit	17,10,264	(60,00,781)	(49,79,240)	(12,35,858)	(32,75,621)
Expenses Adjustment on Plan Liabilities	(30,63,271)	38,00,707	24,45,626	2,54,574	11,53,406
Expenses Adjustment on Plan Asset	Nil	Nil	Nil	Nil	Nil

3. The Present value of obligation towards compensated absences, as per actuarial certificate as on 31.03.14 was Rs 2,21,16,391/- (31.03.13 Rs. 2,19,23,260/-) and is recognised in the books of accounts.

Notes to the Accounts

forming part of the Profit and Loss Statement

(Amount in Rs.)

Note: 19**Administrative and other expenses**

Particulars	2013-14	2012-13
Rent	4,10,46,888	4,49,36,916
Outsourcing Cost	3,44,34,309	3,25,00,522
Subscription	2,55,80,315	2,22,57,274
Fund Accounting Charges	2,90,85,528	2,22,31,714
Electricity Charges	78,41,537	77,71,587
Communication Expenses	1,90,09,047	2,12,04,129
Professional and Consultancy Fees	3,73,26,882	1,07,08,462
Travelling and Conveyance	2,67,31,124	2,23,84,454
Database and Networking Expenses	1,52,06,177	1,81,65,141
Business Development Expenses	1,41,60,275	88,51,864
Repairs and Maintenance		
- Building	95,10,266	1,04,07,093
- Others	78,28,728	75,41,473
Printing and Stationary	45,34,371	47,42,121
Insurance	37,09,151	44,95,893
Rates and Taxes	3,13,710	14,13,652
Lease Rental	15,74,944	16,63,675
Director's Sitting Fees and Commission	16,80,000	12,70,000
Donation	7,00,000	-
Loss on exchange fluctuation	90,317	56,738
Loss on sale of Current Investments	3,56,506	-
Loss on sale of tangible assets	77,053	3,16,363
Investment Advisory Fees	13,16,017	-
Miscellaneous expenses	1,82,49,718	1,42,63,555
Total	30,03,62,863	25,71,82,626

Miscellaneous Expenses includes remuneration to Auditors:

Particulars	2013-14	2012-13
Statutory Audit	6,50,000	5,00,000
Tax Audit	2,60,000	2,00,000
Certification Fees	3,17,500	2,30,000
Total	12,27,500	9,30,000

Note: 20**Scheme expenses borne by the company**

Particulars	2013-14	2012-13
Investor Education Expenses	-	94,85,816
Registrar & Transfer Agent Fees	11,13,10,511	5,24,65,849
Upfront Brokerage	9,06,17,771	9,10,89,253
Other Marketing Expenses	14,88,15,169	11,88,03,138
Total	35,07,43,451	27,18,44,056

Note: 21**GENERAL:**

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

21.2 Disclosures in respect of operating lease contracts as per AS 19 – “Leases”

The future minimum lease payments payable under non cancellable operating lease are as follows:

	(In Rs)	
Particulars	31.03.2014	31.03.2013
Not later than one year	9,14,238	15,14,901
Later than one year and not later than five years	9,29,418	18,97,065
Later than five years	Nil	Nil

The leases can be renewed on expiry of the primary lease period, after mutually discussing the renewal terms with the lessor.

21.3 Miscellaneous Income includes an amount of Rs.2,51,79,867/- pertaining to provision created in an earlier year, no longer required and written back (Previous Year –“Nil”)

21.4 RELATED PARTIES*Holding Company:*

Sundaram Finance Limited

Subsidiary Company:

Sundaram Asset Management Singapore Pte Limited

Fellow Subsidiaries:

Sundaram BNP Paribas Home Finance Limited.

Sundaram Trustee Company Limited.

LGF Services Limited.

Sundaram Finance Distribution Limited.

Sundaram Infotech Solutions Limited.

Sundaram Business Services Limited.

Infreight Logistics Solutions Limited.

Professional Management Consultants Limited (till May 15, 2013).

Sundaram BNP Paribas Fund Services Limited.

Sundaram Insurance Broking Services Limited.

Sundaram Parekh Warehousing Services Limited.

Caltex Servicez Private Limited (till May 15, 2013).

Sundaram BPO India Limited

Key Management Personnel : Mr Harsha Viji

Managing Director

Associate

: Sundaram Mutual Fund

Details of Related Parties Transactions for the year ended 31.03.2014

(Amount in Rs.)

Particulars	Holding Company		Fellow Subsidiaries / Associates		Key Management Personnel	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Income						
Investment Management and Advisory Fees	—	—	—	—	—	—
Sundaram Mutual Fund	—	—	117,90,23,046	117,00,35,507	—	—
(Grouped under Note 16 – Revenue from Operations)						
Service Income	—	—	18,00,000	18,00,000	—	—
Sundaram Trustee Company Limited	—	—	—	—	—	—
(Grouped under Note 18 – Employee Benefits)						
Total	—	—	118,08,23,046	117,18,35,507	—	—
Expenses						
Rent and Office Maintenance						
Sundaram Finance Ltd	95,72,400	1,22,69,350	—	—	—	—
Sundaram BNP Paribas Home Finance Ltd	—	—	24,000	34,000	—	—
(Grouped under Note 19 - Administrative Expenses - Rent)						
Vehicle Lease Rental						
Sundaram Finance Ltd	15,74,944	16,63,675	—	—	—	—
(Grouped under Note 19 - Administrative Expenses – Lease Rent)						
Remuneration						
T.P.Raman – Managing Director	—	—	—	—	—	26,73,804
(Grouped under Note 18 – Employee Benefits)						
Payroll processing and AMC Accounting Charges						
Sundaram Business Services Ltd	—	—	—	8,19,000	—	—
Payroll processing and AMC Accounting Charges & Others						
Sundaram BPO India Ltd	—	—	16,45,169	8,19,000	—	—
(Grouped under Note 19 - Administrative Expenses – Miscellaneous Expenses)						

Details of Related Parties Transactions for the year ended 31.03.2014 (contd.)

(Amount in Rs.)

Particulars	Holding Company		Fellow Subsidiaries / Associates		Key Management Personnel	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Fund Accounting, Registrar and Transfer fees and Call Centre Charges Sundaram BNP Paribas Fund Services Ltd (Grouped under Note 19 - Administrative Expenses)	—	—	17,26,33,928	9,92,09,354	—	—
Collection Centre Charges & Training Centre Charges Sundaram Finance Ltd (Grouped under Note 19 - Administrative Expenses – Repairs and Maintenance Cost)	2,87,075	1,73,495	—	—	—	—
System Services Cost Sundaram Finance Ltd (Sundaram Infotech Solutions) (Grouped under Note 19 - Administrative Expenses – Repairs and Maintenance Cost)	5,31,000	4,35,000	—	—	—	—
Maintenance of Website Sundaram Finance Ltd (Grouped under Note 19 - Administrative Expenses – Repairs and Maintenance Cost)	4,38,000	2,14,000	—	—	—	—
Internal , Concurrent and Audit Fees Sundaram Finance Ltd (Grouped under Note 19 - Administrative Expenses – Miscellaneous Expenses)	7,50,000	5,00,000	—	—	—	—
Investment Advisory Fees (Grouped under Note 19 - Administrative Expenses)	—	—	13,16,017	—	—	—
Total	1,31,53,419	1,52,55,520	17,56,19,114	10,08,81,354	—	26,73,804
Assets						
Acquisition of Hardware Sundaram Infotech Solutions Ltd (Grouped under Note 9 – Tangible Asset)	—	—	—	1,02,900	—	—
Receivable from Sundaram Trustee Co. Ltd	—	—	76,710	36,96,027	—	—
Receivable from Sundaram Asset Management Singapore Pte. Ltd (Grouped under Note 15 – Short Term Loans and Advances- Others)	—	—	69,233	2,91,053	—	—
Investment in Trust Securities at the end of the year Sundaram Mutual Fund	—	—	24,20,00,241	24,41,28,506	—	—
Investment in Subsidiary Company Sundaram Asset Management Singapore Pte. Ltd (Grouped under Note 12 – Current Investment)	—	—	14,71,86,020	7,98,68,250	—	—
Total	—	—	38,93,32,204	32,80,86,736	—	—
Liabilities						
Other Liabilities Sundaram Finance Ltd (Grouped under Note 6 – Trade Payables)	4,07,689	1,26,800	—	—	—	—
Sundaram BPO India Ltd	—	—	1,53,372	2,49,000	—	—
Sundaram BNP Paribas Fund Services Ltd	—	—	1,94,14,999	1,53,23,661	—	—
Payable to Managing Director (T P Raman) (Grouped under Note 6 – Trade Payables)	—	—	—	—	—	5,00,000
Final Dividend	4,59,99,687	4,59,99,687	—	—	—	—
Total	4,64,07,376	4,61,26,487	1,95,68,371	1,55,72,661	—	5,00,000

21.5 a. The Managing Director Mr. Harsha Viji has been nominated by M/s. Sundaram Finance Limited the Holding company and no remuneration is borne by this company.

b. A sum of Rs.12,00,000/- has been provided in the books of accounts towards payment of commission to the Non-Whole Time Directors of the Company. Out of this, an amount of Rs.4,00,000/- is subject to the approval of the Members.

21.6 Earnings per Share (Basic and diluted)

Sl. No	Particulars		2013-2014	2012-2013
1.	Profit after tax Rs.	(A)	15,27,09,864	16,86,48,086
2.	Number of shares (nominal value of Rs.10/- each)	(B)	1,53,33,229	1,53,33,229
3.	Earnings per share (Basic and diluted) Rs.	(A)/(B)	9.96	11.00
4.	Dividend proposed to be distributed-Rs.		4,59,99,687	4,59,99,687
5.	Dividend per Share-Rs.		3.00	3.00

21.7 Sundaram Mutual Fund (SMF) had, during the year 2011-12, received Income Tax Recovery notices to the extent of Rs.10,59,22,630/- pertaining to the Pass Through Certificates (PTCs) subscribed by the schemes of SMF during the financial year 2008-09 wherein IL&FS Trustee Company Ltd was the Trustee to the Securitisation Transaction. IL&FS's appeal before

CIT(A) has been partially allowed. IL&FS has preferred an appeal and obtained stay from ITAT against order of CIT(A).

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

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

21.8 Contingent Liabilities:

Claims against the Company

not acknowledged as debts	2013-2014	2012-2013
-Service Tax matters	Rs. 6,30,66,652/-	Rs. 1,51,85,578/-

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

21.10 Expenditure in foreign Currency on payments towards Salary, Rent, Travelling etc., – Rs. 2,54,51,310 /- (31.03.13 – Rs. 1,69,78,311/-)

21.11 Earnings in Foreign Currency – Advisory fees earned Rs.42,74,963/- (31.03.13 – Rs.34,73,618/-)

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

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

P.Babu
Partner
Membership No.203358

Chennai
07th May, 2014

D.N.Ghosh
Chairman

T T Srinivasaraghavan
Director

T Anantha Narayanan
Director

T P Raman
Director

S Krishnamurthy
Director

Rishikesh T Krishnan
Director

Harsha Viji
Managing Director

P. Sundararajan
Company Secretary

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

Name of the Subsidiary Company	Financial Year of the Subsidiary Ended.	Holding Company's Interest in the Subsidiary	Net aggregate amount of the profits of the subsidiary not dealt with in the Holding Company's accounts.		Net aggregate amount of the profits of the subsidiary dealt with in the Holding Company's accounts by way of dividends on the shares held in Subsidiary Company	
			a) For the financial year of the Subsidiary Company	b) For the previous financial years since it became a Subsidiary Company	c) For the financial year of the Subsidiary Company	d) For the previous financial years, since it became a Subsidiary Company
Sundaram Asset Management Singapore Pte Ltd	31.03.2014	31,75,001 Equity Shares of 1 SGD (100%)	(5,31,51,195)	(5,36,78,470)	Nil	Nil

Conversion Rate: 1 SGD = INR 47.4462

D.N.Ghosh
Chairman

T T Srinivasaraghavan
Director

T Anantha Narayanan
Director

S Krishnamurthy
Director

T P Raman
Director

Rishiksha T Krishnan
Director

Harsha Viji
Managing Director

P. Sundararajan
Company Secretary

Chennai
07th May, 2014

Cash Flow Statement

For the Year ended 31.03.2014

(Amount in Rs.)

Particulars	2013-14	2012-13
A Cash Flow from Operating Activities :		
Profit/(Loss) after tax	15,27,09,864	16,86,48,086
Add: Profit on sale of tangible assets	(16,284)	(45,212)
Financial Cost	-	13,81,242
Profit on sale of Current Investments	(13,36,938)	-
Profit on sale of Non Current Investments	(1,17,858)	(48,140)
Loss on Sale of tangible Assets	77,053	3,16,363
Loss on sale of Current Investments	3,56,506	-
Depreciation	1,87,14,185	1,87,36,659
Income Tax	7,98,00,000	10,72,00,000
Deferred Tax	(62,20,274)	(2,73,58,533)
Interest Income	(3,82,946)	(22,27,800)
Dividend Income	(1,21,79,527)	(37,13,032)
Effect of foreign exchange rates on Cash and cash equivalents	(73,530)	(34,003)
Operating profit before working capital changes	<u>23,13,30,251</u>	<u>26,28,55,630</u>
(Increase) / Decrease in Current Assets	-	-
(Increase) / Decrease in Long Term Loan and Advances	(22,38,26,816)	12,96,55,579
(Increase) / Decrease in Short Term Loan and Advances	14,97,79,466	(73,62,065)
(Increase) / Decrease in Trade Receivables	(2,57,52,458)	(3,58,62,149)
Increase / (Decrease) in Current Liabilities (Trade Payables)	(43,83,740)	8,23,83,799
Increase / (Decrease) in Other Long Term Liabilities	2,02,000	1,05,00,000
Increase / (Decrease) in Current Liabilities (Other current liabilities)	(4,00,754)	(8,82,053)
Increase / (Decrease) in Current Liabilities (Short Term Provisions)	(69,32,772)	25,29,145
Cash generated from Operations	<u>12,00,15,177</u>	<u>44,38,17,886</u>
Financial Cost	-	(13,81,242)
Direct Taxes Paid	-	(3,73,51,248)
Net cash from operating activities	12,00,15,177	40,50,85,396

Cash Flow Statement

For the Year ended 31.03.2014

(Amount in Rs.)

Particulars	2013-14	2012-13
B Cash flow from investing activities		
Purchase / Sale of Current Investments	2,69,48,910	(17,36,29,151)
Purchase / Sale of Non Current Investments	(8,23,17,770)	(14,17,69,760)
Purchase of Fixed Assets - Tangible	(1,43,15,430)	(63,38,175)
Purchase of Fixed Assets - Intangible	(1,68,038)	(20,88,384)
Sale of Fixed Assets - Tangible	2,19,069	5,90,369
Profit on Sale of Investments	14,54,796	48,140
Loss on Sale of Investments	(3,56,506)	-
Dividend Income	1,21,79,527	37,13,032
Interest Income	3,82,946	22,27,800
Net cash from investing activities	<u>(5,59,72,496)</u>	<u>(31,72,46,129)</u>
C Cash flow from financing activities		
Dividend paid (including corporate dividend tax)	(5,38,17,337)	(3,56,40,557)
Current Liability (Short Term Borrowing)	-	(5,33,33,334)
Net cash from financing activities	<u>(5,38,17,337)</u>	<u>(8,89,73,891)</u>
Net Increase / (Decrease) in Cash & Cash Equivalents (A) + (B) + (C)	1,02,25,344	(11,34,624)
Cash and Cash Equivalents at the beginning of the Year	49,71,147	61,05,771
Cash and Cash Equivalents at the end of the Year	1,51,96,491	49,71,147
<i>Note : Cash & Cash Equivalents comprise the following :</i>		
a. Cash on hand	89,973	66,164
b. Balances with Banks in Current accounts	51,06,518	49,04,983
c. Fixed Deposits	1,00,00,000	-
Total	<u>1,51,96,491</u>	<u>49,71,147</u>

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

P.Babu
Partner
Membership No.203358

Chennai
07th May, 2014

D.N.Ghosh
Chairman

T T Srinivasaraghavan
Director

T Anantha Narayanan
Director

T P Raman
Director

S Krishnamurthy
Director

Rishikesha T Krishnan
Director

Harsha Viji
Managing Director

P. Sundararajan
Company Secretary

Branches

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



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

Annual Report
Year ended 31 March 2014

The symbol "\$", wherever appearing, denotes Singapore Dollars unless otherwise specified

Directors Report

Directors' report

We are pleased to submit this annual report to the member of the Company together with the audited financial statements for the financial year ended 31 March 2014.

Directors

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

Sunil Subramaniam (Appointed on 10 September 2013)

Tallam Puranam Raman

Colin Ng Teck Sim

Vijayendiran Ranganatha Rao

Benoy Philip

Directors' Interests

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

Name of director and corporation in which interests are held	Holdings at beginning of the year/date of appointment	Holdings at end of the year
Ordinary shares		
Tallam Puranam Raman		
Sundaram Finance Ltd		
- interests held	7,628	9,128
Sundaram Asset Management Company Ltd		
- interests held	1	1
Ranganatha Rao Vijayendiran		
Sundaram Finance Ltd		
- interests held	1,400	1,400
Options to subscribe to ordinary shares		
Tallam Puranam Raman		
Sundaram Finance Ltd		
- INR 10 per share between 1 June 2013 and 31 August 2013	1,500	-
Sunil Subramaniam		
Sundaram Finance Ltd		
- INR 10 per share between 1 June 2014 and 31 August 2014	-	500

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

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

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

Share options

During the financial year, there were:

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

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

Auditors

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

On behalf of the Board of Directors

Vijayendiran Ranganatha Rao

Director

28 April 2014

Sunil Subramaniam

Director

Statement by Directors

In our opinion:

- (a) the financial statements set out on pages FS1 to FS16 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014 and the results, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

On Behalf of the Board of Directors

Vijayendiran Ranganatha Rao

Director

Sunil Subramaniam

Director

28 April 2014



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 Hong Leong Building
 Singapore 048581

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

Independent auditors' report

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

Report on the financial statements

We have audited the accompanying financial statements of Sundaram Asset Management Singapore Pte. Ltd. (the Company), which comprise the statement of financial position as at 31 March 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS16.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Company as at 31 March 2014 and the results, changes in equity and cash flows of the Company for the year ended on that date.

Report on other legal and regulatory requirements

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

KPMG LLP

*Public Accountants and
 Certified Public Accountants*
Singapore

Dated: 28 April 2014

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

Statement of financial position

As at 31 March 2014

	Note	2014 \$	2013 \$
Non-current assets			
Property, plant and equipment	4	24,687	47,893
		<u>24,687</u>	<u>47,893</u>
Current assets			
Trade receivables		26,667	–
Other receivables		34,338	34,956
Prepayment		70,842	35,513
Cash and cash equivalents	5	738,250	583,500
		<u>870,097</u>	<u>653,969</u>
Total assets		<u>894,784</u>	<u>701,862</u>
Equity			
Share capital	6	3,175,001	1,775,001
Accumulated losses		(2,387,067)	(1,225,189)
Total equity		<u>787,934</u>	<u>549,812</u>
Current liabilities			
Other payables	7	106,850	152,050
Total liabilities		<u>106,850</u>	<u>152,050</u>
Total equity and liabilities		<u>894,784</u>	<u>701,862</u>

Statement of comprehensive income

Year ended 31 March 2014

	Note	Year ended 31/3/2014 \$	Period from 1/10/2012 to 31/3/2013 \$
Revenue		26,667	–
Finance income		1,502	–
Staff costs		(954,144)	(530,830)
Depreciation expense	4	(23,206)	(11,259)
Operating lease expense		(85,588)	(43,027)
Other operating expenses		(127,109)	(76,014)
Loss before tax	8	(1,161,878)	(661,130)
Tax expense	9	–	–
Loss for the year/period		<u>(1,161,878)</u>	<u>(661,130)</u>
Other comprehensive income for the year/period, net of tax		–	–
Total comprehensive income for the year/period		<u>(1,161,878)</u>	<u>(661,130)</u>

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

Statement of changes in equity

Year ended 31 March 2014

	Note	Share Capital \$	Accumulated Losses \$	Total \$
At 1 October 2012		1,100,001	(564,059)	535,942
Loss for the period		–	(661,130)	(661,130)
Total comprehensive income for the period		–	(661,130)	(661,130)
Transactions with owners, recognised directly in equity				
Issue of ordinary shares	6	675,000	–	675,000
Total transactions with owners		675,000	–	675,000
At 31 March 2013		1,775,001	(1,225,189)	549,812
At 1 April 2013		1,775,001	(1,225,189)	549,812
Loss for the year		–	(1,161,878)	(1,161,878)
Total comprehensive income for the year		–	(1,161,878)	(1,161,878)
Transactions with owners, recognised directly in equity				
Issue of ordinary shares	6	1,400,000	–	1,400,000
Total transactions with owners		1,400,000	–	1,400,000
At 31 March 2014		3,175,001	(2,387,067)	787,934

Statement of cash flows

Year ended 31 March 2014

	Note	Year ended 31/3/2014 \$	Period from 1/10/2012 to 31/3/2013 \$
Cash flows from operating activities			
Loss before tax		(1,161,878)	(661,130)
Adjustments for:			
Depreciation	4	23,206	11,259
Finance Income		(1,502)	–
		(1,140,174)	(649,871)
Changes in working capital:			
Trade and other receivables		(26,049)	(8,936)
Prepayments		(35,329)	(11,393)
Other payables		(45,200)	(324,805)
Net cash used in operating activities		(1,246,752)	(995,005)
Cash flows from investing activities			
Interest received		1,502	–
Acquisition of property, plant and equipment	4	–	–
Net cash used in investing activities		1,502	–
Cash flows from financing activities			
Proceeds from issue of ordinary shares	6	1,400,000	675,000
Net cash from financing activities		1,400,000	675,000
Net increase/(decrease) in cash and cash equivalents		154,750	(320,005)
Cash and cash equivalents at beginning of year/period		583,500	903,505
Cash and cash equivalents at end of year/period	5	738,250	583,500

Notes to the Financial Statements

These notes form an integral part of the financial statements. The financial statements were authorised for issue by the Board of Directors on 28 April 2014.

1 Domicile and activities

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

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

The principal activities of the Company are those relating to the provision of fund management and related services, for which the Company holds a Capital Markets Services Licence granted by the Monetary Authority of Singapore (“MAS”) was reissued with effect from 2 May 2013.

2 Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

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

3 Significant accounting policies

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

3.1 Foreign currency transactions

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

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

3.2 Financial instruments

Non-derivative financial assets

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

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and

rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

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

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

Loans and receivables

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

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

Cash and cash equivalents

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

Non-derivative financial liabilities

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

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

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

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

Other financial liabilities comprise other payables.

Share capital

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

3.3 Impairment

Non-derivative financial asset

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

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Company, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

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

impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

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

Non-financial assets

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

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

that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

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

3.4 *Employee benefits*

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

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

Short-term employee benefits

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

3.5 *Property, plant and equipment*

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

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

When parts of an item of property, plant and equipment have different useful lives, they are

accounted for as separate items (major components) of property, plant and equipment.

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

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

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

Furniture and fittings	3 years
Office equipment	3 years
Computer equipment	3 years

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

3.6 Revenue recognition

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

3.7 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

3.8 Finance Income

Finance income comprises interest income on funds invested (including available-for-sale financial assets). Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.9 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit

or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

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

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

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

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

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

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

3.10 New accounting standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2013, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

4 Property, plant and equipment

	Furniture and fittings	Office equipment	Computer equipment	Total
	\$	\$	\$	\$
Cost				
At 1 October 2012	57,220	5,689	6,710	69,619
Additions	-	-	-	-
At 31 March 2013	57,220	5,689	6,710	69,619
Additions	-	-	-	-
At 31 March 2014	57,220	5,689	6,710	69,619
Accumulated depreciation				
At 1 October 2012	9,242	650	575	10,467
Depreciation for the period	9,193	948	1,118	11,259
At 31 March 2013	18,435	1,598	1,693	21,726
Depreciation for the year	19,073	1,896	2,237	23,206
At 31 March 2014	37,508	3,494	3,930	44,932
Carrying amount				
At 1 October 2012	47,978	5,039	6,135	59,152
At 31 March 2013	38,785	4,091	5,017	47,893
At 31 March 2014	19,712	2,195	2,780	24,687

5 Cash and cash equivalents

	2014	2013
	\$	\$
Cash at bank	486,748	333,500
Fixed deposits with bank	251,502	250,000
	738,250	583,500

6 Share capital

	2014	2013
	Number of shares	Number of shares
Issued and fully paid shares with no par value:		
At 1 April 2013/1 October 2012	1,775,001	1,100,001
Issued for cash during the year/period	1,400,000	675,000
At 31 March	3,175,001	1,775,001

During the year, the Company issued 1,400,000 ordinary shares at \$1 per share to its parent organisation, for working capital purposes.

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

Capital management

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

7 Other payables

	2014	2013
	\$	\$
Amount due to a director	3,948	84
Amount due to immediate holding company	1,443	6,650
Accrued expenses	94,375	140,050
Others	7,084	5,266
	106,850	152,050

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

8 Loss before tax

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

	Year ended 31/3/2014	Period from 1/10/2012 to 31/3/2013
	\$	\$
Contribution to a defined contribution plans included in staff costs	36,101	25,980
Depreciation expense	23,206	11,259
Operating lease expense	85,588	43,027
	<u>144,895</u>	<u>80,266</u>

9 Tax expense

	Year ended 31/3/2014	Period from 1/10/2012 to 31/3/2013
	\$	\$

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

Current year/period	–	–
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Reconciliation of effective tax rate

Loss before tax	(1,161,878)	(661,130)
Income tax using the Singapore tax rate of 17%	(197,519)	(112,392)
Deferred tax asset not recognised	197,519	112,392
	<u>–</u>	<u>–</u>

Unutilised tax losses amounting to \$ 1,469,999 (2013: \$308,121) are available for set off against taxable profits of future periods subject to compliance with the provisions of Section 37 read with Section 14U of the Singapore Income Tax Act, Chapter 134 and agreement with the Inland Revenue Authority of Singapore.

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

10 Commitments**Operating lease commitment**

At reporting date, the Company has commitments for future

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

	2014	2013
	\$	\$
Within 1 year	136,590	113,673
After 1 year but within 5 years	63,489	57,600
	<u>200,079</u>	<u>171,273</u>

11 Related parties

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

Key management personnel compensation

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

The compensation details of key management personnel are as follows:

	Year ended 31/3/2014	Period from 1/10/2012 to 31/3/2013
	\$	\$
Director's fees	35,000	17,650
Short-term employee benefits	578,795	290,760
Contribution to a defined contribution plan	11,725	8,800

12 Financial risk management**Overview of risk management**

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

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

Credit risk*Exposure to credit risk*

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

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

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

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

Impairment losses

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

	2014		2013	
	Impairment		Impairment	
	Gross	losses	Gross	losses
	\$	\$	\$	\$
Not past due	61,005	–	34,956	–

Liquidity risk

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

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

The carrying amount of the financial liabilities as at 31 March 2014 approximates their contractual cash flows and are repayable on demand or due within 6 months from the end of the reporting period.

Currency risk

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

Interest rate risk

The Company is not exposed to significant interest rate risk, since it has no variable interest rate instruments or such borrowings as at the end of the year. Accordingly, in the assessment of the Management, there are no significant interest rate risk for the Company.

Estimation of fair values

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

Fair values versus carrying amounts

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

	Note	Loan and receivables \$	Other financial liabilities within the scope of FRS 39 \$	Total carrying amount \$	Fair value \$
31 March 2014					
Cash and cash					
equivalents	5	738,250	–	738,250	738,250
Trade receivables		26,667	–	26,667	26,667
Other receivables		34,338	–	34,338	34,338
Other payables	7	–	(106,850)	(106,850)	(106,850)
		799,255	(106,850)	692,405	692,405
31 March 2013					
Cash and cash					
equivalents	5	583,500	–	583,500	583,500
Other receivables		34,956	–	34,956	34,956
Other payables	7	–	(152,050)	(152,050)	(152,050)
		618,456	(152,050)	466,406	466,406

The carrying amount of the Company's financial assets and financial liabilities as at 31 March 2014 and 31 March 2013 is a reasonable approximation of their fair values. A fair value hierarchy for financial assets and financial liabilities not carried at fair value but for which fair values are disclosed is not presented as the financial assets' and financial liabilities' carrying amounts measured on the amortised cost basis approximates their fair value.

