

**SUNDARAM TRUSTEE
COMPANY LIMITED**

19

**ANNUAL REPORT
2022-23**

Board of Directors

R Venkatraman	Chairman
T T Srinivasaraghavan	
Soundara Kumar	
Bhavani Balasubramanian	

Audit Committee

R Venkatraman	Chairman
Soundara Kumar	
Bhavani Balasubramanian	

Access Person

R. Ajith Kumar
Pooja Shivakumar

Bankers

IDBI Bank Ltd.
ICICI Bank Ltd.
HDFC Bank Ltd.

Auditors

M/s. Sundaram & Srinivasan, Chennai Chartered Accountants

Registered Office

21, Patullos Road
Chennai 600 002

Corporate Office

Sundaram Towers,
I & II Floor, 46, Whites Road,
Royapettah, Chennai 600 014
Tel: +91 44 4060 9900 / 2856 9900
Fax: +91 44 2858 3156
CIN: U65999TN2003PLC052058

Website: www.sundarammutual.com

SUNDARAM TRUSTEE COMPANY LIMITED

a wholly-owned subsidiary of



SUNDARAM FINANCE

Enduring values. New age thinking.

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Sponsor



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

DIRECTORS' REPORT

To the Members

Your directors have pleasure in presenting the 19th Annual Report with the audited financial statement of accounts for the year ended March 31, 2023. The summarized financial results of the Company are given hereunder:

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Total Revenue	227.34	185.16
Total Expenses	(58.11)	(53.74)
Profit Before Tax	169.23	131.42
Provision for Tax	42.87	33.12
Profit After Tax	126.36	98.30

Company Performance

During the year under review, your Company earned a gross income of ₹227.34 lakhs by way of trusteeship fees and other income as against ₹185.16 lakhs reported in the previous year 2021-22. The expenditure for the year 2022-23 was ₹58.11 lakhs compared to ₹53.74 lakhs in 2021-22. Your company reported a profit after tax of ₹126.36 lakhs for the year ended March 31, 2023, as against ₹98.30 lakhs in the previous year. A sum of ₹352.92 lakhs is available for appropriation for the financial year 2022-23. Your directors are happy to recommend a dividend of 2500% on the paid-up capital of the company as against 600% declared during 2021-22. The dividend absorbs a sum of ₹1.25 crores.

Mutual Fund Industry

The overall assets under management of the Indian mutual fund industry have grown from ₹38,37,994 cr. to ₹40,51,147 cr., registering a growth of 6% over the previous year. The proportionate share of equity-oriented schemes is now 51.60% of the industry assets in March 2023, up from 49.6% in Apr 2022. The proportionate share of debt-oriented schemes is 19.60% of industry assets in March 2023, down from 22.4% in Apr 2022. There has been an increase in ETF market share from 11.8% in Apr 2022 to 13.10% in March 2023. Individual investors now hold a relatively higher share of industry assets, i.e., 58.10% in March 2023, compared with 55.4% in Apr 2022. Institutional investors account for 41.90% of the assets, of which corporates are 96%. The rest are Indian and foreign institutions and banks. The gross mobilization by the industry during the year was ₹10,15,669 cr. as against ₹9,84,058 cr. in the previous year. The gross redemption from the schemes during the year was ₹10,34,933 cr. as against ₹10,53,942 cr. in the previous year, the net new cash generated by the industry for the year 2022-23 is (₹19,264 cr.) as against (₹69,883 cr.) generated in the previous year.

Sundaram Mutual Fund

The gross mobilization by Sundaram Mutual schemes during the year (other than liquid schemes) was ₹67,526 cr. as against ₹53,389 cr. registered in the previous year. The redemptions from the schemes (other than liquid schemes) during the year were ₹66,815 cr. as against ₹57,311 cr. in the previous year.

Average assets of mutual funds under management is ₹44,011 cr. for the financial year ended 31 March 2023 as against ₹41,981.23 Cr., in the previous financial year.

The net assets under management as at March 31, 2023 was ₹43,285 Cr.

Dividend:

Your directors are pleased to recommend a dividend on equity of ₹252 per share (2500% of the Paid-up Capital) amounting to ₹1.25 crores for the year ended March 31, 2023

Fund Performance:

Many of the schemes registered good performance during the year beating the benchmark. In line with our philosophy, several equity and fixed income schemes distributed sizeable dividends.

Sundaram Midcap returned 23% since inception of the fund (30-Jul-2002) and on a ten-year annualized return, Sundaram Midcap returned 17% as on 31 March 2023

Your schemes were recognized by rating agencies and the press. Some of the accolades were:

Scheme Name	Category	Value Research	CRISIL	Morning Star
Sundaram Balanced Advantage Fund	Hybrid: Dynamic Asset Allocation	5 Stars	N.A	2 Stars
Sundaram Balanced Advantage Fund - Direct Plan	Hybrid: Dynamic Asset Allocation	5 Stars	N.A	3 Stars
Sundaram Large Cap Fund - Direct Plan	Equity: Large Cap	5 Stars	Rank 3	N.A
Sundaram Large Cap Fund – Regular Plan	Equity: Large Cap	N.A	Rank 3	N.A
Sundaram Low Duration Fund	Debt: Low Duration	5 Stars	Rank 3	2 Stars
Sundaram Low Duration Fund - Direct Plan	Debt: Low Duration	5 Stars	Rank 3	2 Stars
Sundaram Short Duration Fund	Debt: Short Duration	5 Stars	Rank 3	3 Stars
Sundaram Short Duration Fund - Direct Plan	Debt: Short Duration	5 Stars	Rank 4	3 Stars
Sundaram Corporate Bond Fund - Direct Plan	Debt: Corporate Bond	4 Stars	Rank 2	5 Stars
Sundaram Corporate Bond Fund - Regular Plan	Debt: Corporate Bond	4 Stars	Rank 1	4 Stars
Sundaram Equity Savings Fund - Direct Plan	Hybrid: Equity Savings	4 Stars	N.A	5 Stars
Sundaram Equity Savings Fund – Regular Plan	Hybrid: Equity Savings	3 Stars	N.A	4 Stars
Sundaram Financial Services Opportunities Fund - Direct Plan	Equity: Sectoral-Banking	4 Stars	N.A	5 Stars
Sundaram Financial Services Opportunities Fund - Regular Plan	Equity: Sectoral-Banking	4 Stars	N.A	4 Stars
Sundaram Focused Fund	Equity: Flexi Cap	4 Stars	Rank 3	3 Stars
Sundaram Focused Fund - Direct Plan	Equity: Flexi Cap	4 Stars	Rank 3	4 Stars
Sundaram Liquid Fund	Debt: Liquid	4 Stars	Rank 4	N.A
Sundaram Liquid Fund - Direct Plan	Debt: Liquid	4 Stars	Rank 4	N.A
Sundaram Aggressive Hybrid Fund	Hybrid: Aggressive Hybrid	3 Stars	Rank 3	4 Stars
Sundaram Aggressive Hybrid Fund - Direct Plan	Hybrid: Aggressive Hybrid	3 Stars	Rank 3	4 Stars
Sundaram Large and Mid Cap Fund	Equity: Large & MidCap	3 Stars	Rank 3	3 Stars

Sundaram Large and Mid Cap Fund - Direct Plan	Equity: Large & MidCap	3 Stars	Rank 3	3 Stars
Sundaram Large Cap Fund - Regular Plan	Equity: Large Cap	3 Stars	Rank 3	N.A
Sundaram Money Market Fund - Direct Plan	Debt: Money Market	3 Stars	N.A	3 Stars
Sundaram Money Market Fund - Regular Plan	Debt: Money Market	3 Stars	N.A	3 Stars
Sundaram Tax Savings Fund	Equity: ELSS	3 Stars	Rank 3	4 Stars
Sundaram Tax Savings Fund - Direct Plan	Equity: ELSS	3 Stars	Rank 3	4 Stars
Sundaram Ultra Short Duration Fund - Direct Plan	Debt: Ultra Short Duration	3 Stars	Rank 2	3 Stars
Sundaram Ultra Short Duration Fund – Regular Plan	Debt: Ultra Short Duration	N.A	Rank 3	N.A
Sundaram Mid Cap fund-Regular Plan	Equity: Mid Cap	N.A	Rank 3	2 Stars
Sundaram Mid Cap fund-Direct Plan	Equity: Mid Cap	N.A	Rank 3	2 Stars
Sundaram Debt Oriented Hybrid Fund – Direct Plan	Hybrid: Debt Oriented	N.A	N.A	4 Stars
Sundaram Debt Oriented Hybrid Fund – Growth	Hybrid: Debt Oriented	N.A	N.A	3 Stars
Sundaram Multi Cap Fund – Direct Plan	Equity : Multi Cap	N.A	N.A	4 Stars

* Direct Plan

Brand Awards

- Sundaram Mutual recognised as The Economic Times Iconic Brands of India 2022
- Sundaram Tax Savings Fund has won DSIJ's 2022 Mutual Fund Award under the Best ELSS Fund Category.
- The Sundaram Flexi Cap NFO has been awarded the Marketing Campaign of the Year (2022) at the Tamil Nadu Brand Leadership Awards by the World Marketing Congress.

Leadership Awards

- Mr. Sunil Subramaniam, MD, Sundaram Mutual, recognized as one of the Most Promising Business Leaders of Asia for his exemplary leadership by the Economic Times (2022)

Sundaram Alternate Assets Limited (SA)

Your Company has also been acting as Trustees of AIF Schemes managed by SA. As of March 31, 2023, SA manages 4 Category III and 3 Category II AIF funds with average assets under management of ₹1,983 cr. (previous year: ₹1,455 cr. as of March 31, 2022).

Under Category II, SA launched a new credit fund called Emerging Corporate Credit Opportunities Fund (ECCOF1), a close-ended fund during Q2 FY 2023 which garnered commitments of ₹536 cr. as of date. This fund is open for subscription to investors while being in the investment phase and the team is actively evaluating deals and building the pipeline. Further, in the high yield secured Real Estate Fund Series III, SA raised additional commitments of ₹276 cr. during FY 2023.

Sundaram Alternative Opportunities Fund – High Yield Secured Debt Fund - I matured in October 2022 and the fund had returned 133% to its investors in the form of interest and capital repayments.

Under Category III, SA launched ATLAS II, a multi cap close-ended fund in December 2022 and raised a commitment of ₹75 cr. The fund is being marketed to prospective investors. Further, during the year, SA raised additional commitments of ₹253 cr., under Atlas I, a multi cap open-ended Category III AIF which was launched in February 2022.

Risk Management

The Company has a well-established Enterprise Risk Management (ERM) framework. The core of the ERM framework consists of various policies, risk register, risk appetite framework, delegation of power for risk management, senior management roles & responsibilities for risk management, risk control guidelines, risk monitoring and control tools, risk reporting and exception handling mechanisms. The ERM framework covers both Investment Risks at the scheme level and the Operational Risks at the Company level.

The Company has two Risk Management Committees, one at the Board level comprising Directors and the other at the executive level comprising Senior Management personnel. The Board Risk Management Committees regularly meets once in a quarter and the Executive Risk Management Committee meets on a Bi-Monthly basis. There is an Independent Six member Risk Management team with a functional Head who reports to the Managing Director. An exclusive and independent audit team audits the effectiveness of the overall ERM framework and evaluates compliance with the SEBI's Risk Management framework.

Risk monitoring, control and mitigation mechanisms are constantly reviewed through Risk and Control Self Assessment (RCSA) exercise for their effectiveness and practicality and suitable changes are introduced to adapt to the changing business environment. Observations in the reports of the Internal Auditor of the Company and Schemes relating to the financials and operations of the Company and schemes are considered for the above-mentioned review.

The Board of the Trustees has formed a separate Risk Management Committee which regularly reviews effectiveness of the overall risk management framework and various Risk Management reports including the audit report on Risk Management activities.

Internal Control System and Adequacy

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

Capital Market Outlook

Indian equities witnessed a correction, starting the Jun'22 quarter largely on the back of aggressive rate hikes from global central banks that the RBI also had to tag. The Sep'22 and Dec'22 quarters witnessed a pickup on the back of easing inflation, macro strength and earnings growth holding up. The Mar'23 quarter however witnessed a market correction, as global headwinds around financial stability dominated market narratives; taking large cap indices close to where they started the fiscal.

On the macro front, the year started with the baggage of the Russia-Ukraine war that resulted in a sharp commodity price surge, leading to inflationary pressures. This was over the existing layer of global inflation, due to COVID-related stimulus measures, and a post-pandemic 'reopening' across countries in FY22. The stage was therefore set for aggressive rate hikes from global central banks to bring down high inflation. Given that the pace of rate hikes in the US were the steepest since the 1970's, there emerged a market concern around US recession risks and a resultant impact on global markets. Therefore, for most part of FY23, the global markets were bracing for the onset of recession. Towards the end of FY23, global macro (especially US and Europe) witnessed surprising strength that led to significant easing of recessionary fears. This relief was briefly then dominated by concerns around financial stability in the regions with the closure of three US banks and the sale of a Swiss bank. The Fed responded swiftly with measures that directly addressed the concerns around contagion through various assurances, easing market fears.

As a result of the above, the narrow market (Sensex) recorded an annual return of 0.7%, with most of the return erosion taking place in the Dec'22-Mar'23 period. The broad market (BSE500) delivered (2.3)%. The mid and small cap index returns stood at (0.2)% and (4.5)% respectively.

The 10-year GSec traded in a narrow range of 40bps, between 7.1% and 7.5% during the year. AAA Corporate bond yields on the other hand trended down 50bps during the year on the back of surplus liquidity and easing commodity prices. Credit spreads against the 10-year GSec narrowed sharply to 40bps (from 105bps) during the fiscal year ending 31st March 2023.

India started the fiscal year 2022-23 with increasing strength in domestic macro variables and particular stress on the external macro environment, especially due to elevated commodity prices. Domestic macro strength led to an increased phase of India-differentiation during the Sep'22 and Dec'22 quarters. After \$(17)bn of FII outflows in the Jun'22 quarter, the rest of the year attempted to recoup these outflows, ending FY23 with a net outflow of \$(6)bn. Net FII inflows were negative, external commercial borrowings moved lower and net FDI inflows witnessed some softness on the back of rising global interest rates. In addition to this, India's trade deficit remained elevated due to commodity price pressures. However, India's net services exports witnessed a sharp increase, offsetting the above pressures. As a result, FY23 is expected to see a current account deficit (CAD) of just under 2% GDP. This largely helped stabilize the rupee and contain the depreciation at 8.4% against the dollar, ending the fiscal year at 82.2.

The fiscal deficit for the year 2022-23 was projected at 6.4% at the start of the year and is expected to end the year at the same, given the appreciable pickup in direct tax collections during the year.

India GDP growth normalized to an expected 7% y/y, from the post-COVID high growth rate of 9% seen during FY22. By the Dec'22 quarter, all segments of GDP were seen to be well above pre-COVID levels.

India inflation witnessed an appreciable pickup to 6.7% in FY23 from 5.5% in FY22. While the increase was not indicative of run-away inflation, it was well above the RBI's inflation targeting upper band of 6%. Further, given the backdrop of record high inflation in the US and the fastest pace of rate hikes from the Fed since the 1970's, the RBI had to follow suit to protect the rupee from a disruptive depreciation. And towards this, the RBI raised interest rates by 225bps in FY22, taking the Repo rate to 6.25%.

FY23 saw credit growth touch a multi-year high, a record high on India's UPI transactions, an appreciable ounce in credit card spending alongside traction in e-commerce transactions. Railway freight and airline passenger traffic continued to improve, alongside petrol sales, automobile, and two-wheeler sales. The festive demand saw an improvement in vehicle registrations. Chip dispatches increased and hotel room rates rose, hotel demand was seen in double digits and occupancies touched 2019 levels. The government-imposed windfall gains tax (import/export duties), to both bring about stability to government finances and partly to support the rupee by making some imports pricier. Towards the end of FY22, consumer sentiment witnessed a pickup, supply chains were seen back to pre-COVID levels and agreements with 26 companies signed under the PLI scheme for specialty steel. Further, 100k jobs created by Apple over the last 19M becoming the single largest creator of blue-collar jobs in the electronics sector. The Ministry of Steel reported signing 57 MoU with 27 companies for specialty steel under the production linked incentive (PLI) scheme. In politics, the BJP swept the 2022 Gujarat assembly elections by winning in a record number of seats, while the Congress brought Himachal Pradesh back in control and saw a close contest with the BJP in Punjab. A key development was the centre's amendment to capital gains tax. This amendment mentioned that debt funds with equity exposure of not more than 35% would be taxed at the income-slab level; and would be considered as short-term capital gains. Further all gains from debt mutual funds would be added to the taxable income of investors.

Into FY24, the centre projects a further drop in its fiscal deficit to 5.9% that appears fairly do-able given the recent strength in tax collections and cut back on subsidies. The budget spends in the fiscal year 2023-24 have a strong capex focus, which is likely to help prop-up domestic growth. This would also help partly offset the growth softness that would be seen trickling in due to the cumulative impact of the RBI's rate hikes in FY23. GDP growth is expected to be in the range of 6-6.5% given the weak global growth backdrop and inflation is expected to hover around the 5.5% level for FY24 with some pressures that could arise if the monsoons are weak. The sharp uptick in net services exports is expected to continue alongside moderation in India's trade deficit through lower commodity prices. This is set to help India's current account deficit (CAD) that would hover just under 1.5% GDP, easing substantial pressure on the rupee.

Regulation

SEBI comprehensively reviewed the regulatory framework for Mutual Funds and took necessary steps to safeguard the interest of investors and maintain the orderliness and robustness of their investments. Some of the critical changes are set out hereunder:

- SEBI mandated constitution of Audit Committee for Asset Management Companies which is applicable from 1st August 2022. The internal auditor shall submit its report to the Audit Committees of AMC and the Board of AMC. The Audit Committee of AMC shall forward their observations on the internal audit report, if any, to the Trustees.
- Discontinuation of the usage of pool accounts for transactions in the units of Mutual Funds whereby the distributors cannot place order in its name and all funds should be transferred directly from the investor account to MF account.
- Modification in Cyber Security and Cyber Resilience Framework of Mutual Funds/ Asset Management Companies (AMCs) was brought in by SEBI to have uniformity for identifying and classifying critical assets, across the industry and to adopt "audit the auditor approach" for conducting the Vulnerability Assessment and Penetration Testing (VAPT) of the intermediaries.
- SEBI introduced new set of formats for nomination of Mutual Fund Unit holders as per which AMC shall provide an option to the unit holder(s) to submit either the nomination form or the declaration form for opting out of nomination in physical or online as per the choice of the unit holder(s).
- SEBI (KYC) Registration Agency (KRA) Regulations, 2011 mandates KYC records of all existing clients (who have used Aadhaar as an OVD).
- Mutual Fund units which were earlier excluded from the definition of securities under prohibition of Insider Trading regulations 2015, now fall under the definition of securities under SEBI (Prohibition of Insider Trading (PIT)) Regulations, 2015 as per the order of SEBI.
- SEBI reduced the timeline for processing of redemption from 10 working days to 3 working days and Dividend from 15 working days to 7 working days.
- Mutual Fund Distributors (MFDs) who are found to indulge in splitting of applications for earning separate transaction charges shall be 'blocked' for a period of six months, without affecting the existing on-going systematic transactions of investors i.e., SIPs and STPs under Regular Plan registered under ARN of such MFDs. MFDs who were found to indulge in splitting of transactions/ application to all AMCs, RTAs and CAMS-AMFI Unit, to "block" the ARN of such MFDs for a period of six months, within a period of 15 days from the receipt of such communication from RTAs.
- No financial transaction is permitted in the folios having no PAN or PAN exempted KYC reference number (PEKRN). Dividends pay-outs/reinvestments are permitted in the folios. Non-compliant Non-PAN and Non-PEKRN folios will be liable to be frozen from April 01, 2023. AMCs shall continue to report the progress and steps taken to clean-up the Non-PAN and Non-PEKRN folios to the Trustees in their quarterly report till the time such folios are remediated and cleaned up.

Your directors welcome all the steps taken by the Regulator as these measures are taken in the interest of greater transparency and accountability and to protect the investors interest and orderly growth of the industry.

Board of Directors

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

Directorship

Mrs. Soundara Kumar retires at the ensuing General Meeting and being eligible, offers herself for re-appointment. The necessary resolution is submitted for your approval. Mr. T T Srinivasaraghavan was appointed as a director with effect from 12th December 2022 in place of Mr. S Viji who retired with effect from 12th December 2022.

Audit Committee

The Audit Committee of the Board is constituted as per the SEBI Regulations. Mr. R Venkatraman, Mrs. Soundara Kumar and Mrs. Bhavani Balasubramanian are the members of the committee. During the year, five meetings of the committee were held. The committee reviews the internal audit plans, financial statements, and adequacy of internal control systems. The committee reviews the reports, the observations of the internal / external auditors and the responses of the management on the reports.

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

Disclosure as per Secretarial Standard on meetings of the Board of Directors (SS-1)

The number and dates of Meetings of the Board and Committees held during the financial year indicating the number of Meetings attended by each Director is furnished vide **Annexure I**. Your Company has complied with applicable Secretarial Standards issued by Institute of Company Secretaries of India.

Public Deposits

Your company has not accepted any deposits from the public.

Particulars of Employee Remuneration

The resource person has been deputed from Sundaram Asset Management Company Limited. The Company has no employees on its payroll. Accordingly, the provisions of Section 197(12) of the Companies Act, 2013 requiring disclosure of remuneration of employees is not applicable.

The Company is not required to appoint Whole Time Key Managerial Personnel in accordance with the provisions of the Companies Act, 2013.

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

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

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

Your Company has no activity relating to conservation of energy or technology absorption. The Company had no foreign exchange earnings or outgo during the year 2021-22 and in 2022-23.

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

The Company has not given any loan or guarantee to any person or body corporate nor invested in securities of any other body corporate during the year 2022-23.

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

All transactions entered into by the Company with the related parties were in the ordinary course of business and on an arm's length basis. Form AOC-2, as required under Section 134 (3) (h) of the Act, read with Rule 8 (2) of the Companies (Accounts) Rules 2014, is attached as part of this report vide **Annexure II**.

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

Your directors confirm that:

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

Annual Return

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

Acknowledgement

Your directors wish to place on record their deep appreciation of the professional support and guidance received from Sundaram Finance Limited, Sundaram 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 records their appreciation of the dedication and commitment displayed by the employees of the Sundaram AMC and Sundaram Alternate Assets.

For and on behalf of the Board of Directors

Place: Chennai
Date : April 25, 2023

R Venkatraman
Chairman

Disclosure as per Secretarial Standard on meetings of the Board of Directors (SS-1)

During the year under review, 7 meetings of the Board of Directors were held. The details of directors' attendance at Board Meetings are as follows:

Sl. No.	Name of the Director	DIN	No. of Meetings attended	Meeting Dates
1	Mr. S Viji *	00139043	5	28.04.2022
2	Mr. R Venkatraman	07119686	7	06.06.2022
3	Mrs. Soundara Kumar	01974515	5	08.07.2022
4	Mrs. Bhavani Balasubramanian	09194973	7	21.10.2022
5	Mr. T T Srinivasaraghavan**	00018247	2	12.12.2022
				28.01.2023
				31.01.2023

During the year under review, 5 meetings of the Audit Committee were held. Attendance of the members at Committee meetings are as follows:

Sl. No.	Name of the Member	No. of Meetings Attended	Meeting Dates
1	Mr. R Venkatraman	5	28.04.2022
2	Mrs. Soundara Kumar	3	06.06.2022
3	Mrs. Bhavani Balasubramanian	5	08.07.2022
			21.10.2022
			31.01.2023

*Mr. S Viji has stepped down from the Board with effect from 12.12.2022

** Mr. T T Srinivasaraghavan has been appointed to the Board with effect from 12.12.2022.

For and On behalf of the Board of Directors

Place: Chennai
Date: April 25, 2023

R Venkatraman
Chairman

Annexure - II

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

- Details of contracts or arrangements or transactions not at arm's length basis.
All transactions entered into by the Company during the year with related parties were on an arm's length basis.
- Details of material contracts or arrangement or transactions at arm's length basis.
The details of transactions entered into by the Company during the year with related parties at arm's length basis are provided under Note 4 to the annual accounts.

For and On behalf of the Board of Directors

Place: Chennai
Date: April 25, 2023

R Venkatraman
Chairman

FORM NO MGT-9**Extract of Annual Return as on the financial year ended on 31st March 2023**

[Puruant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies(Management and Administration Rules, 2014]

I REGISTRATION AND OTHER DETAILS

i) C I N	U65999TN2003PLC052058
ii) Registration Date	2nd December 2003
iii) Name of the Company	Sundaram Trustee Company Limited
iv) Category / Sub-category of the company	Limited by Shares, Indian Non-Government Company
v) Address of the Registered office and contact details	21 Patullos Road, Chennai 600 002. Ph: 044 4060 9900 / 2856 9900
vi) Whether listed company	No
vii) Name, address and contact details of Registrar and Transfer agent, if any	M/s. Cameo Corporate Services Ltd, 'Subramanian Building' No.1, Club House Road, Chennai 600 002 Ph: 044 2846 0390 to 0395 Email: investor@cameoindia.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Sundaram Finance Ltd. 21, Patullos Road, Chennai 600002	L65191TN1954PLC002429	Holding Company	100%	2 (46)

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

(i) Category-wise Share Holding

	Category of Shareholders	No of Shares held at the beginning of the year				No of shares held at the end of the year				% Change During the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter										
1) Indian										
a) Individual / HUF		-	-	-	-	-	-	-	-	-
b) Central Govt		-	-	-	-	-	-	-	-	-
c) State Govt(s)		-	-	-	-	-	-	-	-	-
d) Bodies Corp. - Sundaram Finance Ltd.*		49,994	6	50,000	100%	49,994	6	50,000	100%	Nil
e) Banks / FI		-	-	-	-	-	-	-	-	-
f) Any Other		-	-	-	-	-	-	-	-	-
Sub Total A(1)		49,994	6	50,000	100%	49,994	6	50,000	100%	Nil
2) Foreign										
a) NRIs - Individuals		-	-	-	-	-	-	-	-	-
b) Other Individuals		-	-	-	-	-	-	-	-	-
c) Bodies Corp.		-	-	-	-	-	-	-	-	-
d) Banks / FI		-	-	-	-	-	-	-	-	-
e) Any Other		-	-	-	-	-	-	-	-	-
Sub Total A(2)		-	-	-	-	-	-	-	-	-
Total Shareholding of promoter (A)=A(1)+A(2)		49,994	6	50,000	100%	49,994	6	50,000	100%	Nil
B. Public Shareholding										
1) Institutions										
a) Mutual Funds		-	-	-	-	-	-	-	-	-
b) Banks / FI		-	-	-	-	-	-	-	-	-
c) Central Govt		-	-	-	-	-	-	-	-	-
d) State Govt		-	-	-	-	-	-	-	-	-
e) Venture Capital Funds		-	-	-	-	-	-	-	-	-
f) Insurance Companies		-	-	-	-	-	-	-	-	-
g) FIs		-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds		-	-	-	-	-	-	-	-	-
i) Others(Specify)		-	-	-	-	-	-	-	-	-
Sub Total B(1)		-	-	-	-	-	-	-	-	-

	Category of Shareholders	No of Shares held at the beginning of the year				No of shares held at the end of the year				% Change During the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2)	Non-Institutions									
a)	Bodies Corp.	-	-	-	-	-	-	-	-	-
i)	Indian	-	-	-	-	-	-	-	-	-
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 1 Lakh	-	-	-	-	-	-	-	-	-
ii)	Individual shareholders holding nominal share capital in excess of ₹1 Lakh	-	-	-	-	-	-	-	-	-
c)	Others Specify	-	-	-	-	-	-	-	-	-
	Sub Total B(2)	-	-	-	-	-	-	-	-	-
	Total Public Shareholding (B) = B(1) + B(2)	-	-	-	-	-	-	-	-	-
	C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A) + (B) + (C)	49,994	6	50,000	100%	49,994	6	50,000	100%	Nil

* Includes 6 shares held by the nominees of Sundaram Finance Limited

ii) Shareholding of Promoters

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

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

Shareholder's Name	Shareholding at the beginning of the year		Cummulative shareholding during the year	
	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
Sundaram Finance Limited				
At the beginning of the year	50,000	100%	50,000	100%
Date wise increase / decrease	No Change			
At the End of the year			50,000	100%

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

Shareholder's Name	Shareholding at the beginning of the year		Cummulative shareholding during the year	
	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
At the beginning of the year	Nil			
Date wise increase / decrease				
At the End of the year				

v) Shareholding pattern of Directors and Key Managerial Personnel

Name of Director and KMP	Shareholding at the beginning of the year		Cummulative shareholding during the year	
	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
Mr S Viji, Director	Nil			
At the beginning of the year				
Date wise increase / decrease				
At the End of the year				

V) INDEBTEDNESS

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

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

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time directors and/or Manager**

Sl. No	Particulars of Remuneration	Name of MD/ WTD/Manager	Total Amount (₹)
1	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961		
	b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961		
	c) Profits in Lieu of salary under Section 17(3) of the Income tax Act, 1961		
2	Stock Option		Nil
3	Sweat Equity		
4	Commission		
	- as % of Profits		
	- others, specify		
5	Others, Please specify		
	Total (A)		
	Ceiling as per the Act (10% of Net Profits)		NA

B. Remuneration to Other Directors

Name of Directors	Particulars of Remuneration			Total Amount (₹)
	Fee for attending board/ committee meetings	Commission	Others, Please Specify	
Independent Directors (A):				
Other Non-Executive Directors:				
Mr. R. Venkatraman	4,00,000	5,00,000	-	9,00,000
Mrs. Soundara Kumar	3,00,000	3,50,000	-	6,50,000
Mrs. Bhavani Balasubramaniam	4,00,000	3,50,000	-	7,50,000
Total (A)	11,00,000	12,00,000		23,00,000
Other Non-Executive Directors (B):				
Mr. S. Viji*			-	-
Mr. T T Srinivasaraghavan**	50,000	1,00,000	-	1,50,000
Total (B)	50,000	1,00,000	-	1,50,000
Total Managerial Remuneration (A) + (B) excluding sitting fees				13,00,000
Overall Ceiling as per the Act (11% of Net Profits)				14,29,122

*Mr. S Viji has stepped down from the Board with effect from 12.12.2022

** Mr. T T Srinivasaraghavan has been appointed to the Board with effect from 12.12.2022

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

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

VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of offences against the Company, Directors and other Officers in Default during the year ended 31st March 2023.

For and On behalf of the Board of Directors

Place: Chennai
Date: April 25, 2023

R Venkatraman
Chairman

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF SUNDARAM TRUSTEE COMPANY LIMITED****Report on Financial Statements****Opinion**

We have audited the accompanying financial statements of Sundaram Trustee Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to "Ind AS Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the financial highlights, board's report and report on corporate governance but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015.
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) In our opinion, the managerial remuneration for the year ended March 31, 2023, has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act..
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses and hence no provision is required to be made.
 - iii) There were no amounts which were required to be transferred to Investor Education and Protection Fund by the Company.
 - iv)
 - a) The management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - b) The management has represented, that, to the best of it's knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Unmodified opinion:
Based on the audit procedure performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) of Rule 11(e) contain any material misstatement.
 - v. The Dividend declared and paid during the year by the company is in compliance with section 123 of the Companies Act

For Sundaram & Srinivasan
Chartered Accountants
Firm Registration No. 0042075

Place: Chennai
Date: April 25, 2023

S. Usha
Partner
Membership No.211785
UDIN: 21211785AAAADC5045

“Annexure A” to the Independent Auditor’s Report

With reference to the Annexure A referred to in paragraph 1 under the heading “Report on other Legal and Regulatory Requirements” of the Independent Auditor’s report to the members of Sundaram Trustee Company Limited on the Ind AS Financial Statements for the year ended 31 March 2023, we report that:

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- b) The company does not have any Intangible Assets. Hence this clause is not applicable. Property, Plant and Equipment have been physically verified by the Management, in accordance with the regular programme of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of the fixed assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c) The Company does not have any immovable properties. Hence this clause is not applicable.
- d) The Company has not revalued its Property Plant and equipment or Intangible assets during the year.
- e) Based on our examination of the Books of Accounts and other Records of the company and based on the information and explanation provided by the management, no proceedings has been initiated or pending against the company for holding any benami property under Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.
- ii. a) The Company does not have any inventory and hence reporting under Clause 3(ii) of the Order is not applicable.
- b) In our opinion and according to the information and explanations given to us, the Company was not sanctioned any working capital facilities during the year.
- iii. In our opinion and according to the information and explanations given to us, the Company has not provided loans or advances in the nature of loans or stood guarantee or provided security to any other entity. Hence reporting under this clause is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the company has not granted any loans, made any investments or provided any guarantee or security which will attract the provisions of section 185 and 186 of the Companies Act, 2013.
- v. The company has not accepted deposits from the public, within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder.
- vi. The Central Government has not prescribed the maintenance of cost records for the Company u/s.148(1) of the Companies Act, 2013.
- vii. a) The company is regular in depositing undisputed statutory dues including Income Tax and Goods and Service Tax with appropriate authorities. The other statutory dues are not applicable to the company.
- b) There are no disputed statutory dues by the company.
- viii. Based on our examination of the Books of Accounts and other Records of the company and based on the information and explanation provided by the management, the company has not surrendered or disclosed any transaction not recorded in the books of accounts as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. The company does not have any borrowings from any lender and hence clause 3(ix)(a),(b),(c),(d),(e) and (f) are not applicable.
- x. The company has not raised any money by the way of initial public offer or further public offer (including debt instruments) and the term loans. Hence clause 3(x)(a) and (b) are not applicable.
- xi. a) Based on our examination of the books of accounts and other records of the company and according to the information and explanations given to us, no case of fraud by the Company or fraud on the company were noticed or reported during the year.
- b) No report under sub section (12) of section 143 of the Act in Form ADT-4 was filed as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) Based on our examination of the books of accounts and other record of the company and based on the information and explanation provided by the management, no Whistle blower complaints received during the year.
- xii. The Company is not a Nidhi Company and hence reporting under Clause 3 (xii) (a), (b), (c) of the Order are not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the company, the transactions with related parties are in compliance with section 177 and section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The provisions regarding Internal Audit under the Act are not applicable to the Company. Hence reporting under the clause 3(xiv) (a) and (b) of the order are not applicable.
- xv. According to the information and explanations given to us and based on our examination of records of the

company, the Company has not entered into non-cash transactions with Directors or persons connected with them during the year.

- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, clause 3(xvi) (a),(b),(c) and (d) are not applicable.
- xvii. The company has not incurred cash losses during the year and the immediately preceding financial year,
- xviii. There has been no case of resignation of Statutory Auditor during the year
- xix. On the basis of our evaluation of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statement and our knowledge of Board of Directors and Management plans, we are of the opinion that, no material uncertainty exists as on the date of Audit Report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet
- xx. In our opinion and explanation given to us, Corporate Social Responsibility Expenditure Clause is not applicable. Hence reporting under the clause 3(xx) is not required.
- xxi. As the company is not required to prepare the consolidated financial statements, the reporting under clause 3(xxi) is not applicable.

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

Place: Chennai
Date: April 25, 2023

S. Usha
Partner
Membership No.211785
UDIN: 21211785AAAADC5045

“ANNEXURE B” to the Independent Auditor’s Report referred to in paragraph 2 (f) of our Report of Even Date

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting with reference to financial statements of Sundaram Trustee Company Limited, Chennai (“the Company”) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls with reference to Financial Statements

The Company’s Management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting with reference to financial statements includes those policies and procedures that;

- I. pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- II) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- III) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control with reference to financial statements over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

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

S. Usha
Partner

Place: Chennai
Date: April 25, 2023

Membership No.211785
UDIN: 21211785AAAADC5045

Balance Sheet as at 31.03.2023

Particulars	Note No.	31.03.2023	31.03.2022
		₹	₹
ASSETS			
(1) Non-Current Assets			
(a) Property, plant and equipment	1	4,193	4,193
(b) Other Non- Current Tax Asset (Net)	2	15,60,855	14,71,941
(c) Deferred Tax Asset (Net)		-	-
(2) Current Assets			
(a) Financial Assets			
(i) Investments	3	3,44,61,914	2,48,58,989
(ii) Trade Receivables	4	25,02,066	22,97,852
(iii) Cash and Cash Equivalents	5	12,667	21,460
(b) Other Current Asset		-	-
Total Assets		3,85,41,695	2,86,54,435
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	6	5,00,000	5,00,000
(b) Other Equity	7	3,52,92,910	2,56,57,046
Total Equity		3,57,92,910	2,61,57,046
(2) Liabilities			
(a) Non- Current Liabilities			
(i) Deferred Tax Liabilities (Net)	8c	6,38,369	3,01,261
(b) Current Liabilities			
(i) Financial Liabilities			
Trade Payable			
A) Total Outstanding dues of micro enterprises and small enterprises; and		-	-
B) Total Outstanding dues of creditors other than micro enterprises and small enterprises	9	3,85,382	6,82,843
(ii) Other Current Liabilities	10	1,72,50,64	15,13,285
(iii) Current Tax Liability (Net)		-	-
Total Liability		27,48,785	24,97,389
Total Equity and Liabilities		3,85,41,695	2,86,54,435

The accompanying notes from an integral part of the financial statements.

15

For SUNDARAM TRUSTEE COMPANY LIMITED

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

Bhavani B
Director

T T Srinivasaraghavan
Director

S Usha
Partner
Membership No. 211785

R Venkatraman
Chairman

Soundara Kumar
Director

Chennai
April 25, 2023

Statement of Profit and Loss for the year ended 31.03.2023

Sl. No.	Particulars	Note No.	31.03.2023 ₹	31.03.2022 ₹
I	Revenue from Operations			
	Sale of Services - Trusteeship Fee	11	2,10,80,792	1,78,15,434
II	Other Income	12	16,53,453	7,01,206
III	Total Revenue		2,27,34,245	1,85,16,640
IV	Expenses			
	Staff Cost		16,57,817	18,84,282
	Depreciation	1	-	-
	Administrative and Other Expenses	13	41,53,456	36,40,352
	Total Expenses		58,11,273	55,24,634
V	Profit before Tax		1,69,22,972	1,29,92,006
VI	Tax Expense	8		
	Current Tax		39,50,000	31,67,000
	Deferred Tax		3,37,108	1,02,043
	Total - Tax Expenses		42,87,108	32,63,043
VII	Profit after tax		1,26,35,864	97,22,963
	Other Comprehensive Income, Net of Deferred Tax			
	a. Items that will not be reclassified to Statement to Profit & Loss		-	-
	b. Items that will be reclassified to Statement to Profit & Loss		-	-
	Total Other comprehensive Income		-	-
	Total Comprehensive Income		1,26,35,864	97,22,963
	Earning per equity share			
	Basic Earnings per Share	14	252.72	194.46
	Diluted Earnings per Share	14	252.72	194.46

The accompanying notes form an integral part of the financial statements. 15

For SUNDARAM TRUSTEE COMPANY LIMITED

For **Sundaram & Srinivasan**
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Soundara Kumar
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Chennai
April 25, 2023

Statement of Cash Flow as at 31.03.2023

Particulars	31.03.2023		31.03.2022	
	₹		₹	
A) CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before Tax	1,69,22,972		1,29,92,006	
Adjustments for :				
Depreciation	-		-	
(Profit)/Loss on Sale of Fixed Assets	-		-	
(Profit) loss on sale of Investments	(3,18,202)		(2,95,758)	
Interest on Income tax refund	-		-	
Net Gain / (Loss) arising on Financial Assets Measured at Fair Value through P&L	(13,35,251)		(4,05,448)	
Interest on Advance Tax Short Paid	-		-	
		1,52,69,519		1,22,90,800
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		1,52,69,519		1,22,90,800
(Increase) Decrease in Receivable	(2,04,214)		(2,53,028)	
(Increase) Decrease in Other Current Assets	-		-	
Increase (Decrease) in Trade Payable	(2,97,491)		2,56,681	
Increase (Decrease) in Other Current Liabilities	2,11,779		91,082	
		(2,89,926)		94,735
Cash generated from Operations		1,49,79,593		1,23,85,535
Direct Taxes Paid	(40,38,914)	(40,38,914)	(31,60,794)	(31,60,794)
NET CASH FROM OPERATING ACTIVITIES (A)		1,09,40,679		92,20,662
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Investments	(1,07,49,472)		(96,81,515)	
Sale of Investments	28,00,000		29,50,000	
Sale of Fixed Assets	-		-	
		(79,49,472)		(67,31,515)
NET CASH FROM INVESTING ACTIVITIES (B)		(79,49,472)		(67,31,515)

Statement of Cash Flow as at 31.03.2023

Particulars	31.03.2023		31.03.2022	
	₹		₹	
C) CASH FLOW FROM FINANCING ACTIVITIES				
Dividend paid (including Corporate Dividend Tax)	(30,00,000)	(30,00,000)	(25,00,000)	(25,00,000)
NET CASH FROM FINANCING ACTIVITIES (C)		(30,00,000)		(25,00,000)
D) Effect of Foreign Exchange rates on Cash and Cash Equivalents (D)		-		-
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C) - (D)		(8,793)		(10,853)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		21,460		32,313
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		12,667		21,460
E) COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR				
Current Account with Banks		12,667		21,460
Cash, Stamps and Stamp Papers on Hand		-		-
Less : Bank Overdraft		-		-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		12,667		21,460

As per our report of even date attached.

For SUNDARAM TRUSTEE COMPANY LIMITED

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

Bhavani B
Director

T T Srinivasaraghavan
Director

S Usha
Partner
Membership No. 211785

R Venkatraman
Chairman

Soundara Kumar
Director

Chennai
April 25, 2023

**Other regulatory disclosures as required under
revised Schedule III of Companies Act 2013. (Ctnd..)**

Particulars	Formulas	Ratio	
		2022-23	2021-22
(a) Current Ratio	Current Assets	17.52	12.38
	Current Liabilities		
(b) Debt-Equity Ratio	NA	NA	NA
(c) Debt Service Coverage Ratio	NA	NA	NA
(d) Return on Equity Ratio	Net Income	41%	43%
	Share Holder's Equity		
(e) Inventory turnover ratio	NA	NA	NA
(f) Trade Receivables turnover ratio	Net Sales	8.78	8.20
	Average Rceivables		
(g) Trade payables turnover ratio	Net Purchase	2.50	2.21
	Average Payables		
(h) Net capital turnover ratio	Net Annual Sales	70%	84%
	Working Capital		
(i) Net profit ratio	Profit	56%	53%
	Revenue		
(j) Return on Capital employed	Earning before Interest & Taxes	55%	57%
	Capital Employed		
(k) Return on investment	Net Income	4%	4%
	Cost of Investment		

For SUNDARAM TRUSTEE COMPANY LIMITED

For **Sundaram & Srinivasan**
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Chennai
April 25, 2023

Statement of Changes in Equity

a) Equity Share Capital
2022-23

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
5,00,000	-	5,00,000	-	5,00,000

2021-22

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
5,00,000	-	5,00,000	-	5,00,000

b) Other Equity	Reserves & Surplus		
	General Reserve ₹	Retained Earnings ₹	Total ₹
Balance as at 01.04.2021	35,01,665	1,49,32,418	1,84,34,083
Changes in accounting policy or prior period errors	-	-	-
Restated balance at beginning of the current reporting period	-	-	-
Total Comprehensive Income for the current year	-	97,22,963	97,22,963
Dividends	-	(25,00,000)	(25,00,000)
Transfer to retained earnings	-	-	-
Any other change (to be specified)	-	-	-
Balance as at 31.03.2022	35,01,665	2,21,55,381	2,56,67,046
Changes in accounting policy or prior period errors	-	-	-
Restated balance at beginning of the current reporting period	-	-	-
Total Comprehensive Income for the current year	-	1,26,35,864	1,26,35,864
Dividends	-	(30,00,000)	(30,00,000)
Transfer to retained earnings	-	-	-
Any other change (to be specified)	-	-	-
Balance as at 31.03.2023	35,01,665	3,17,91,245	3,52,92,910

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

Shareholding of Promoters

Shares held by promoters at the end of the year

S. No	Promoter name	No. of Shares	% of total shares	Change %
1	Sundaram Finance Limited	50000	100%	Nil

Notes forming part of the Balance Sheet as at March 31, 2023

Note No. 1 Property, Plant and Equipment

(In [₹])

Sl. No.	Description	Gross Carrying Value				Depreciation				Net Carrying Value	
		As at 1.4.22	Additions	Deductions	As at 31.03.23	As at 1.4.22	Additions	Deductions	As at 31.03.23	As at 31.03.22	As at 31.03.23
1	Office Equipments	83,812	-	-	83,812	79,619	-	-	79,619	4,193	4,193
	Total	83,812	-	-	83,812	79,619	-	-	79,619	4,193	4,193

Note No. 2 Other Non- Current Tax Asset (Net)

Particulars	31.03.2023 ₹	31.03.2022 ₹
Advance Income Tax and Tax Deducted at Source (Net of provisions)	15,60,855	14,71,941
Total	15,60,855	14,71,941

Note No. 3 Investments

Particulars	31.03.2023 ₹	31.03.2022 ₹
Investment in Mutual Fund: Quoted		
Sundaram Liquid Fund-Direct Plan Growth 17,336.761 units of ₹10/- each (Previous year 13,229.785 units of ₹10/- each)	3,44,61,914	2,48,58,989
Total	3,44,61,914	2,48,58,989
Aggregate amount of Quoted Investments	3,44,61,914	2,48,58,989
Aggregate amount of impairment in value of Investments	-	-

Note No. 4 Trade Receivables

Particulars	31.03.2023 ₹	31.03.2022 ₹
Trade receivable considered good - Unsecured		
- From Mutual Fund	21,24,172	21,27,266
- From Alternate Investment Fund (CAT III)	46,453	45,312
- From Alternate Investment Fund (CAT II)	3,31,441	1,25,274
Trade receivable which have significant increase in Credit Risk and Credit impaired	-	-
Total	25,02,066	22,97,852

Note No. 5
Cash and Cash Equivalents

Particulars	31.03.2023 ₹	31.03.2022 ₹
Balance with Banks in Current Account	12,667	21,460
Total	12,667	21,460

Note No. 6
Equity Share Capital

Particulars	31.03.2023 ₹	31.03.2022 ₹
Authorised 2,50,000 Equity Shares of ₹10/- each	25,00,000	25,00,000
Issued, Subscribed and Fully Paid up 50,000 Equity Shares of ₹10/- each	5,00,000	5,00,000
Total	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 on 31.03.23 and the previous year.

b. Terms/rights attached to Equity Shares:

The Company has only one class of equity shares having a paid-up value of ₹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. 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 and its nominees.

d. Details of shareholders holding more than 5% of the Equity Shares of ₹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 31.03.23 and the previous year.

Note No. 7
Other Equity

Particulars	31.03.2023 ₹	31.03.2022 ₹
General Reserve	35,01,665	35,01,665
Retained Earnings	3,17,91,245	2,21,55,381
Total	3,52,92,910	2,56,57,046

Refer Statement of Changes in Equity for detailed movement.

Note No. 8
Income Taxes

a. Amount recognized in Statement of Profit and Loss

Particulars	31.03.2023 ₹	31.03.2022 ₹
Current Tax		
Current Period	39,50,000	31,67,000
Deferred Tax : Attributable to origination and reversal of temporary difference	3,37,108	1,02,043
Income Tax expense recognised in the Statement of Profit and Loss	42,87,108	32,69,043

b. Reconciliation of Tax expenses

Particulars	31.03.2023 ₹	31.03.2022 ₹
Profit before tax	1,69,22,972	1,29,92,006
Tax Rate	25.168%	25.168%
Tax using the Company's domestic tax rate	42,59,174	32,69,828
Tax Effect		
Rate Difference	-	-
Non deductible expenditure	-	-
Others	27,934	(785)
Tax expenses as per Statement of Profit and Loss	42,87,108	32,69,043

c. The major components of deferred tax (liabilities)/assets arising on account of timing differences are as follows:

As at 31st March 2023

Particulars	Balance Sheet	Profit and Loss A/c	Balance Sheet
	01.04.2022	2022-23	31.03.2023
Difference between written down of fixed assets as per the books of accounts and Income Tax Act, 1961	5,954	(1,052)	4,902
Difference in carrying value and tax base of investment in Mutual Fund measured at FVTPL	(3,07,215)	(3,36,056)	(6,43,271)
Deferred tax (Expense) / benefit			
Net Deferred tax liabilities	(3,01,261)	(3,37,108)	(6,38,369)

As at 31st March 2022

Particulars	Balance Sheet	Profit and Loss A/c	Balance Sheet
	01.04.2021	2021-22	31.03.2022
Difference between written down of fixed assets as per the books of accounts and Income Tax Act, 1961	5,954	(0)	5,954
Difference in carrying value and tax base of investment in Mutual Fund measured at FVTPL	(2,05,173)	(1,02,042)	(3,07,215)
Deferred tax (Expense) / benefit			
Net Deferred tax liabilities	(1,99,219)	(1,02,042)	(3,01,261)

Note No. 9

Trade Payable

Particulars	31.03.2023 ₹	31.03.2022 ₹
For Services		
a) Total Outstanding dues of micro enterprises and small enterprises; and	-	-
b) Total Outstanding dues of creditors other than micro enterprises and small enterprises	3,85,352	6,82,843
Total	3,85,352	6,82,843

Note No. 10

Other Current Liabilities

Particulars	31.03.2023 ₹	31.03.2022 ₹
Commission to Director Payable	11,70,000	10,80,000
Audit Fees Payable	1,57,500	1,35,000
Statutory Dues	3,97,315	2,98,032
Others	249	253
Total	17,25,064	15,13,285

Notes forming part of the Statement of Profit and Loss for the year ended 31.03.2023

Note 11

Revenue from Sale of Services

Particulars	31.03.2023 ₹	31.03.2022 ₹
Services Rendered		
a) Fee Income :-		
Trusteeship Fees - Sundaram Mutual Fund	1,82,02,824	15,144,503
Trusteeship Fees - Sundaram Alternative Investment Fund (Cat III)	4,88,051	4,79,475
Trusteeship Fees - Sundaram Alternative Investment Fund (Cat II)	7,32,100	3,07,174
b) Reimbursement of Expenses :-SMF	16,57,817	18,84,282
Total	2,10,80,792	17,815,434

Note 12

Other Income

Particulars	31.03.2023 ₹	31.03.2022 ₹
a) Interest on Income Tax Refund	-	-
b) Profit on Sale of Assets	-	-
a) Other Non-Operating Income (Refer Note 12.1)	16,53,453	7,01,206
b) Reversal of Tax Audit Fee Provided	-	-
Total	16,53,453	7,01,206

Note 12.1

Net Gain (Loss) on Fair Value Change

Particulars	31.03.2023 ₹	31.03.2022 ₹
a) Net Gain / (Loss) arising on Financial Assets Measured at Fair Value through P&L	13,35,251	4,05,448
b) Profit on Sale of Investment	3,18,202	2,95,758
Total Net Gain / (Loss) on Fair Value Change	16,53,453	7,01,206

Note 13
Administrative Expenses

Particulars	31.03.2023 ₹	31.03.2022 ₹
Administrative expenses	9,00,000	9,00,000
Directors Sitting Fees	11,50,000	7,75,000
Commission to Directors	8,665	12,00,000
Insurance	13,00,000	5,25,000
Payments to the Auditor:	5,25,000	
- Statutory Audit fees		1,50,000
- Tax Audit fees	1,75,000	-
Travel Expenses - Directors	4,589	3,030
Printing and Stationery	33,125	22,000
Professional Fees	48,000	49,052
Depository Fee	528	5,000
ROC Filing charges	5,000	4,000
Stamp Duty	2,000	485
Bank Charges	1,549	6,785
Total	41,53,456	36,40,352

For SUNDARAM TRUSTEE COMPANY LIMITED

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

Bhavani B
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T T Srinivasaraghavan
Director

S Usha
Partner
Membership No. 211785

R Venkatraman
Chairman

Soundara Kumar
Director

Chennai
April 25, 2023

NOTES ON ACCOUNTS

Company Overview

Sundaram Trustee Company Limited ("STCL" or "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, Sundaram Cat III Alternative Investment Trust and Sundaram Cat II Alternative Investment Trust.

Note no. 1. Significant accounting policies

1.1 Overall considerations

The financial statements have been prepared applying the significant accounting policies and measurement bases explained below.

1.2 Basis of Preparation of Financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed by Ministry of Corporate Affairs under Companies (Indian Accounting Standards) Rules, 2015 and companies (Indian Accounting Standards) Amended Rules 2016.

Preparation of 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 period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management's evaluation of the relevant facts and circumstances as at the date of the financial statements.

The financial statements have been prepared under historical cost convention on accrual basis, except for certain financial assets and liabilities (as per the accounting policy stated below), which have been measured at fair value.

1.3 Property, plant and equipment

All items of Property, plant and equipment are stated at cost of acquisition less accumulated depreciation/amortization and impairment, if any. Cost includes purchase price, taxes and duties, labour cost. However, cost excludes Excise Duty, Value Added Tax and Goods and Service Tax, to the extent credit of the duty or tax is availed of.

Depreciation and amortization:

- i. Depreciation is recognized on written down value basis, over the useful life of the assets as prescribed under Schedule II of the Companies Act, 2013.
- ii. On tangible fixed assets added / disposed off during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.

1.4 Impairment

The Company shall assess at the end of the reporting period whether there exist any indications that an asset may be impaired. If such indication exists, the entity shall estimate the recoverable amount of the asset and treatment shall be given in accordance with Ind AS 36.

1.5. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

At initial recognition, the Company measures a financial asset at its fair value (in the case of a financial asset not recorded at fair value through profit or loss) plus transaction cost that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

Subsequent measurement depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

Based on the above criteria, the Company classifies its financial assets in the following categories:

- Financial assets measured at amortized cost.
- Financial assets measured at fair value through OCI (FVTOCI).
- Financial assets measured at fair value through profit or loss (FVTPL).

i. Financial assets measured at amortized cost

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets measured at FVTOCI

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Financial assets measured at FVTPL

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

De-recognition of financial assets

A financial asset is derecognized when the Company has transferred the rights to receive cash flows from the financial asset.

Impairment of financial assets

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

For trade receivables, the Company applies the approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognized from initial recognition of the receivables.

Expected Credit Loss

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

Based on the past experience, the company has not considered ECL impairment loss, as the receivables are from related parties and the company does not foresee any credit loss in future as well.

Financial Liabilities

Initial Recognition, subsequent measurement and de-recognition of financial liabilities

i) Initial Recognition

At initial recognition, the Company measures a financial liability at its fair value (in the case of a financial liability not recorded at fair value through profit or loss) plus transaction cost that are directly attributable to the acquisition of the financial liability. Transaction costs of financial liability carried at fair value through profit or loss are expensed in profit or loss.

ii) Subsequent measurement

Financial liabilities are measured subsequently at amortized cost.

iii) De-recognition

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or has expired.

1.6. Cash and cash equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise of cheques in hand and bank balances.

1.7. Revenue

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Revenue from Services:

Revenue from rendering of services is recognized based on agreements/ arrangements entered with the customers.

Other income:

Interest income (excluding interest on income tax refund) is recognized on time proportion basis, taking into account the amount outstanding and effective interest rate. Interest on income tax refund is accounted on receipt basis.

1.8. Income Taxes

Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax:

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amounts in financial statements.

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income ("OCI"), in which case, the current and deferred tax income/ expense are recognized in OCI.

1.9. Provisions and contingencies

Provisions are recognized when the company has a present obligation as a result of past events, it is probable, but the outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made out of the amount of obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

1.10. Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.11. Dividend

Dividend on shares is recorded as a liability on the date of approval by share holders.

1.12. Segment reporting

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

1.13. Cash flow statement

Cash Flow Statement is prepared under "Indirect Method" as per Ind AS 7.

Previous year figures have been reclassified/regrouped wherever necessary to conform with financial statements prepared under Ind AS.

2. Earnings per share

Particulars		2022-23	2021-22
Profit after Tax	₹	1,26,35,864	97,22,963
Total Equity Share Outstanding at the end of the year	Nos.	50,000	50,000
Earnings per share (Basic and Diluted)	₹	252.72	194.46
Face Value per Share	₹	10.00	10.00

3. Fair Value Measurement

The following table shows the carrying amounts and fair values of financial assets

Particulars	As at 31.03.2023			
	Total Carrying (Cost)	FVTPL	FVOCI	Amortized Cost
	₹	₹	₹	₹
Financial Assets				
Mutual Fund Investments	3,19,06,002	3,44,61,914	-	-
Trade Receivable	25,02,066	-	-	25,02,066
Cash and Cash Equivalents	12,667	-	-	12,667
Financial Liabilities				
Borrowings	-	-	-	-
Trade Payables	3,85,352	-	-	3,85,352
Other Current Liabilities	17,25,064	-	-	17,25,064

Particulars	As at 31.03.2022			
	Total Carrying (Cost)	FVTPL	FVOCI	Amortized Cost
	₹	₹	₹	₹
Financial Assets				
Mutual Fund Investments	1,74,26,268	2,48,58,989	-	-
Trade Receivable	22,97,852	-	-	22,97,852
Cash and Cash Equivalents	21,460	-	-	21,460
Financial Liabilities				
Borrowings	-	-	-	-
Trade Payables	6,82,843	-	-	6,82,843
Other Current Liabilities	15,13,285	-	-	15,13,285

Fair Value Hierarchy

The company measures financial instruments at fair value in accordance with the accounting policies. Fair value is the price that would be received while selling an asset or paid to transfer a liability in an orderly transaction between market participant at the measurement date. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels.

Level 1 Hierarchy : Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets, for identical assets or liabilities that the entity can access at the measurement date. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2 Hierarchy : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Hierarchy : inputs that are unobservable for the asset or liability

Particulars	Level 1	Level 2	Level 3
	₹	₹	₹
As at Mar 31, 2023			
Financial Assets at FVTPL:			
Equity Shares	-	-	-
Mutual Fund Investments	3,44,61,914	-	-
As at Mar 31, 2022			
Financial Assets at FVTPL:			
Equity Shares	-	-	-
Mutual Fund Investments	2,48,58,989	-	-

Valuation Technique

Investment in Mutual Funds were measured at Closing NAV.

Financial Risk Management

The Company's business activities are exposed to liquidity risk and credit risk. The Risk management policies have been established to identify and analyse the risks faced by the company, to set and monitor appropriate risk limits and controls, periodically review and reflect the changes in the policy accordingly.

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Company is exposed to price risk arising from investments in mutual funds recognised at FVTPL. As at 31.03.2023 the carrying value of such instruments recognised at FVTPL amounts to ₹3,44,61,914/-.

If the mutual fund prices had been higher/lower by 5% from the market prices existing as at 31.03.2023, Statement of Profit and Loss for the year ended 31.03.2023 would increase/decrease by ₹17,23,095.70.

b) Management to Liquidity Risk

Liquidity risk is the risk that the company will face in meeting its obligations associated with its financial liabilities. The company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities. In doing this, management considers both normal and stressed conditions.

The company regularly monitors the rolling forecasts and the actual cash flows to service the financial liabilities on a day-to-day basis through cash generation from business and by having adequate banking facilities.

The following table shows the maturity analysis of the company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value of the Balance Sheet date.

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Payable within one year		
Trade Payable	3,85,352	6,82,843
Borrowing - Cash Credit	-	-

c) Management of Credit risk

Credit Risk is the risk of financial loss to the company if the other party to the financial assets fails to meet its contractual obligation:

- 1) Trade receivable : Concentration of credit risk with respect to trade receivable are limited as the customers are reviewed, assessed and monitored regularly on a monthly basis with pre determined credit limits assessed based on their payment capacity. Our historical experience of collecting receivables demonstrates that credit risk is low. Hence, trade receivables are considerable to be a single class of Financial assets.
- 2) Other Financial Assets : The Company has exposure in cash and cash equivalents and term deposits with banks. The company's maximum exposure to credit risk as of 31/03/2023 is the carrying value of each class of financial assets as of that date.

Note No : 4

Related Party Disclosure for the year ended 31.03.2023 as required by IND AS -24

Related Parties

a) Related Party where control exists

Name of the Related Party	Relationship
a) Sundaram Finance Limited	Holding Company
b) Sundaram Alternate Investment Trust Cat III	Associates
c) Sundaram Alternate Investment Trust Cat II	Associates
d) Sundaram Mutual Fund	Associates
e) Royal Sundaram General Insurance Co Limited	Associates
f) SAMC Support Services Private Limited	Fellow Subsidiary
g) SAMC Services Private Limited	Fellow Subsidiary
h) SAMC Trustee Private Limited	Fellow Subsidiary
i) Sundaram Home Finance Limited	Fellow Subsidiary
j) Sundaram Asset Management Company Limited	Fellow Subsidiary
k) Sundaram Alternate Assets Limited	Fellow Subsidiary
l) Sundaram Finance Holdings Ltd	Fellow Subsidiary
m) Sundaram Asset Management Singapore Pte.Ltd	Fellow Subsidiary
n) LGF Services Limited	Fellow Subsidiary
o)Sundaram Fund Services Limited	Fellow Subsidiary
p)Sundaram Business Services Limited	Fellow Subsidiary

b) Related Party with whom transactions were carried out during the year and previous year.

Name of the Related Party	Relationship
a) Sundaram Finance Limited	Holding Company
b) Sundaram Alternate Investment Trust Cat III	Associates
c) Sundaram Alternate Investment Trust Cat II	Associates
d) Sundaram Mutual Fund	Associates
f) Royal Sundaram General Insurance Co Limited	Associates
e) Sundaram Asset Management Company Limited	Fellow Subsidiary

c) Transactions with related party

Name	Relationship	Nature of Transaction	2022-23 ₹	2021-22 ₹
Sundaram Finance Ltd	Holding Company	Dividend Paid	30,00,000	25,00,000
Sundaram Asset Management Company Ltd	Fellow Subsidiary	Expenses	9,00,000	9,00,000
		Reimbursement of Staff Cost	16,57,817	18,84,282
Sundaram Mutual Fund	Associate	Investments in Units	1,07,49,472	96,81,515
		Sale of Units	28,00,000	29,50,000
		Trustee Fee Income	1,82,02,824	1,51,44,503
		Reimbursement of Staff Cost	16,57,817	18,84,282
Sundaram Alternative Investment Fund - Cat III	Associate	Income	4,88,051	4,79,475
Sundaram Alternative Investment Fund - Cat II	Associate	Income	7,32,100	3,07,174
Royal Sundaram General Insurance Co. Limited	Associate	Insurance	5,25,000	5,25,000
Outstanding Receivable as on 31st Mar 2021				
i) Sundaram Mutual Fund		Trade Receivables	21,24,172	21,27,266
ii) Sundaram Alternative Investment Fund - Cat III	Associate	Trade Receivables	46,453	45,312
iii) Sundaram Alternative Investment Fund - Cat II		Trade Receivables	3,31,441	1,25,274
iv) Sundaram Alterate Assets Limited			-	-
Outstanding Payable as on 31st Mar 2023 - Sundaram Asset Management Company Limited	Fellow Subsidiary		3,75,352	6,63,543

Terms and conditions of transactions with related party

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured, interest free and will be settled in cash. There has been no guarantees received or provided for any related party receivables or payables.

5. Contingent Liability - Nil [Previous Year "Nil"]

Trade Receivables ageing schedule 2022-23

Particulars	Outstanding for following periods from due date of payment#						Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables - considered good	25,02,066	-	-	-	-	-	25,02,066
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-

Trade Receivables ageing schedule 2021-22

Particulars	Outstanding for following periods from due date of payment#						Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables - considered good	22,97,852	-	-	-	-	-	22,97,852
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-

Trade Payables ageing schedule 2022-23

Particulars	Outstanding for following periods from due date of payment#				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
(ii) Others	3,85,352	-	-	-	3,85,352
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Trade Payables ageing schedule 2021-22

Particulars	Outstanding for following periods from due date of payment#				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
(ii) Others	6,82,843	-	-	-	6,82,843
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

