

SUNDARAM TRUSTEE
COMPANY LIMITED

10

ANNUAL REPORT
2013-2014

Board of Directors

K V Ramanathan

Chairman

S Viji

R Rajamani

M S Sundara Rajan

Audit Committee

R Rajamani

Chairman

M S Sundara Rajan

Secretary

T S Sriharan

Bankers

IDBI Bank Ltd

Auditors

M/s. Sundaram & Srinivasan, Chennai

Chartered Accountants

Registered Office

No. 21, Patullos Road

Chennai 600 002

Corporate Office

Sundaram Towers,

II Floor, 46, Whites Road, Chennai 600 014.

Tel: 28583362, Fax: 28583156

Website: www.sundarammutual.com

SUNDARAM TRUSTEE COMPANY LIMITED


A subsidiary of



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Sponsor


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

DIRECTORS' REPORT

To the Members

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

Financial Results:	(Rs. In lakhs)	
Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Total Income	118.53	126.97
Total Expenditure	35.85	70.65
Profit Before Taxation	82.68	56.32
Provision for Taxation	24.26	15.96
Profit After Tax	58.42	40.36
Surplus Brought Forward	6.73	17.21
Amount available for appropriation	65.15	57.57
Less : Appropriations		
- Dividend Proposed (Final)	40.00	40.00
- Dividend Distribution Tax	6.80	6.80
- Transfer to General Reserves	5.85	4.05
Surplus carried to Balance Sheet	12.50	6.72

Financial Performance

During the year under review, your Company earned a gross income of Rs. 118.53 lakhs by way of trusteeship fees and other income as against Rs. 126.97 lakhs reported in the previous year. The expenditure has decreased to Rs. 35.85 lakhs in the current financial year compared to Rs. 70.65 lakhs in . Your company reported a Profit after tax of Rs. 58.42 lakhs for the year ended March 31, 2014 as against Rs. 40.36 lakhs in the previous year. After taking into account a sum of Rs. 6.73 lakhs brought forward from the previous year, a sum of Rs. 65.15 lakhs is available as surplus for the financial year 2013-14. Your Directors are happy to recommend a dividend of 800 % on the paid up capital of the company. The dividend together with dividend tax absorbs a sum of Rs 46.80 lakhs. After transferring Rs. 5.85 lakhs to General Reserve, the balance of Rs 12.50 lakhs will be retained as surplus in the profit and loss account.

Snapshot of the Mutual Fund Industry

The industry net inflow under all the fund categories for the year was Rs. 54,083 Cr. in 2013-14 as against the net inflow of Rs. 76,539 Cr. recorded in the previous year. The total net outflow in equity schemes stood at Rs 9,269 Cr. in this year, lower than the net outflows of Rs 14,587 Cr. recorded in the last year. The net inflow in debt oriented schemes during the year was Rs. 62,777 Cr.

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. as against the previous year's figure of Rs. 7,01,443 Cr., an increase of 17.52%.

Sundaram Mutual Fund – AUM trend, Fund mobilization and Performance

The Average Assets under Management of Sundaram Mutual Fund schemes for the year 2013-14 was Rs. 15,248.25 Cr. when compared to Rs. 13,573.76 Cr. reported for the previous year 2012-13, an increase of 12.33%. The closing AUM of Sundaram Mutual Fund schemes was Rs. 15193.17 Cr. as at March 31, 2014 when 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 share of 1.84 % of the Industry AUM.

The schemes of Sundaram Mutual registered a net Inflow Rs. 2,017.49 Cr. when compared Rs. 712.41 Cr. recorded in 2012-13. The fixed income funds and hybrid schemes contributed significantly to the inflows during the year.

Performance of the schemes

Sundaram Gilt Fund, Sundaram Ultra Short Term Fund and Sundaram Select Debt Short Term Asset Plan were given 5-star rating by Value Research. Three of the top twenty open-ended debt schemes rated by Morningstar for the year 2013 were those of Sundaram Mutual. Sundaram Gilt Fund was the top performer in the list. Further, Sundaram Money fund, Sundaram Select Debt Short Term Asset Plan and Sundaram Flexible Fund - Short Term Plan declared bonus units to the investors.

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. Eight of the equity schemes have declared dividend to the investors.

During the year, the portfolios of Sundaram Capex Opportunities – Dividend, Sundaram Capex Opportunities – Growth and Sundaram Energy Opportunities were merged to form Sundaram Infrastructure Advantage Fund.

Board of Directors

The Board of Directors of the company is vested with general power of superintendence, direction and management of the affairs of the Mutual Fund. Sundaram Asset Management Company acts as the Investment Manager of the Schemes of the Mutual Fund.

The Board of Directors monitor and review the functions of the Asset Management Company in order to ensure that it fulfils the tasks assigned to it under the investment management agreement and complies with SEBI Regulations and other laws in force. During the year under review, Six Board Meetings were held.

Directorship

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

Audit Committee

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

Public Deposits

Your company has not accepted any deposits from the public.

Particulars of Employee Remuneration

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

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

Your Company has no activity relating to conservation of energy or technology absorption. The Company had no foreign exchange earnings or outgo during the year 2013-14 and 2012-13.

The Directors' responsibility statement pursuant to Section 217(2AA) of Companies Act, 1956

The Directors confirm:

1. That, in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. That they selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, as would

give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit or loss for that period;

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

Auditors

M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, Statutory Auditors of your Company hold office until the conclusion of the Tenth Annual General Meeting and are recommended 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 Sundaram Finance Limited, Sundaram Asset Management Company Ltd (AMC), Securities and Exchange Board of India and Association of Mutual Funds in India.

Your Directors also acknowledge the support and co-operation extended by investors, bankers, Registrars, the Custodian and other service providers and look forward to their continued support.

Your Directors place on record their appreciation of the dedication and commitment displayed by the employees of the AMC.

For and On behalf of the Board of Directors

Date : April 28, 2014
Place: Chennai

K V Ramanathan
Chairman

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on March 31, 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 **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration No. 004207S

S. Usha
Partner

Place: Chennai
Date : 28.04.2014

Membership No.211785

Annexure to the Auditors' Report

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

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

Place: Chennai
Date : 28.04.2014

S. Usha
Partner
Membership No.211785

Balance Sheet

as at 31st March 2014

Particulars	Note No.	31.03.14 Rs.	31.03.13 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Fund			
(a) Share Capital	1	5,00,000	5,00,000
(b) Reserves and Surplus	2	43,78,971	32,16,976
(2) Non- Current Liabilities			
(a) Deferred Tax Liabilities	3	9,165	13,400
(3) Current Liabilities			
(a) Trade Payables	4	76,710	1,65,169
(b) Other Current Liabilities	5	3,00,600	36,41,522
(c) Short term Provisions	6	46,79,800	46,79,800
		50,57,110	84,86,491
TOTAL		99,45,246	1,22,16,867
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	7	67,127	96,682
(b) Non-current Investments	8	-	5,00,000
(c) Long term Loans and Advances	9	9,72,917	8,47,291
(2) Current Assets			
(a) Current Investments	10	80,79,894	96,10,530
(b) Trade Receivables	11	6,13,343	10,07,908
(c) Cash and Cash Equivalents	12	1,52,803	1,09,174
(d) Short term Loan and Advances	13	59,162	45,282
		89,05,202	1,07,72,894
TOTAL		99,45,246	1,22,16,867
Significant Accounting Policies and other notes forming part of accounts 18			

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

S Usha
Partner
Membership No. 211785

Chennai
April 28, 2014

ANNUAL REPORT 2013-2014

For SUNDARAM TRUSTEE COMPANY LIMITED

K V Ramanathan
Chairman

R Rajamani
Director

S Viji
Director

M.S. Sundara Rajan
Director

T S Sritharan
Secretary

Profit and Loss Statement

for the period ended 31st March 2014

Particulars	Note No.	2013-14 Rs.	2012-13 Rs.
I Revenue from Operations			
Sale of Services			
- Trusteeship Fee	14	1,11,29,909	1,20,80,598
II Other Income	15	7,23,227	6,15,951
III Total Revenue (A)		1,18,53,136	1,26,96,549
IV Expenses			
Administrative and Other Expenses	16	35,56,021	35,18,071
Depreciation	7	29,555	46,734
Scheme Expenses Absorbed	17	-	35,00,000
Total Expenses (B)		35,85,576	70,64,805
V Profit Before Tax (C)= (A-B)		82,67,560	56,31,744
VI Tax Expense			
Current Tax		24,30,000	16,00,000
Deferred Tax		(4,235)	(4,239)
Total - Tax Provisions (D)		24,25,765	15,95,761
VII Profit After Tax (E)= (C-D)		58,41,795	40,35,983
Basic and diluted Earnings per Share	18	116.84	80.72

Significant Accounting Policies and other Notes forming part of accounts 18

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

S Usha
Partner
Membership No. 211785

Chennai
April 28, 2014

For **SUNDARAM TRUSTEE COMPANY LIMITED**

K V Ramanathan
Chairman

R Rajamani
Director

S Viji
Director

M.S. Sundara Rajan
Director

T S Sritharan
Secretary

Notes forming part

of the Balance Sheet as at March 31, 2014

Note No. 1
SHARE CAPITAL**Authorised**

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

Issued, Subscribed and Fully Paid up

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

Total

31.03.14 Rs.	31.03.13 Rs.
25,00,000	25,00,000
5,00,000	5,00,000
5,00,000	5,00,000

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

There is no change in the holding pattern of the Share Capital during the years 2013-14 and 2012-13.

b. Terms/rights attached to Equity Shares:

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

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

In the event of liquidation of the company, the

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

c. Shares held by the Holding Company:

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

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

M/s Sundaram Finance Ltd, the holding company and its nominees held 100% of the Equity Share Capital of the Company as on 31.03.14 & also as on 31.03.13.

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

As per the last Balance Sheet

Add: Transfer from surplus during the year

	31.03.14 Rs.	31.03.13 Rs.
As per the last Balance Sheet	25,44,000	21,39,000
Add: Transfer from surplus during the year	5,85,000	4,05,000
	31,29,000	25,44,000
2. Surplus		
As per the last Balance Sheet	6,72,976	17,21,793
Add: Profit for the year	58,41,795	40,35,983
Subtotal (a)	65,14,771	57,57,776
Less: Appropriation		
(i) Dividend	40,00,000	40,00,000
(ii) Dividend Distribution Tax	6,79,800	6,79,800
(iii) Transfer to General Reserve	5,85,000	4,05,000
Subtotal (b)	52,64,800	50,84,800
Balance (a) -(b)	12,49,971	6,72,976
Total	43,78,971	32,16,976

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

Note No. 3**DEFERRED TAX LIABILITIES**

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

Total

31.03.14 Rs.	31.03.13 Rs.
9,165	13,400
9,165	13,400

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

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

Total

31.03.14 Rs.	31.03.13 Rs.
76,710	1,65,169
76,710	1,65,169

Note No. 5**OTHER CURRENT LIABILITIES**

Scheme & Other expenses payable
Directors' Remuneration payable [Refer Note 18 (B-2.2)]
Audit Fees payable
Statutory Dues

Total

31.03.14 Rs.	31.03.13 Rs.
-	35,30,858
2,10,600	-
90,000	90,000
-	20,664
3,00,600	36,41,522

Note No. 6**SHORT TERM PROVISIONS**

Proposed Dividend
Dividend Distribution tax

Total

31.03.14 Rs.	31.03.13 Rs.
40,00,000	40,00,000
6,79,800	6,79,800
46,79,800	46,79,800

Notes forming part

of the Balance Sheet as at March 31, 2014

Note No. 7

FIXED ASSETS - TANGIBLE ASSETS

(in Rupees)

Description	Gross Block at Cost				Depreciation				Net Block	
	As at 01.04.13	Additions	Deductions	As at 31.03.14	As at 01.04.13	Additions	Deductions	As at 31.03.14	As at 31.03.14	As at 31.03.13
Computers	4,40,300	-	-	4,40,300	3,79,084	24,486	-	4,03,570	36,730	61,216
Furniture and Fixtures	13,906	-	-	13,906	10,655	588	-	11,243	2,663	3,251
Office Equipments	72,812	-	-	72,812	40,597	4,481	-	45,078	27,734	32,215
Total	5,27,018	-	-	5,27,018	4,30,336	29,555	-	4,59,891	67,127	96,682
Previous year figures(31.03.13)	5,27,018	-	-	5,27,018	3,83,602	46,734	-	4,30,336	96,682	-

Note No. 8

NON-CURRENT INVESTMENTS

Other Investments Valued at Cost

Investments in Mutual Funds - Sundaram Mutual Fund
(an Associate)Sundaram Fixed Term Plan DC - Growth Option at Cost: -
Nil units (Previous year 50,000 units) of Rs.10/- each

Total

Aggregate value of unquoted Non Current Investments -
[Net assets value Nil - Previous year Rs.5,07,535]

Total

31.03.14 Rs.	31.03.13 Rs.
-	5,00,000
-	5,00,000
-	5,00,000
-	5,00,000

Note No. 9

LONG TERM LOANS AND ADVANCES

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

Total

31.03.14 Rs.	31.03.13 Rs.
9,72,917	8,47,291
9,72,917	8,47,291

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

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

Unsecured -Considered Good

Service tax credit receivable

Fringe Benefit Tax - Refund receivable

Total

31.03.14	31.03.13
Rs.	Rs.
55,122	41,242
4,040	4,040
59,162	45,282

Notes forming part of the Profit and Loss Statement for the year 2013-14

Note No. 14**REVENUE FROM SALE OF SERVICES****Services Rendered**

Trusteeship Fees

Total

2013-14	2012-13
Rs.	Rs.
1,11,29,909	1,20,80,598
1,11,29,909	1,20,80,598

Note No. 15**OTHER INCOME**

Interest on Short term Deposit with a Scheduled Bank

Profit on Sale of Current Investments

Dividend from Current Investments

Interest on Income Tax Refund

Diminution in value of current investments written back
[Refer Note no. 18 (B -2.3)]**Total**

2013-14	2012-13
Rs.	Rs.
2,685	-
2,18,355	2,74,722
4,69,364	3,31,156
32,823	-
-	10,073
7,23,227	6,15,951

Notes forming part

of the Profit and Loss Statement for the year 2013-14

Note No. 16

ADMINISTRATIVE AND OTHER EXPENSES

Directors Remuneration

Directors Sitting Fees

Payments to the Auditor:

- Statutory Audit fees

- Tax Audit fees

Travel Expenses - Directors

Administrative expenses

Insurance

Printing and Stationery

Professional Fees

ROC Filing charges

Bank Charges

Total

2013-14 Rs.	2012-13 Rs.
8,90,370	8,43,908
3,00,000	3,20,000
1,00,000	1,00,000
30,000	30,000
1,51,619	2,14,806
18,00,000	18,00,000
1,71,000	1,71,000
61,204	21,000
49,035	16,057
2,550	1,020
243	280
35,56,021	35,18,071

Note No. 17

SCHEME EXPENSES ABSORBED

Sundaram Tax Saver

Total

2013-14 Rs.	2012-13 Rs.
-	35,00,000
-	35,00,000

NOTE NO. 18

A Corporate Information

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

B SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014**1 SIGNIFICANT ACCOUNTING POLICIES****1.1 Accounting Policies**

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

1.2 Income Recognition

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

1.3 Investments

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

1.4 Valuation of Fixed Assets

Fixed assets are carried at historical cost less accumulated depreciation.

1.5 Depreciation Policy

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

1.6 Scheme Expenses Absorbed

Regulation 52(7) of SEBI (Mutual Funds) Regulations 1996 permits the company to absorb part of the expenses incurred by the Schemes of Sundaram Mutual Fund in excess of the limits specified therein

2 Other Notes and Disclosures

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

2.2 Directors Remuneration

Directors remuneration includes provision of Rs.2,34,000/- towards remuneration payable to three independent directors for the period from 1st January 2014 to 31st March 2014 and it is subject to the approval of Central Government for which applications have been submitted.

2.3 Adjustment to the Carrying amount of investments

Current Investments - Investments in Mutual Funds	31.03.14 Rs.	31.03.13 Rs.
Sundaram Bond Saver - Cost at the beginning of the year	-	2,89,927
Add - Adjustment towards reversal of diminution provision on sale of investments	-	10,073
Balance	-	3,00,000

Carrying Cost at fair value at the year end

- -

2.4 Contingent Liability

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

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

Enclosed as Annexure A

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

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

2.7 Related Party Disclosures

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

Sl No.	Name	Relationship	Nature of Transaction	2013-14 (Rs.)	2012-13 (Rs.)
1	Sundaram Finance Ltd	Holding Company	Dividend Paid	40,00,000	40,00,000
2	Sundaram Asset Management Company Ltd	Fellow Subsidiary	Expenses	18,00,000	18,00,000
3	Sundaram Mutual Fund	Associate	Investments in Units	1,02,88,262	1,61,07,676
			Sale of Units	1,25,37,253	1,47,72,516
			Income	1,18,17,628	1,26,86,476
			Scheme Expenses	-	35,00,000
4	Sundaram BNP Paribas Home Finance Ltd.	Fellow Subsidiary		Nil	Nil
5	Sundaram Finance Distribution Ltd.	Fellow Subsidiary		Nil	Nil
6	Sundaram Infotech Solutions Ltd	Fellow Subsidiary		Nil	Nil
7	LGF Services Limited	Fellow Subsidiary		Nil	Nil
8	Sundaram Business Services Ltd	Fellow Subsidiary		Nil	Nil
9	Royal Sundaram Alliance Insurance Company Limited	Associate	Insurance	1,71,000	1,71,000
10	Infreight Logistics Solutions Limited	Fellow Subsidiary		Nil	Nil
11	Professional Management Consultants Limited	Fellow Subsidiary		Nil	Nil
12	Sundaram BNP Paribas Funds Services Ltd	Fellow Subsidiary		Nil	Nil
13	Sundaram Parekh Warehousing Services Ltd	Fellow Subsidiary		Nil	Nil
14	Sundaram Insurance Broking Services Ltd	Fellow Subsidiary		Nil	Nil
15	Caltec Servicez Pvt Ltd	Fellow Subsidiary		Nil	Nil
16	Sundaram BPO India Ltd	Fellow Subsidiary		Nil	Nil
17	Sundaram Asset Management Singapore Pte.Ltd	Fellow Subsidiary		Nil	Nil
Outstanding Receivable as on 31st March 2014 - Sundaram Mutual Fund				6,13,343	10,07,908
Outstanding Payable as on 31st March 2014 - Sundaram Asset Management Company Limited				76,710	36,96,027

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

	31.03.14 Rs.	31.03.13 Rs.
Profit as per Profit and Loss Account	58,41,795	40,35,983
Weighted average number of equity shares	50,000	50,000
Basic and diluted earnings per share	116.84	80.72
Nominal Value of Shares	10	10

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

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

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

As per our report of even date attached

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

S Usha
Partner
Membership No. 211785

Chennai
April 28, 2014

For **SUNDARAM TRUSTEE COMPANY LIMITED**

K V Ramanathan
Chairman

R Rajamani
Director

S Viji
Director

M.S. Sundara Rajan
Director

T S Sritharan
Secretary

Cash Flow Statement

ANNEXURE A

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

	2013-14		2012-13	
	Rs.	Rs.	Rs.	Rs.
A) CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit	58,41,795		40,35,983	
Provision for Taxation	24,25,765		15,95,761	
		82,67,560		56,31,744
Add: Financial Expenses				
Depreciation	29,555		46,734	
Diminution - Value of investments written back	-		(10,073)	
(Profit) loss on sale of Investments	(2,18,355)		(2,74,722)	
Interest / Dividend Income	(5,04,872)		(3,31,156)	
		(6,93,672)		(5,69,217)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		75,73,888		50,62,527
(Increase) Decrease in Leased assets - net of sales	-		-	
(Increase) Decrease in Long Term Loans and Advances	(13,500)		1	
(Increase) Decrease in Short Term Loans and Advances	(13,880)		(23,827)	
(Increase) Decrease in Other Non-Current Assets	-		-	
(Increase) Decrease in Other Current Assets	3,94,565		(28,936)	
Increase (Decrease) in Other Current Liabilities	(34,29,381)		23,52,819	
		(30,62,196)		23,00,057
Cash generated from Operations		45,11,692		73,62,584
Financial Expenses	-		-	
Direct Taxes Paid	(25,42,126)	(25,42,126)	(17,17,980)	(17,17,980)
NET CASH FROM OPERATING ACTIVITIES (A)		19,69,566		56,44,604
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of non-current Investments	-		(5,00,000)	
Purchase of Investments in Subsidiaries / Joint Venture	-		-	
Purchase of current investments	(1,02,88,262)		(1,56,07,676)	
Sale of non-current Investments	-		-	
Sale of current Investments	1,25,37,253		1,47,72,516	
Sale / Redemption of Investments in Subsidiaries / Joint Venture	-		-	

Cash Flow Statement (Contd...)

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

	2013-14 Rs.	2012-13 Rs.
Interest Received	-	-
Dividend Received	4,69,364	3,31,156
	27,18,355	(10,04,004)
NET CASH FROM INVESTING ACTIVITIES (B)	27,18,355	(10,04,004)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Increase (Decrease) in Long Term Borrowings	-	-
Increase (Decrease) in Short Term Borrowings	-	-
Interest Income	35,508	-
Dividend paid (including Corporate Dividend Tax)	(46,79,800)	(46,48,900)
	(46,44,292)	(46,48,900)
NET CASH FROM FINANCING ACTIVITIES (C)	(46,44,292)	(46,48,900)
D) EFFECT OF FOREIGN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS (D)	-	-
Net increase in cash and cash Equivalents (A)+(B)+(C) - (D)	43,629	(8,300)
Cash and Cash Equivalents at the Beginning of the year	1,09,174	1,17,474
Cash and Cash Equivalents at the End of the year	1,52,803	1,09,174
E) COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Current Account with Banks	1,52,803	1,09,174
Cash, Stamps and Stamp Papers on Hand	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,52,803	1,09,174

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

S Usha
Partner
Membership No. 211785

Chennai
April 28, 2014

ANNUAL REPORT 2013-2014

For SUNDARAM TRUSTEE COMPANY LIMITED

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