

# Sundram Fasteners Limited

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## Sundram Fasteners Limited

CIN : L35999TN1962PLC004943

Registered Office : 98-A, VII Floor, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004

Phone : +91 - 44 - 28478500 | Fax : +91 - 44 - 28478508 / 28478510

E-mail : investorshelpdesk@sfl.co.in | www.sundram.com

### Notice of the 52<sup>nd</sup> Annual General Meeting to the Shareholders

NOTICE is hereby given that the Fifty Second Annual General Meeting of the Shareholders of the Company will be held at the Music Academy - T T Krishnamachari Auditorium (Main Hall), New No. 168, T T K Road, Royapettah, Chennai- 600 014 on Friday, 21<sup>st</sup> August, 2015 at 10.00 am to transact the following business:

#### ORDINARY BUSINESS

To consider and if thought fit, to pass the following resolutions, as **Ordinary Resolutions**:

1. To adopt the Audited Financial Statement for the year ended 31<sup>st</sup> March, 2015 along with Report of the Board of Directors and Auditors thereon.

**"RESOLVED** that the Audited financial statement for the year ended 31<sup>st</sup> March, 2015 along with the Report of the Board of Directors and Auditors thereon and the Audited consolidated financial statement of the Company for the financial year ended on that date be and are hereby approved and adopted."

2. To re-elect Sri Venu Srinivasan who retires by rotation, as a Director of the Company.

**"RESOLVED** that Sri Venu Srinivasan (DIN 00051523) who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company.

3. To ratify the appointment of Statutory Auditors.

**"RESOLVED** that the appointment of M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, (Registration No. 0042075 with the Institute of Chartered Accountants of India) as Auditors of the Company for the second consecutive year (*in the term of three consecutive years approved at the Fifty First Annual General Meeting held on 22<sup>nd</sup> September, 2014*), commencing from the conclusion of this annual general meeting until the conclusion of next annual general meeting, be and is hereby ratified."

#### SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions, as an **Ordinary Resolution**:

4. Ratification of remuneration paid to the Cost Auditors for the financial year ended on 31<sup>st</sup> March, 2015 and approve the remuneration of the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2016.

**"RESOLVED** that the remuneration of ₹ 4,00,000/- (Rupees Four Lakhs Only), in addition to reimbursement of travel and out-of-pocket expenses, payable to Sri P Raju Iyer, Practising Cost Accountant, (Membership No. 6987) who was appointed as Cost Auditor of the Company for the year 2014-2015 as recommended by the audit committee and approved by the board of directors of the Company, in terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, be and is hereby ratified.

**RESOLVED FURTHER** that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, remuneration of ₹ 4,00,000/- (Rupees Four Lakhs Only), in addition to reimbursement of travel and out-of-pocket expenses, be paid to Sri P Raju Iyer, Practising Cost Accountant, who was appointed as Cost Auditor of the Company for the financial year ending 31<sup>st</sup> March, 2016.

By Order of the Board

V G JAGANATHAN

Chief Financial Officer & Company Secretary

Chennai  
May 29, 2015

# Sundram Fasteners Limited

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## Explanatory Notes

### STATEMENT TO RESOLUTION NO. 4 PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The Board had appointed Sri P Raju Iyer, Practising Cost Accountant, (Membership No. 6987), as Cost Auditor of the Company, in terms of Section 148 of the Companies Act, 2013 and fixed a sum of ₹ 4,00,000 (Rupees Four Lakhs Only), as remuneration payable to him, for the financial year 2014-2015.

The remuneration, as recommended by the audit committee and approved by the board, is therefore required to be ratified by the shareholders of the Company, as per the requirements of the Companies (Audit and Auditors) Rules 2014, read with Section 148(3) of the Companies Act, 2013.

Similarly, in pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to conduct the audit of the cost records of the Company, for the financial year ending on 31<sup>st</sup> March, 2016.

On the recommendation of the Audit Committee, the Board has considered and approved the appointment of Sri P Raju Iyer, Practising Cost Accountant as the cost auditor for the financial year ending on 31<sup>st</sup> March, 2016 at a remuneration of ₹ 4,00,000 (Rupees Four Lakhs Only) in addition to reimbursement of travel and out-of-pocket expenses.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out in Agenda No. 4.

Accordingly, the Board recommends the ordinary resolution, as set out in Agenda No. 4, for ratification by the shareholders of the Company for the remuneration paid for the financial year ended 31<sup>st</sup> March, 2015 and approval of remuneration payable to the Cost Auditor for the financial year ending on 31<sup>st</sup> March, 2016.

By Order of the Board

Chennai  
May 29, 2015

V G JAGANATHAN  
Chief Financial Officer & Company Secretary

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### Particulars of the Director seeking re-appointment (Agenda No. 2) in the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement.

#### Sri Venu Srinivasan

Born on 11th December 1952, Sri Venu Srinivasan is an Engineering graduate of Madras University and holds M.S degree in Management from Purdue University, U.S.A.

Mr Venu Srinivasan has been associated with CII for nearly 18 years in various capacities and was the President of CII during the financial year 2009-2010.

He was conferred the honorary doctorate degree in science by the University of Warwick, UK in the year 2004 for his contribution to excellence in manufacturing and contribution in the field of technology and research and development. He is the first Indian industrialist to be honoured by the Warwick University.

He has been conferred with the highest honour, Doctor of Science (Honoris Causa) by IIT Kharagpur in the year 2009 for his outstanding contribution to the field of Quality Movement and Manufacturing Excellence in India.

In January 2010, he has been conferred with 'Padma Shri', a prestigious adoration by Government of India in appreciation of his significant contribution for the promotion of trade and industry.

He also received the distinguished civilian honour "Order of Diplomatic Service Merit" from the President of the Republic of Korea in the year 2010 in recognition of his valuable contribution in promoting Korea - India bilateral relations. He is an Honorary Consul General of Republic of Korea in Chennai.

He was also appointed as the "Goodwill Envoy for Public Diplomacy" by South Korea, in recognition of his efforts to foster enhanced friendship and co-operation between India and South Korea.

He has been appointed as Vice Chairman of State Manufacturing Competitiveness Council by the Government of Tamil Nadu.

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He has also been appointed by the President of India as Chairman of the re-constituted board of governors of National Institute of Fashion Technology.

He is a member of:

1. Prime Minister's Council on Trade and Industry;
2. Prime Minister's National Integration Council; and
3. Prime Minister's Scientific Advisory Council.

He was the past President of Automotive Research Association of India, Society of Indian Automobile Manufacturers Association of Indian Automobile Manufacturers and Confederation of Indian Industry.

Details of his other directorships and memberships / chairmanships of committees are given below:

| S. No. | Name of the Company                        | Position held                | Committee membership / Chairmanship   |
|--------|--|------------------------------|---|
| 1.     | Sundaram-Clayton Limited                   | Chairman & Managing Director | Corporate Social Responsibility Committee – Chairman  |
| 2.     | Harita-NTI Limited                         | Chairman                     | –   |
| 3.     | TVS Credit Services Limited                | Chairman                     | –   |
| 4.     | Lucas-TVS Limited                          | Director                     | –   |
| 5.     | T V Sundram Iyengar & Sons Private Limited | Director                     | Audit Committee - Member  |
| 6.     | Southern Roadways Limited                  | Director                     | –   |
| 7.     | TVS Motor Company Limited                  | Chairman & Managing Director | CSR Committee – Chairman<br>Stakeholders' Relationship Committee – Member   |
| 8.     | Cummins India Limited                      | Director                     | Audit and Risk Management Committee – Member<br>Stakeholders Relationship Committee - Member<br>Compensation and Management Development Committee – Chairman<br>Operations Committee – Member |
| 9.     | Sundaram Investment Limited                | Director                     | –   |
| 10.    | TVS Lanka Private Limited                  | Chairman                     | –   |
| 11.    | TVS Motor (Singapore) Pte Limited          | Director                     | –   |
| 12.    | Aga Khan Rural Support Programme (India)   | Director                     | –   |

He does not hold any shares in the company and is not related to any other director of the Company.

Nature of expertise in specific functional area – Corporate strategy and General Management

## SHAREHOLDER NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. **A Person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total voting share capital of the Company. A member holding more than ten percent of the total voting share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
2. The instrument appointing proxy should be deposited either at the Registered Office of the Company or at the office of the Company's Share Transfer Agents viz. Integrated Enterprises (India) Limited, Kences Towers, 2<sup>nd</sup> Floor, No.1, Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017 at least 48 hours before the commencement of the meeting. Proxy form enclosed.

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3. A Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of special business in Agenda No. 4 of the Notice is annexed hereto.

4. **SEBI vide its circular no. CIR/MRD/DP/10/2013 dated 21.03.2013 has mandated that in order to enable usage of electronic payment instruments, companies whose securities are listed on the stock exchanges shall maintain requisite bank details of their investors. The circular further mandates that the Companies or their Registrar & Share Transfer Agents (R&STA) shall take necessary steps to maintain updated bank details of the investors at its end. The circular also provides that only in cases where MICR, IFSC Code required for making electronic payment are not available or the electronic payments instructions have failed or have been rejected by the Bank, companies / R&STA can make cash payments (i.e. dividend warrant) to investors. However, even while making such payments, companies shall mandatorily print the bank account details of the investors on such electronic payments. In view of the above circular, investors may note the following advice -**

**Investors holding shares in physical mode are requested to intimate / update the bank account details viz, Bank Name, Bank Branch, Account Number, MICR No., IFSC Code along with a copy of the cancelled cheque to the company / R&STA for updating the records.**

**Investors holding shares in demat mode are requested to intimate / update the bank account details along with other details as may be required by their concerned Depository Participant.**

5. Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 13<sup>th</sup> August, 2015, to Friday, 21<sup>st</sup> August, 2015 (both days inclusive).

6. Members desiring any information as regards accounts are requested to write to the Company at least 7 days before the meeting so as to enable the Management to keep the information ready.

7. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

8. Members, holding shares in physical form, are requested to notify / send the following to the Registrar and Share Transfer Agent of the Company :

- a) any change in their address / mandate / bank details
- b) particulars of their bank account, in case they have not been sent earlier
- c) nomination in Form SH-13, in duplicate, as provided under Section 72 of the Companies Act, 2013, in case they have not been sent earlier
- d) share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account

9. Members, holding shares in electronic form, may please note that, as per the applicable regulations of the Depositories, the bank details as furnished by the respective Depositories to the Company will be printed on the dividend warrants issued from time to time. The Company will not entertain any direct request from such members for deletion of / change in such bank details. Further, instructions if any, already given by members in respect of shares in physical form will not be automatically applicable to the dividend payable on shares in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depository Participants.

10. Since, Sections 124 and 125 of the Companies Act, 2013 are yet to be notified, in terms of Section 205A read with Section 205C of the Companies Act, 1956, the dividend declared by the Company, for earlier years, which remain unclaimed for a period of seven years will be transferred on due dates to the Investor Education and Protection Fund (IEPF), established by the Central Government. The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished below.

Pursuant to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with companies) Rules 2012, the Company will provide / host the required details of unclaimed amounts (as on 21<sup>st</sup> August, 2015) referred to under Section 205C (2) of the Companies Act, 1956 on its website and also in the website of the Ministry of Corporate Affairs.

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Details of dividend declared by the Company for the financial year 2008-2009 and onwards are given below:

| Financial Year | Pay-out                 | Dividend % | Amount per Share ₹ | Date of Declaration | Due Date for transfer to IEPF |
|----------------|-------------------------|------------|--------------------|---------------------|-------------------------------|
| 2008-2009      | Interim                 | 50         | 0.50               | 04-06-2009          | 04-06-2016                    |
| 2009-2010      | 1 <sup>st</sup> Interim | 40         | 0.40               | 29-01-2010          | 29-01-2017                    |
| 2009-2010      | 2 <sup>nd</sup> Interim | 50         | 0.50               | 29-05-2010          | 29-05-2017                    |
| 2010-2011      | 1 <sup>st</sup> Interim | 55         | 0.55               | 09-11-2010          | 09-11-2017                    |
| 2010-2011      | 2 <sup>nd</sup> Interim | 70         | 0.70               | 30-05-2011          | 30-05-2018                    |
| 2011-2012      | 1 <sup>st</sup> Interim | 60         | 0.60               | 09-02-2012          | 09-02-2019                    |
| 2011-2012      | 2 <sup>nd</sup> Interim | 80         | 0.80               | 28-05-2012          | 28-05-2019                    |
| 2012-2013      | 1 <sup>st</sup> Interim | 60         | 0.60               | 08-11-2012          | 08-11-2019                    |
| 2012-2013      | 2 <sup>nd</sup> Interim | 80         | 0.80               | 30-05-2013          | 30-05-2020                    |
| 2013-2014      | 1 <sup>st</sup> Interim | 70         | 0.70               | 01-11-2013          | 01-11-2020                    |
| 2013-2014      | 2 <sup>nd</sup> Interim | 100        | 1.00               | 29-05-2014          | 29-05-2021                    |
| 2014-2015      | 1 <sup>st</sup> Interim | 85         | 0.85               | 06-11-2014          | 06-11-2021                    |

Members who have not encashed their dividend warrants in respect of the above period are requested to make their claim(s) by surrendering the unencashed warrants immediately to the Company.

## 11. Unclaimed Share Certificates

As per Clause 5A of the Listing Agreement (SEBI Circular dated 16th December, 2010) the unclaimed share certificates shall be dematerialised and transferred to “Unclaimed Suspense Account”. During the previous year, the Company had sent the third and final reminder letters to the shareholders, whose share certificates were unclaimed or returned undelivered. The Company has transferred the shares, in those cases where there was no response from the shareholders, which remained unclaimed to ‘Unclaimed Suspense Account’ to comply with the requirement of this Clause of the Listing Agreement. During the year 2014-2015, no claim was received.

12. Electronic copy of the Annual Report and the Notice of the Annual General Meeting of the Company *inter alia* indicating the process and manner of remote e-voting along with the attendance slip and proxy form are being sent to all the members whose email address are registered with the Company / Depository Participant(s) for communication purposes. For members who have not registered their email address, physical copies of the above documents are being sent in the permitted modes of dispatch.
13. Members are requested to affix their signatures at the space provided on the Attendance slip and handover the slip at the entrance of the meeting hall. Corporate members are requested to send a duly certified copy of the board resolution / power of attorney authorizing their representatives to attend and vote at the annual general meeting.
14. Members may also note that the Notice of the Annual General Meeting and the Annual Report will also be available on the Company's website [www.sundram.com](http://www.sundram.com) for download. The physical copies of such documents will also be available at the company's registered office in Chennai for inspection during normal business hours on working days. Members desiring to receive the reports in physical form, even after registering for e-mail mode, may request for the same, upon which reports will be dispatched free of cost. For any communication in this regard, members may send their requests to [investorshelpdesk@sfl.co.in](mailto:investorshelpdesk@sfl.co.in)

## 15. Voting through electronic means and at the AGM:

- (i) In compliance with provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management

and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 52<sup>nd</sup> annual general meeting by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the annual general meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- (II) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- (III) A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.
- (IV) The remote e-voting period commences on 18<sup>th</sup> August, 2015 (9.00 am - Indian Standard Time) and ends on 20<sup>th</sup> August, 2015 (5.00 pm - Indian Standard Time). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 14<sup>th</sup> August, 2015 may cast their votes by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (V) The process and manner of remote e-voting are as follows-

(A) In case a Member receives an email from NSDL, whose email ID is registered with the Company / Depository Participant(s).

- i. Open email and open PDF file named – "remote e-voting.pdf" with the Client ID or Folio No. as password. The said PDF file contains the user ID and password / PIN for remote e-voting. Please note that the password is an initial password, which the member may change.
- ii. Launch internet browser by typing the URL: <http://www.evoting.nsdl.com/>
- iii. Click on Shareholder – Login

| EVEN<br>(e-Voting Event Number) | USER ID | PASSWORD / PIN |
|---------------------------------|---------|----------------|
|                                 |         |                |

- iv. Type the USER ID and PASSWORD as initial password / PIN noted in Step (i) above. Thereafter, Click Login
- v. Password change menu will appear now. Change the password / PIN with new password with minimum 8 digits / characters or combination thereof. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. Note new password. It is strongly recommended not to share the password with any other person and take utmost care to keep the password confidential.
- vi. Home page of remote e-voting opens. Click on remote e-voting and select Active voting cycles.
- vii. Select "EVEN" of Sundram Fasteners Limited.
- viii. Now, the members may cast the vote as the page opens.
- ix. Members may cast their vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x. Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi. Once a member has voted on the resolution, the member will not be allowed to modify the vote.



- xii. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) who are authorised to vote are required to send scanned copy (pdf / jpeg format) of the relevant Board Resolution together with attested specimen signature of the duly authorised signatory(ies) to Scrutiniser through email to [sriramkrishnamurthy@rediffmail.com](mailto:sriramkrishnamurthy@rediffmail.com) or [skco.cs@gmail.com](mailto:skco.cs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- (B) In case of a member whose email ID is not registered with the Depository Participant(s) (physical copy of the Annual Report is being sent)
  - i. Initial password is provided on the Attendance Slip for the AGM:
  - ii. The Member may follow all steps from serial no. (ii) to (xii) in (A) above to cast the vote.
- (VI) In case of any queries, the member may refer the frequently asked questions (FAQs) for shareholders and remote e-voting user manual for shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the toll free no.1800-222-990.
- (VII) If the member is already registered with NSDL for e-voting then the member can use the existing USER ID and PASSWORD / PIN for casting the vote.
- (VIII) Members can also update their mobile number and email id in the user profile details of the folio, which may be used for sending future communication(s).
- (IX) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the company as on the cut-off date of 14<sup>th</sup> August, 2015.
- (X) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 14<sup>th</sup> August, 2015 may obtain the login ID and password by sending an email to [sriram@integratedindia.in](mailto:sriram@integratedindia.in) or [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) by mentioning their Folio No. / DP ID and Client ID No. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.
- (XI) A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.
- (XII) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting through ballot papers.
- (XIII) The Company has appointed Sri K Sriram, Practicing Company Secretary (CP No.2215) as Scrutiniser for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (XIV) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (XV) The Scrutiniser shall, immediately after the conclusion of voting at general meeting, count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. Scrutiniser shall within 3 days of conclusion of the meeting submit a consolidated scrutiniser report of the total votes cast in favour or against, if any, to the Chairman or any other Director authorised by him in writing who shall countersign the same and declare the result of the voting forthwith.
- (XVI) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting, i.e., 21<sup>st</sup> August, 2015. The results along with the Scrutinisers Report shall be placed on the website of the Company [www.sundram.com](http://www.sundram.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be communicated to the Stock Exchanges, BSE Limited / National Stock Exchange of India Limited, Mumbai.

Chennai  
May 29, 2015

By Order of the Board  
V G JAGANATHAN  
Chief Financial Officer & Company Secretary

## Green Initiative in the Corporate Governance

The Ministry of Corporate Affairs has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with RTA of the Company.



## Sundram Fasteners Limited

### FORM A

#### Format of covering letter of the annual audit report to be filed with the stock exchanges

(Pursuant to Clause 31(a) of the Listing Agreement)

|   |  |                              |
|---|--|------------------------------|
| 1 | Name of the Company                            | Sundram Fasteners Limited    |
| 2 | Annual financial statements for the year ended | 31 <sup>st</sup> March, 2015 |
| 3 | Type of Audit observation                      | Un-qualified                 |
| 4 | Frequency of observation                       | Not applicable               |

For SUNDRAM FASTENERS LIMITED



Suresh Krishna  
Chairman and Managing Director

For SUNDRAM FASTENERS LIMITED



R. Srinivasan  
Chairman – Audit Committee

For SUNDRAM FASTENERS LIMITED



V.G. Jaganathan  
Chief Financial Officer & Company Secretary

For Sundaram & Srinivasan  
Chartered Accountants  
Regn No 004207S



M. Balasubramaniam  
Partner  
Membership No F7945

Date: 17-7-2015



# **Sundram Fasteners Limited**

## **ANNUAL REPORT**

**for the year ended  
31st March 2015**

# Sundram Fasteners Limited

|   |  |
|---|--|
| <b>BOARD OF DIRECTORS</b>                                     | Sri SURESH KRISHNA, <i>Chairman &amp; Managing Director</i><br>Ms ARATHI KRISHNA, <i>Joint Managing Director</i><br>Ms ARUNDATHI KRISHNA, <i>Deputy Managing Director</i><br>Sri K RAMESH<br>Sri VENU SRINIVASAN<br>Sri V NARAYANAN<br>Sri R SRINIVASAN<br>Sri R RAMAKRISHNAN<br>Sri C V KARTHIK NARAYANAN<br>Sri M RAGHUPATHY IAS (Retd.)<br>Sri B MUTHURAMAN |
| <b>SENIOR MANAGEMENT</b>                                      | Sri V G JAGANATHAN, <i>Chief Financial Officer &amp; Company Secretary</i>   |
| <b>BANKERS</b>  | United Bank of India, State Bank of Mysore, Standard Chartered Bank<br>HDFC Bank Ltd., ICICI Bank Ltd., Canara Bank, DBS Bank Ltd.,<br>The Hongkong and Shanghai Banking Corporation Ltd.  |
| <b>STATUTORY AUDITORS</b>                                     | M/s SUNDARAM & SRINIVASAN<br>Chartered Accountants, No. 4, C P Ramaswamy Road,<br>Alwarpet, Chennai 600 018  |
| <b>SECRETARIAL AUDITORS</b>                                   | M/s. KRISHNAMURTHY & CO., Company Secretaries,<br>"Shobana", 17, Nandanam Main Road, Nandanam Extn., Chennai - 600 035.  |
| <b>COST AUDITOR</b>   | Sri P. RAJU IYER, 17, (Old No. 8), Hasthinapuram Main Road, Nehru Nagar,<br>Chromepet, Chennai - 600 044.  |
| <b>REGISTERED OFFICE</b>                                      | 98A, VII Floor, Dr Radhakrishnan Salai, Mylapore, Chennai 600 004  |
| <b>FACTORIES</b><br>(In India)                                | Tamil Nadu : Padi, Hosur, Aviyur, Mittamandagapet, Velappanchavadi,<br>Gummidipoondi, SEZ - Mahindra World City<br>Puducherry : Korkadu<br>Andhra Pradesh : Bonthapally<br>Uttarakhand : Rudrapur  |
| <b>FACTORIES</b><br>(In India through subsidiaries)           | Tamil Nadu : Ambattur, Hosur   |
| <b>FACTORIES</b><br>(Outside India -<br>through subsidiaries) | Sundram Fasteners (Zhejiang) Limited, China<br>Cramlington Precision Forge Limited, United Kingdom<br>Peiner Umformtechnik GmbH, Germany   |

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## FINANCIAL HIGHLIGHTS

₹ lakhs

| Particulars                           | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 |
|---------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Operating results</b>              |         |         |         |         |         |         |         |         |         |         |
| Revenue from Operations               | 238,577 | 202,228 | 206,942 | 214,664 | 181,072 | 133,386 | 126,219 | 120,592 | 119,944 | 106,199 |
| Total Revenue                         | 240,912 | 207,100 | 209,572 | 216,471 | 181,508 | 133,903 | 126,748 | 120,963 | 120,281 | 106,396 |
| EBIDT                                 | 35,679  | 30,484  | 28,363  | 31,315  | 23,446  | 17,275  | 16,562  | 15,443  | 16,999  | 15,373  |
| Interest                              | 8,139   | 5,858   | 8,135   | 9,220   | 3,567   | 1,742   | 10,104  | 1,574   | 2,793   | 3,019   |
| EBDT                                  | 27,540  | 24,626  | 20,228  | 22,095  | 19,879  | 15,533  | 6,458   | 13,869  | 14,206  | 12,354  |
| Depreciation                          | 8,832   | 7,637   | 7,162   | 6,361   | 5,454   | 4,748   | 4,223   | 3,423   | 3,012   | 2,739   |
| EBIT                                  | 26,847  | 22,847  | 21,202  | 24,954  | 17,992  | 12,527  | 12,339  | 12,020  | 13,987  | 12,634  |
| Profit before tax                     | 17,708  | 15,989  | 13,066  | 15,734  | 14,425  | 10,785  | 2,235   | 10,446  | 11,194  | 9,615   |
| Tax                                   | 4,176   | 3,900   | 3,688   | 4,475   | 3,882   | 3,283   | 494     | 3,499   | 4,008   | 3,422   |
| Profit after tax                      | 13,532  | 12,089  | 9,506   | 11,260  | 10,543  | 7,502   | 1,741   | 6,947   | 7,186   | 6,193   |
| <b>Financial status</b>               |         |         |         |         |         |         |         |         |         |         |
| Net fixed assets                      | 80,980  | 80,300  | 72,904  | 71,288  | 63,956  | 57,978  | 56,798  | 51,944  | 40,476  | 35,235  |
| Investments                           | 11,695  | 12,316  | 13,202  | 14,263  | 14,237  | 14,239  | 14,245  | 13,325  | 7,276   | 7,215   |
| Net current assets                    | 76,865  | 59,157  | 71,863  | 69,596  | 60,896  | 40,726  | 45,888  | 39,365  | 39,955  | 39,670  |
| Share capital                         | 2,101   | 2,101   | 2,101   | 2,101   | 2,101   | 2,101   | 2,101   | 2,101   | 2,101   | 1,051   |
| Reserves and surplus                  | 83,795  | 75,463  | 67,328  | 61,245  | 53,394  | 45,914  | 40,621  | 40,110  | 35,375  | 31,337  |
| Net worth                             | 85,896  | 77,564  | 69,429  | 63,346  | 55,495  | 48,015  | 42,723  | 42,211  | 37,476  | 32,387  |
| Loan funds                            | 75,057  | 65,108  | 79,505  | 82,870  | 74,961  | 56,791  | 66,738  | 55,507  | 43,969  | 43,860  |
| Deferred Tax Liability                | 8,587   | 9,101   | 9,034   | 8,931   | 8,633   | 8,137   | 7,470   | 6,915   | 6,261   | 5,873   |
| Total capital employed                | 169,540 | 151,773 | 157,968 | 155,147 | 139,089 | 112,943 | 116,931 | 104,633 | 87,707  | 82,120  |
| <b>Performance parameters - %</b>     |         |         |         |         |         |         |         |         |         |         |
| EBIDT to Revenue from Operations      | 15.0    | 15.1    | 13.7    | 14.6    | 12.9    | 13.0    | 13.1    | 12.8    | 14.2    | 14.5    |
| EBIT to Revenue from Operations       | 11.3    | 11.3    | 10.2    | 11.6    | 9.9     | 9.4     | 9.8     | 10.0    | 11.7    | 11.9    |
| PBT to Revenue from Operations        | 7.4     | 7.9     | 6.3     | 7.3     | 8.0     | 8.1     | 1.8     | 8.7     | 9.3     | 9.1     |
| EBIDT/Average capital employed [ROCE] | 22.2    | 19.7    | 18.1    | 21.3    | 18.6    | 15.0    | 15.0    | 16.1    | 20.0    | 20.8    |
| EBIT/Average capital employed         | 16.7    | 14.8    | 13.5    | 17.0    | 14.3    | 10.9    | 11.1    | 12.5    | 16.5    | 17.1    |
| PAT/Average net worth                 | 16.6    | 16.4    | 14.3    | 18.9    | 20.4    | 16.6    | 4.1     | 17.4    | 20.6    | 20.4    |
| Bonus issue                           | -       | -       | -       | -       | -       | -       | -       | -       | 1:1     | -       |
| EPS before extra ordinary items-₹     | 6.44    | 5.75    | 4.52    | 5.36    | 5.02    | 3.57    | 0.83    | 3.21    | 3.59    | 5.92    |
| EPS after extra ordinary items-₹      | 6.44    | 5.75    | 4.52    | 5.36    | 5.02    | 3.57    | 0.83    | 3.31    | 3.42    | 5.92    |
| Dividend per share-₹                  | 1.75®   | 1.70®   | 1.40®   | 1.40®   | 1.25®   | 0.90®   | 0.50®   | 0.90®   | 1.75®   | 1.70    |
| Dividend payout ratio                 | 27.17   | 29.55   | 30.95   | 26.13   | 24.91   | 25.21   | 60.36   | 27.26   | 25.59   | 28.81   |
| Book value per share-₹                | 40.88   | 36.91   | 33.04   | 30.15   | 26.41   | 22.85   | 20.33   | 20.09   | 17.84   | 30.83   |
| Market value per share-₹              | 174.50® | 62.80®  | 40.50®  | 55.35®  | 51.05®  | 51.60®  | 14.85®  | 32.35®  | 63.75®  | 169.30  |

Note : 1 Lakh = ₹ 100,000 Ten Lakhs = One Million Ten Millions = One Crore ® Post Bonus Issue

## REPORT OF THE BOARD OF DIRECTORS

The Directors are pleased to present the Fifty second Annual Report together with the audited financial statements for the year ended 31st March 2015.

### FINANCIAL RESULTS

|  | 2014-15           | 2013-14           |
|--|-------------------|-------------------|
| Revenue from Operations                              | 238,576.58        | 202,227.62        |
| Other Income   | 2,335.50          | 4,871.94          |
| <b>Total Revenue</b>                                 | <b>240,912.08</b> | <b>207,099.56</b> |
| Total expenditure                                    | 205,233.41        | 176,616.03        |
| Gross Profit before interest, depreciation and taxes | 35,678.67         | 30,483.53         |
| Less: Interest                                       | 2,137.81          | 3,074.08          |
| Exchange Losses / (Gains)                            | 6,000.79          | 2,783.42          |
| Depreciation   | 8,831.50          | 7,636.73          |
| Profit before Exceptional items and taxes            | 18,708.57         | 16,989.30         |
| Exceptional items                                    | (1,000.00)        | (1,000.00)        |
| <b>Profit Before Tax</b>                             | <b>17,708.57</b>  | <b>15,989.30</b>  |
| Less: Provision for tax                              | 4,176.33          | 3,900.07          |
| <b>Profit after Tax</b>                              | <b>13,532.24</b>  | <b>12,089.23</b>  |
| Add: Balance brought forward                         | 7,958.04          | 7,352.56          |
| Balance available for appropriation                  | 21,490.28         | 19,441.79         |
| <b>Appropriations</b>                                |                   |                   |
| Interim Dividends                                    | 3,677.25          | 3,572.18          |
| Tax on Interim Dividends                             | 494.98            | 411.57            |
| Transfer to General Reserve                          | -                 | 7,500.00          |
| Balance carried forward                              | 17,318.05         | 7,958.04          |
|  | <b>21,490.28</b>  | <b>19,441.79</b>  |

### TRANSFER TO RESERVES

The Company does not propose to transfer any amount to the general reserve for the financial year ended on 31st March, 2015.

### DIVIDEND

The Directors have decided to pay a Second Interim Dividend of ₹ 0.90 per share of face value of ₹ 1 each out of the surplus in profit and loss account, which together with the interim dividend of Re 0.85 declared and paid earlier, would amount to a total dividend for the year of ₹ 1.75 per share of ₹ 1 each. Dividend disbursed amounts

# Sundram Fasteners Limited

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to ₹ 4,172.23 lakhs inclusive of dividend distribution tax. Second interim dividend will absorb a total amount of ₹ 2,039.55 lakhs. The Directors do not recommend any final dividend.

## CONSOLIDATED FINANCIAL STATEMENTS

The audited Consolidated Financial Statements of the Company and its subsidiaries also form part of the Annual Report.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited accounts of its subsidiaries on its website [www.sundram.com](http://www.sundram.com). The Company will make available the audited annual accounts and related information of its subsidiaries, upon request by any of its shareholders.

## CORPORATE GOVERNANCE

A separate report on *Corporate Governance* together with a certificate from the Company's auditors confirming the compliance of conditions of Corporate Governance is attached to this report. *Management Discussion and Analysis* detailing the state of the company's affairs is also attached to this report.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

The existing composition of the company's Board is fully in conformity with the applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement with regard to independent directors and women directors.

Sri B Muthuraman was appointed as a non-executive independent director not liable to retire by rotation for a period of five consecutive years from 16th April, 2015 to 15th April, 2020, through Postal Ballot process.

Sri Venu Srinivasan, Director of the company is liable to retire by rotation at the ensuing AGM, and being eligible, offers himself for re-appointment. Necessary resolution for his re-appointment is being placed for approval of the members at the AGM. The board, therefore, recommends his re-appointment as a director of the company. A brief resume of him and other relevant information have been furnished in the notice convening the AGM.

In terms of Section 203 of the Companies Act, 2013, Sri Suresh Krishna, Chairman and Managing Director, Ms Arathi Krishna, Joint Managing Director, Ms Arundathi Krishna, Deputy Managing Director and Sri V G Jaganathan, Chief Financial Officer & Company Secretary were recognised as Key Managerial Personnel at the Board Meeting held on 30th May, 2014.

## STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149

All the independent directors have submitted a declaration as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as stipulated in Section 149(6).

## EXTRACT OF ANNUAL RETURN

An extract of annual return in Form MGT-9 is annexed herewith as **Annexure - I**.

## BOARD MEETINGS

The Company, in consultation with the Directors, prepares and circulates a tentative annual calendar for the meetings of the Board and Board Committees in order to facilitate and assist the Directors to plan their schedules for the meetings.

There were four Board Meetings during the year ended 31st March 2015, which were on 30th May 2014, 7th August 2014, 6th November 2014 and 4th February 2015.

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## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm that:

- a) in the preparation of annual accounts, the applicable accounting standards had been followed.
- b) they had selected appropriate accounting policies and applied them consistently, and made judgments and estimates that have been made 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 31st March 2015.
- c) they 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.
- d) they had prepared the annual accounts on a going concern basis.
- e) they had laid down the internal financial controls to be followed by the company and such internal financial controls are adequate and are operating effectively.
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

## **NOMINATION AND REMUNERATION POLICY**

### **(I) Criteria for Determining Qualifications, Positive Attributes & Independence of Director**

#### **1. Qualifications of Independent Director:**

An independent director shall be a person of eminence, standing and knowledge with significant achievements in business, professions and/or public service or professional practice and desirable to have industry experience in which the company operates. An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business.

#### **2. Positive attributes of Independent Directors:**

Nomination and Remuneration Committee shall take into account the following positive attributes while recommending the appointment of independent director.

- a) To demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- b) Continuously update their knowledge and skills with the latest developments in the automobile industry, market conditions and applicable legal provisions.
- c) Ability and willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.
- d) Ability to bring an independent judgment to the Board's deliberations especially on issues of strategy, performance, risk management, key appointments and standards of conduct.
- e) Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- f) To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees
- g) Assist the company in implementing the best corporate governance practices.



### 3. Independence of Independent Directors:

An Independent director should meet the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement concerning independence of directors as may be specified from time to time.

## (II) Remuneration Policy for Directors, Key Managerial Personnel and other employees

### A. NON-EXECUTIVE DIRECTORS

#### *Sitting Fees*

Non-executive Directors will be entitled to sitting fees for attending meetings of the Board and its Committees as may be decided by the Board from time to time within the limits prescribed under the Act. The sitting fees presently paid to the Non-Executive Independent Director is ₹ 50,000/- per meeting of the Board and ₹ 20,000/- per meeting of any Committee of the Board or separate meeting of independent directors thereof.

#### *Reimbursement of expenses*

Non-executive Directors will be entitled to reimbursement of expenses incurred in connection with attending the Board meetings, Board Committee meetings, meeting of independent directors, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.

### B. MANAGING DIRECTOR, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The following will be the guiding factors with respect to remuneration to Managing Director(s), Key Managerial Personnel and other employees.

- a) The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent.
- b) The Remuneration to Managing Director shall take into account the Company's overall performance, Managing Directors' contribution for the same and trends in the industry in general, in a manner which will ensure and support a high performance culture.
- c) As the company does not have any stock options such instruments do not form part of his remuneration package.
- d) The remuneration and commission to be paid to the Managing Director shall be in accordance with the percentage / limits / conditions laid down in the Companies Act, 2013.
- e) Remuneration to Key Managerial Personnel and Senior Management personnel will have a balance between fixed and incentive pay reflecting both short and long term performance objectives appropriate to the working of the Company and its goals and objectives. Such remuneration will generally comprise of fixed pay, performance pay, perquisites, provision of car and other work related benefits, Directors & Officers' Liability Insurance Policy (D&O Policy)
- f) The Remuneration to the key managerial personnel and other employees will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

### POLICY ON BOARD DIVERSITY

In terms of Clause 49(IV) of the Listing agreement, the Nomination and Remuneration Committee has framed a Policy on Board diversity appropriate to the business requirements of the Company, which *inter-alia* specifies

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optimum combination of Executive Directors, Non-Executive Directors and Independent Directors, the recommendatory requirement for each of the directors to possess functional diversity and role of NRC to ensure that the Policy on Board diversity is considered while recommending the appointment of new directors on the Board of the company.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient are provided in the standalone financial statement (Please refer to Note 9, 10 & 18 and 29 under Note 31 to the standalone financial statement).

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES (REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013)**

All contracts arrangements / transactions with related parties are on arms' length basis and in the ordinary course of business. There was no material related party contracts during the year on an arms' length basis. Form AOC-2 as required under Section 134 (3)(h) is enclosed as **Annexure - II** to this report.

#### **MATERIAL CHANGES AND COMMITMENTS**

There were no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134 of the Act read with Companies (Accounts) Rules, 2014 enclosed as **Annexure - III**.

#### **RISK MANAGEMENT**

The Company faces diverse risks in terms of downturn in economy, input prices, reputation, interest rates, foreign exchange, information systems, etc. The auto component industry has been operating in a challenging environment due to weakness in the economy in general and in particular automotive industry. The Company manages its risks in the following manner:-

- a) exercising prudence while incurring capital expenditure or outlays on new projects
  - b) entering into long term contracts with customers to underwrite the capacities created
  - c) determination of product prices after engineering studies
  - d) adoption of a diversified business model in terms of products, market segments, geography and customers to ensure that Company is able to withstand any instability in the entire business eco-system
  - e) judicious approach to proportionate sourcing of inputs from indigenous and overseas markets in order to take advantage of commodity prices and exchange rate movements
  - f) analysing credit risks through market feedbacks
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# Sundram Fasteners Limited

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- g) management of interest rate risks through a combination of loan products, tenor of financing and currency denomination
- h) monitoring, reviewing and hedging foreign exchange risks in accordance with the risk management policy

All the aforesaid risks are managed through continuous review of business parameters on a regular basis by the management. Insurable risks are analysed and insurance policies are taken to protect the company's interests. The Board of Directors are also informed periodically of the risks and concerns. Corrective actions and mitigation measures are taken as and when needed.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY AND IMPLEMENTATION**

The Company has undertaken activities as per the CSR Policy (available on the Company's website <http://www.sundram.com/investors.php> and the Annual report on CSR activities is enclosed vide **Annexure - IV** forming part of this report.

## **BOARD EVALUATION**

The Nomination and Remuneration Committee (NRC) has laid down the criteria for performance evaluation of independent directors and other directors, Board of Directors and Committees of the Board of Directors. The criteria for performance evaluation cover the areas relevant to their functioning as independent directors or other directors, member of Board or Committees of the Board.

Evaluation of all Board members is done by the Board, NRC and Independent Directors on an annual basis with specific focus on the performance and effective functioning of the Board and individual directors. During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual directors, including the Chairman of the Board. The exercise was carried out through an evaluation process covering various aspects of the Boards' functioning such as composition of the Board and committees, frequency of meetings, administration of meeting, flow of information to the board, experience and competencies, performance of specific duties and obligations, disclosure of information to stakeholders, etc. Separate exercise was carried out to evaluate the performance of individual directors including the Chairman who were evaluated on parameters such as attendance, contribution at the meetings and independent judgement. The directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

## **PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE**

Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies of the Company is given along with Financial Statement in Form AOC-1.

## **CHANGE IN THE NATURE OF BUSINESS**

There was no change in the nature of business of the Company during the financial year.

## **NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE COMPANY'S SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR**

Sundram Fasteners Investments Limited (SFIL), a wholly-owned subsidiary of the company was holding 49.93% of equity share capital of TVS Infotech Limited. During the year, SFIL subscribed to additional equity shares of TVS Infotech Limited (an associate company) and consequently TVS Infotech Limited has become a subsidiary of SFIL. SFIL has 62.27% equity stake in TVS Infotech Limited. Thus, TVS Infotech Limited has become a

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subsidiary of SFIL, and consequently a step-down subsidiary of the Company. TVS Infotech Limited holds 100% equity stake in TVS Infotech Inc., Michigan, USA. Accordingly, TVS Infotech Inc., Michigan, USA has also become a step-down subsidiary of SFIL and of the company. TVS Infotech Limited (an unlisted company) is engaged in information technology business providing enterprise solutions for core industries like manufacturing, automotive and distribution.

Sundram RBI Sdn. Bhd., Malaysia (wholly owned subsidiary) has ceased operations during the year.

The Board of Directors of Sundram International Inc. (wholly owned subsidiary) has approved a plan for discontinuance of its operations.

Except for the details given above, no other company has become or ceased to be Company's subsidiary, joint venture or associate company during the financial year.

### **PUBLIC DEPOSITS**

During the year, the Company has not accepted any deposits, within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014. No amount on account of principal or interest on deposits from public was outstanding as on Balance Sheet date.

### **REGULATORY / COURT ORDERS**

During the year 2014-2015, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

### **INTERNAL FINANCIAL CONTROLS**

The Company maintains all its financial records in SAP System and all financial transaction flow and approvals are routed through SAP. The Company has in-house internal audit team to observe the effective functioning of internal financial controls and check whether the financial transaction flow in the organisation is being done based on the approved policies of the Company. During every quarter, internal auditor presents the internal audit report and management comments on the internal audit observations. Further, the Board of Directors of the Company have adopted various policies like Related Party Transactions Policy, Whistle Blower Policy, Material Subsidiary Policy for ensuring the orderly and efficient conduct of its business for safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial information.

### **APPOINTMENT AND REMUNERATION OF KEY MANAGERIAL PERSONNEL**

The statement of particulars of Appointment and Remuneration of Key Managerial Personnel as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed vide **Annexure V** forming part of this report.

### **STATEMENT UNDER RULE 5 (2) AND (3) OF THE COMPANIES APPOINTMENT AND REMUNERATION RULES, 2014**

In terms of first proviso to Section 136 (1) of the Companies Act, 2013, the report of the Board of Directors is being sent to all the shareholders of the Company excluding the statement prescribed under Rule 5 (2) and (3) of the Companies (Appointment and Remuneration) Rules, 2014. The statement is available for inspection by the shareholders at the Registered Office of the Company during business hours, till the conclusion of Annual General Meeting.

# **Sundram Fasteners Limited**

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## **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 the Board of Directors have appointed M/s. S Krishnamurthy & Co., Company Secretaries, Chennai as the Secretarial Auditor of the Company for the financial year 2014-2015. Secretarial Audit Report issued by Sri K Sriram, Practising Company Secretary (CP No.2215), Partner, M/s. S Krishnamurthy & Co., Company Secretaries, Chennai in Form MR-3 is enclosed vide **Annexure VI** and forms part of this report.

## **STATUTORY AUDITORS**

Pursuant to Section 139 of the Companies Act, 2013, M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, (Registration No. 004207S with the Institute of Chartered Accountants of India), were appointed as Auditors of the Company at the fifty first annual general meeting of the company for a consecutive period of three years commencing from 22nd September, 2014. The Company has received a certificate from the statutory auditors to the effect that ratification of their appointment, if made, would be in compliance with the requirements of the Companies Act, 2013 and the rules made thereunder. Accordingly, the Board of Directors propose to ratify their appointment as Auditors of the Company for the second consecutive year (within the term of three consecutive years approved by the shareholders at the Fifty First Annual General Meeting held on 22nd September, 2014).

## **COST AUDITOR**

In terms of Section 148 of the Companies Act, 2013 (the Act) read with Companies (Cost records and audits) Rules, 2014, as amended, the Board of Directors had appointed Sri P Raju Iyer, Practising Cost Accountant (Membership No.6987) as Cost Auditor for the financial year 2015-2016. The audit committee recommended his appointment and remuneration subject to the compliance of all the requirements as stipulated under the Act and circulars issued thereunder. The Company has also received necessary certificate under Section 141 of the Act conveying his eligibility for re-appointment. The remuneration fixed by the board, based on the recommendation of the audit committee is required to be ratified by the members at the AGM as per the requirement of Section 148(3) of the Act.

## **AUDIT COMMITTEE**

The Audit Committee consists of Sri R Srinivasan, Sri V Narayanan and Sri R Ramakrishnan, all non-executive independent Directors of the Company, with Sri R Srinivasan as its Chairman.

The Audit Committee met four times during the year on 30th May 2014, 7th August 2014, 6th November, 2014 and 4th February, 2015. All the members attended the meeting.

The role and terms of reference of Audit Committee cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement as well as in Section 177 of the Companies Act, 2013.

## **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has adopted the Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) of the Company has been constituted to redress complaints regarding sexual harassment. No complaint was received during the year.

## **WHISTLE BLOWER POLICY (VIGIL MECHANISM)**

The Board of Directors of the Company has formulated an effective Whistle Blower Policy (Vigil Mechanism) enabling stakeholders, including individual employees and their representative bodies, to freely communicate

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their concerns about illegal or unethical practices, if any, reporting of concerns by directors and employees about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy or any other genuine concerns or grievances, to provide for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairman of the audit committee. No communication from any employee of the company under the whistle blower policy was received during the year.

### **DELISTING OF SHARES FROM MADRAS STOCK EXCHANGE**

Consequent to voluntary de-recognition of Madras Stock Exchange Limited (MSE) in terms of the circular dated 30th May 2012 issued by Securities and Exchange Board of India and in furtherance to the Company's application for voluntary delisting of equity shares from MSE, MSE on 29th December, 2014, had informed that the equity shares of the Company have been delisted from their exchange with effect from that date.

### **INDUSTRIAL RELATIONS**

Industrial relations continued to remain congenial during the current year. The Directors thank the employees for their contribution to the progress of the Company.

### **ACKNOWLEDGMENT**

The Directors wish to thank the Chinese Authorities, Officers of Haiyan County, Jiaxin City, Zhejiang province, Chinese tax and other administrative authorities for the support extended to Sundram Fasteners (Zhejiang) Limited. The Directors wish to thank One North East, the Regional Development Authority for Cramlington, United Kingdom for the continued support extended to the Subsidiary. The Directors wish to thank the Company's bankers, State Electricity Boards in Tamil Nadu, Pondicherry, Andhra Pradesh and Uttarakhand, customers and vendors, employees for all the assistance rendered by them from time to time.

On behalf of the Board

Chennai  
May 29, 2015

**SURESH KRISHNA**  
Chairman and Managing Director

# Sundram Fasteners Limited

## ANNEXURES TO DIRECTORS' REPORT

Annexure - I

### FORM NO. MGT - 9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended 31<sup>st</sup> March, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS

|  |  |
|--|--|
| CIN  | L35999TN1962PLC004943  |
| Registration Date  | 10th December, 1962  |
| Name of the Company  | SUNDRAM FASTENERS LIMITED  |
| Category / Sub-Category of the Company   | Public Limited Company   |
| Address of the Registered Office and contact details                           | 98-A, VII Floor, Dr Radhakrishnan Salai<br>Mylapore, Chennai - 600 004<br>Phone No. +91 - 44 - 28478500,<br>Fax No. +91 - 44 - 284785108 / 28478510<br>Email: investorshelpdesk@sfl.co.in   www.sundram.com  |
| Whether listed company   | Yes. Listed in BSE Limited and National Stock Exchange of India Limited.   |
| Name, Address and Contact details of the Registrar and Transfer Agent, if any. | Mr. Suresh Babu, Senior Vice President<br>Mr. Sriram, Assistant General Manager<br>Integrated Enterprises (India) Private Limited<br>Kences Towers, 2nd Floor, No.1, Ramakrishna Street,<br>North Usman Road, T.Nagar, Chennai - 600 017<br>Telephone: +91 - 44 - 28140801-803<br>Email : srirams@integratedindia.in |

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

| S. No. | Name and description of main products / services | NIC Code of the Product / service | % of total turnover of the company |
|--------|--|-----------------------------------|------------------------------------|
| 1      | High tensile fasteners                           | 25991                             | 35.73%                             |
| 2      | Motor vehicle parts and accessories              | 45300                             | 64.27%                             |

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S. No. | Name and address of the Company  | CIN / GLN             | Holding / Subsidiary | % of shares held | Applicable Section |
|--------|--|-----------------------|----------------------|------------------|--------------------|
| 1      | Sundram Fasteners Investments Ltd<br>98A, VII Floor, Dr. Radhakrishnan Salai,<br>Mylapore, Chennai-600 004           | U65991TN1992PLC022618 | Domestic Subsidiary  | 100%             | 2(87)(ii)          |
| 2      | Upasana Engineering Ltd<br>98A, VII Floor, Dr. Radhakrishnan Salai,<br>Mylapore, Chennai-600 004                     | U65991TN1992PLC022619 | Domestic Subsidiary  | 100%             | 2(87)(ii)          |
| 3      | Sundram Non-Conventional Energy Systems Ltd<br>98A, VII Floor, Dr. Radhakrishnan Salai,<br>Mylapore, Chennai-600 004 | U40108TN1994PLC029132 | Domestic Subsidiary  | 52.94%           | 2(87)(ii)          |



## ANNEXURES TO DIRECTORS' REPORT (Contd.)

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (Contd.)

| S. No. | Name and address of the Company   | CIN / GLN             | Holding / Subsidiary | % of shares held          | Applicable Section |
|--------|---|-----------------------|----------------------|---------------------------|--------------------|
| 4      | Sundram Bleistahl Ltd<br>98A, Dr.Radhakrishnan Salai, Mylapore, Chennai-600 004   | U29130TN2004PLC054482 | Domestic Subsidiary  | 76%                       | 2(87)(ii)          |
| 5      | TVS Infotech Ltd<br>98A, VII Floor, Dr.Radhakrishnan Salai, Mylapore, Chennai-600 004   | U72300TN1994PLC029467 | Step down Subsidiary | 62.26% through subsidiary | 2(87) (ii)         |
| 6      | TVS Infotech Inc<br>7512, East Independence Blvd, Suite 102 Charlotte, NC 28227   | —                     | Step down Subsidiary | 100% through subsidiary   | 2(87) (ii)         |
| 7      | Cramlington Precision Forge Ltd<br>Unit 8, Atley Way, North Nelson Industrial Estate, Cramlington, Northumberland, United Kingdom, NE23 1WA | —                     | Foreign Subsidiary   | 100%                      | 2(87) (ii)         |
| 8      | Sundram RBI Sdn. Bhd<br>M3C/13 (2nd Floor, Jalan Pandan Indah 4/1A, Pandan Indah, 55100 Kuala Lumpur  | —                     | Foreign Subsidiary   | 70%                       | 2(87) (ii)         |
| 9      | Sundram Fasteners Zhejiang) Ltd<br>No.1, Sundram Road, Wuyuan Town, Haiyan County, Jiaxin City, Zhejiang Province, China - 314300.          | —                     | Foreign Subsidiary   | 100%                      | 2(87) (ii)         |
| 10     | Sundram International Inc<br>801, W.Big Beaver Road, Troy, Michigan, United States of America   | —                     | Foreign Subsidiary   | 100%                      | 2(87) (ii)         |
| 11     | TVS Peiner Services GmbH<br>Am Stahldorf 8, 31226 Peine, Germany  | —                     | Foreign Subsidiary   | 100%                      | 2(87) (ii)         |
| 12     | Peiner Umformtechnik GmbH<br>Woltorfer Straße 20-24 31224 Peine Germany   | —                     | Foreign Subsidiary   | 100%                      | 2(87) (ii)         |
| 13     | PUT Grundstucks GmbH<br>Woltorfer Straße 20-24 31224 Peine Germany  | —                     | Foreign Subsidiary   | 100%                      | 2(87) (ii)         |
| 14     | Windbolt GmbH<br>Hockenheimer Straße 10, D-09337 Hohenstein-Ernstthal Germany   | —                     | Associate            | 24.99%                    | 2(6)               |

# Sundram Fasteners Limited

## ANNEXURES TO DIRECTORS' REPORT (Contd.)

### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### (i) Categorywise shareholding (as amended to Stock Exchanges)

| 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 |                          |
| <b>A. Promoters</b>                             |   |              |                  |                   |   |             |                  |                   |                          |
| 1. Indian                                       |   |              |                  |                   |   |             |                  |                   |                          |
| a) Individuals / HUF                            | —   | —            | —                | —                 | —   | —           | —                | —                 | —                        |
| b) Central Govt.                                | —   | —            | —                | —                 | —   | —           | —                | —                 | —                        |
| c) State Govt.                                  |   |              |                  |                   |   |             |                  |                   |                          |
| d) Bodies Corporate                             | 104085280                                       | —            | 104085280        | 49.53             | 104085280                                 | —           | 104085280        | 49.53             | —                        |
| e) Banks / FI                                   | —   | —            | —                | —                 | —   | —           | —                | —                 | —                        |
| f) Any other                                    | —   | —            | —                | —                 | —   | —           | —                | —                 | —                        |
| <b>Sub-Total (A)(1)</b>                         | <b>104085280</b>                                | <b>—</b>     | <b>104085280</b> | <b>49.53</b>      | <b>104085280</b>                          | <b>—</b>    | <b>104085280</b> | <b>49.53</b>      | <b>—</b>                 |
| Foreign   |   |              |                  |                   |   |             |                  |                   |                          |
| a) NRIs – Individuals                           | —   | —            | —                | —                 | —   | —           | —                | —                 | —                        |
| b) Other individuals                            | —   | —            | —                | —                 | —   | —           | —                | —                 | —                        |
| c) Bodies Corporate                             | —   | —            | —                | —                 | —   | —           | —                | —                 | —                        |
| d) Banks / FI                                   | —   | —            | —                | —                 | —   | —           | —                | —                 | —                        |
| e) Any other                                    | —   | —            | —                | —                 | —   | —           | —                | —                 | —                        |
| <b>Sub-Total (A)(2)</b>                         | —   | —            | —                | Nil               | —   | —           | —                | —                 | —                        |
| <b>Total shareholding (A) = (A)(1) + (A)(2)</b> | <b>104085280</b>                                | <b>—</b>     | <b>104085280</b> | <b>49.53</b>      | <b>104085280</b>                          | <b>—</b>    | <b>104085280</b> | <b>49.53</b>      | <b>—</b>                 |
| <b>B. Public Shareholding</b>                   |   |              |                  |                   |   |             |                  |                   |                          |
| 1. Institutions                                 |   |              |                  |                   |   |             |                  |                   |                          |
| a) Mutual Funds                                 | 23630534  | 3780         | 23634314         | 11.25             | 27229448                                  | 1500        | 27230948         | 12.96             | 1.71                     |
| b) Banks / FI                                   | 7990418   | 11866        | 8002284          | 3.81              | 3119498                                   | 5366        | 3124864          | 1.49              | (2.32)                   |
| c) Central Govt.                                | —   | —            | —                | —                 | —   | —           | —                | —                 | —                        |
| d) State Govt.                                  | —   | —            | —                | —                 | —   | —           | —                | —                 | —                        |
| e) Venture Capital Funds                        | —   | —            | —                | —                 | —   | —           | —                | —                 | —                        |
| f) Insurance Companies                          | 10632255  | 8000         | 10640255         | 5.06              | 9524215                                   | —           | 9524215          | 4.53              | (0.53)                   |
| g) FIs  | 2671058   | 1008         | 2672066          | 1.27              | 6231815                                   | —           | 6231815          | 2.97              | 1.70                     |
| h) Foreign Venture Capital Funds                | —   | —            | —                | —                 | —   | —           | —                | —                 | —                        |
| i) Others (Specify)                             | —   | —            | —                | —                 | —   | —           | —                | —                 | —                        |
| <b>Sub-total (B)(1)</b>                         | <b>44924265</b>                                 | <b>24654</b> | <b>44948919</b>  | <b>21.39</b>      | <b>46104976</b>                           | <b>6866</b> | <b>46111842</b>  | <b>21.95</b>      | <b>0.56</b>              |
| 2. Non-Institutions                             |   |              |                  |                   |   |             |                  |                   |                          |
| a) Bodies Corp.- Indian & Overseas              | 3419448   | 173100       | 3592548          | 1.71              | 4266463                                   | 2005086     | 4271549          | 2.98              | 1.27                     |

## ANNEXURES TO DIRECTORS' REPORT (Contd.)

### (i) Categorywise shareholding (Contd.)

| 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 |                          |
| b) Individuals  |   |                |                  |                   |   |                |                  |                   |                          |
| i) Individual shareholders holding nominal share capital up to ₹ 1 lakh         | 39853794  | 6924506        | 46778300         | 22.27             | 40028454                                  | 4670054        | 46698508         | 21.27             | (0.99)                   |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 10068043  | —              | 10068043         | 4.79              | 8544704                                   | —              | 8544704          | 4.07              | (0.72)                   |
| c) Others (Specify)   | 655280  | —              | 655280           | 0.31              | 416487                                    | —              | 416487           | 0.20              | (0.11)                   |
| <b>Sub-Total (B)(2)</b>   | <b>53996565</b>                                 | <b>7097606</b> | <b>61094171</b>  | <b>29.08</b>      | <b>53256108</b>                           | <b>6675140</b> | <b>59931248</b>  | <b>28.52</b>      | <b>(0.55)</b>            |
| <b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>                          | <b>98920830</b>                                 | <b>7122260</b> | <b>106043090</b> | <b>50.47</b>      | <b>99361084</b>                           | <b>6682006</b> | <b>106043090</b> | <b>50.47</b>      | <b>Nil</b>               |
| C. Shares held by Custodian for GDRs and ADRs                                   | —   | —              | —                | —                 | —   | —              | —                | —                 | —                        |
| <b>Grand Total = A + B + C</b>  | <b>203006110</b>                                | <b>7122260</b> | <b>210128370</b> | <b>100.00</b>     | <b>203446364</b>                          | <b>6682006</b> | <b>210128370</b> | <b>100.00</b>     | <b>Nil</b>               |

### (ii) Shareholding of Promoters

| S. No. | Shareholders' Name                         | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change during the year |
|--------|--|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--------------------------|
|        |  | No. of shares                             | % of total shares of the company | % of shares pledged / encumbered to total shares | No. of shares                       | % of total shares of the company | % of shares pledged / encumbered to total shares |                          |
| 1      | T V Sundram Iyengar & Sons Private Limited | 53312000                                  | 25.37                            | 0.00   | 53312000                            | 25.37                            | 0.00   | Nil                      |
| 2      | Southern Roadways Limited                  | 50773280                                  | 24.16                            | 0.00   | 50773280                            | 24.16                            | 0.00   | Nil                      |
|        | <b>Total</b>                               | <b>104085280</b>                          | <b>49.53</b>                     | <b>0.00</b>                                      | <b>104085280</b>                    | <b>49.53</b>                     | <b>0.00</b>                                      | <b>Nil</b>               |

### (iii) Change in Promoters' Shareholding (please specify, if there is no change)

There has been no change in the Promoters' shareholding during the year.

# Sundram Fasteners Limited

## ANNEXURES TO DIRECTORS' REPORT (Contd.)

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

| Sl. No. | Name & PAN  | Shareholding  |                                  | Date       | Increase / Decrease in shareholding (Transfer) | Cumulative shareholding during the year (01-04-2014 to 31-03-2015) |                                  |
|---------|---|---|----------------------------------|------------|--|--|----------------------------------|
|         |   | No of shares at the beginning (01-04-2014) / end of the year (31-03-2015) | % of total shares of the company |            |  | No of Shares   | % of total shares of the Company |
| 1       | HDFC TRUSTEE COMPANY LTD - A/C                      |   |                                  |            |  |  |                                  |
|         | HDFC MID - CAPOPPORTUNITIES FUND                    |   |                                  |            |  |  |                                  |
|         | PAN :AAATH1809A                                     |   |                                  |            |  |  |                                  |
|         | Opening Balance as on 01/04/2014                    | 18887245  | 8.99                             | 18/04/2014 |  |  |                                  |
|         | Increase / Decrease in shareholding during the year |   |                                  | 30/06/2014 | -5000  | 18882245   | 8.99                             |
|         |   |   |                                  | 25/07/2014 | -6000  | 18876245   | 8.98                             |
|         |   |   |                                  | 29/08/2014 | -6000  | 18870245   | 8.98                             |
|         |   |   |                                  | 05/09/2014 | -5000  | 18865245   | 8.98                             |
|         |   |   |                                  | 19/09/2014 | -5000  | 18860245   | 8.98                             |
|         |   |   |                                  | 14/11/2014 | -3000  | 18857245   | 8.97                             |
|         |   |   |                                  | 18/11/2014 | -8000  | 18849245   | 8.97                             |
|         |   |   |                                  | 21/11/2014 | -3000  | 18846245   | 8.97                             |
|         |   |   |                                  | 23/01/2015 | -15000   | 18831245   | 8.96                             |
|         |   |   |                                  | 31/03/2015 | -5000  | 18826245   | 8.96                             |
|         | Closing Balance as on 31/03/2015                    | 18826245  | 8.96                             |            |  |  |                                  |
| 2       | LIC OF INDIA MARKET PLUS GROWTH FUND                |   |                                  |            |  |  |                                  |
|         | PAN :AAACL0582H                                     |   |                                  |            |  |  |                                  |
|         | Opening Balance as on 01/04/2014                    | 7972583   | 3.79                             |            |  |  |                                  |
|         | Increase / Decrease in shareholding during the year |   |                                  | 25/04/2014 | -1094732                                       | 6877851  | 3.27                             |
|         |   |   |                                  | 02/05/2014 | -100000  | 6777851  | 3.23                             |
|         |   |   |                                  | 09/05/2014 | -899126  | 5878725  | 2.80                             |
|         |   |   |                                  | 16/05/2014 | -154258  | 5724467  | 2.72                             |
|         |   |   |                                  | 23/05/2014 | -173763  | 5550704  | 2.64                             |
|         |   |   |                                  | 30/05/2014 | -10000   | 5540704  | 2.64                             |
|         |   |   |                                  | 06/06/2014 | -937   | 5539767  | 2.64                             |
|         |   |   |                                  | 01/08/2014 | -102913  | 5436854  | 2.59                             |
|         |   |   |                                  | 08/08/2014 | -690682  | 4746172  | 2.26                             |
|         |   |   |                                  | 15/08/2014 | -2916  | 4743256  | 2.26                             |
|         |   |   |                                  | 22/08/2014 | -230090  | 4513166  | 2.15                             |
|         |   |   |                                  | 17/10/2014 | -60000   | 4453166  | 2.12                             |
|         |   |   |                                  | 24/10/2014 | -28573   | 4424593  | 2.11                             |
|         |   |   |                                  | 31/10/2014 | -643102  | 3781491  | 1.80                             |
|         |   |   |                                  | 07/11/2014 | -281263  | 3500228  | 1.67                             |
|         |   |   |                                  | 14/11/2014 | -398514  | 3101714  | 1.48                             |

| Sl. No.                          | Name & PAN  | Shareholding  |                                  | Date       | Increase / Decrease in share-holding (Transfer) | Cumulative shareholding during the year (01-04-2014 to 31-03-2015) |                                  |
|----------------------------------|---|---|----------------------------------|------------|---|--|----------------------------------|
|                                  |   | No of shares at the beginning (01-04-2014) / end of the year (31-03-2015) | % of total shares of the company |            |   | No of Shares   | % of total shares of the Company |
|                                  |   |   |                                  | 21/11/2014 | -2000   | 3099714  | 1.48                             |
|                                  |   |   |                                  | 28/11/2014 | -1000   | 3098714  | 1.48                             |
|                                  |   |   |                                  | 27/03/2015 | -3872   | 3094842  | 1.47                             |
|                                  | Closing Balance as on 31/03/2015                    | 3094842   | 1.47                             | 31/03/2015 | 0   | 3094842  | 1.47                             |
| 3                                | GENERAL INSURANCE CORPORATION OF INDIA              |   |                                  |            |   |  |                                  |
|                                  | PAN :AAACG0615N                                     |   |                                  |            |   |  |                                  |
|                                  | Opening Balance as on 01/04/2014                    | 4125556   | 1.96                             |            | 0   |  |                                  |
|                                  | Closing Balance as on 31/03/2015                    | 4125556   | 1.96                             |            |   | 4125556  | 1.96                             |
| 4                                | GOVINDLAL M PARIKH                                  |   |                                  |            |   |  |                                  |
|                                  | PAN :AAEPP1312J                                     |   |                                  |            |   |  |                                  |
|                                  | Opening Balance as on 01/04/2014                    | 4081002   | 1.94                             |            | 0   |  |                                  |
|                                  | Closing Balance as on 31/03/2015                    | 4081002   | 1.94                             |            |   | 4081002  | 1.94                             |
| 5                                | THE NEW INDIA ASSURANCE COMPANY LIMITED             |   |                                  |            |   |  |                                  |
|                                  | PAN :AAACN4165C                                     |   |                                  |            |   |  |                                  |
|                                  | Opening Balance as on 01/04/2014                    | 4072455   | 1.94                             |            |   |  |                                  |
|                                  | Increase / Decrease in shareholding during the year |   |                                  | 23/05/2014 | -30000  | 4042455  | 1.92                             |
|                                  |   |   |                                  | 30/05/2014 | -145000   | 3897455  | 1.86                             |
|                                  |   |   |                                  | 06/06/2014 | -30000  | 3867455  | 1.84                             |
|                                  |   |   |                                  | 11/06/2014 | -48250  | 3819205  | 1.82                             |
|                                  |   |   |                                  | 13/06/2014 | -6208   | 3812997  | 1.82                             |
|                                  |   |   |                                  | 20/06/2014 | -40542  | 3772455  | 1.80                             |
|                                  |   |   |                                  | 08/08/2014 | -10000  | 3762455  | 1.79                             |
|                                  |   |   |                                  | 15/08/2014 | -60000  | 3702455  | 1.76                             |
|                                  |   |   |                                  | 22/08/2014 | -32465  | 3669990  | 1.75                             |
|                                  |   |   |                                  | 29/08/2014 | -70000  | 3599990  | 1.71                             |
|                                  |   |   |                                  | 05/09/2014 | -27535  | 3572455  | 1.70                             |
|                                  | 14/11/2014  | -10000  | 3562455                          | 1.70       |   |  |                                  |
| Closing Balance as on 31/03/2015 | 3562455   | 1.70  | 31/03/2015                       | 0          | 3562455   | 1.70   |                                  |
| 6                                | UTI TRANSPORTATION AND LOGISTICS FUND               |   |                                  |            |   |  |                                  |
|                                  | PAN :AAATU1088L                                     |   |                                  |            |   |  |                                  |
|                                  | Opening Balance as on 01/04/2014                    | 1800003   | 0.86                             |            |   |  |                                  |
|                                  |   |   | 11/04/2014                       | 60801      | 1860804   | 0.89   |                                  |
|                                  |   |   | 11/06/2014                       | 18000      | 1878804   | 0.89   |                                  |

# Sundram Fasteners Limited

| Sl. No. | Name & PAN   | Shareholding  |                                  | Date       | Increase / Decrease in shareholding (Transfer) | Cumulative shareholding during the year (01-04-2014 to 31-03-2015) |                                  |
|---------|--|---|----------------------------------|------------|--|--|----------------------------------|
|         |  | No of shares at the beginning (01-04-2014) / end of the year (31-03-2015) | % of total shares of the company |            |  | No of Shares   | % of total shares of the Company |
|         |  |   |                                  | 18/07/2014 | 13340  | 1892144  | 0.90                             |
|         |  |   |                                  | 01/08/2014 | 1873   | 1894017  | 0.90                             |
|         |  |   |                                  | 30/09/2014 | 15983  | 1910000  | 0.91                             |
|         |  |   |                                  | 17/10/2014 | 30000  | 1940000  | 0.92                             |
|         |  |   |                                  | 31/10/2014 | 40000  | 1980000  | 0.94                             |
|         |  |   |                                  | 07/11/2014 | 30000  | 2010000  | 0.96                             |
|         |  |   |                                  | 14/11/2014 | 9261   | 2019261  | 0.96                             |
|         |  |   |                                  | 27/02/2015 | 7466   | 2026727  | 0.97                             |
|         |  |   |                                  | 13/03/2015 | 13273  | 2040000  | 0.97                             |
|         |  |   |                                  | 27/03/2015 | 20000  | 2060000  | 0.98                             |
|         | Closing Balance as on 31/03/2015                                   | 2071276   | 0.99                             | 31/03/2015 | 11276  | 2071276  | 0.99                             |
| 7       | GOVERNMENT PENSION FUND GLOBAL                                     |   |                                  |            |  |  |                                  |
|         | PAN :AACCN1454E  |   |                                  |            |  |  |                                  |
|         | Opening Balance as on 01/04/2014                                   | 1950000   | 0.93                             |            |  |  |                                  |
|         |  |   |                                  | 23/05/2014 | -50000   | 1900000  | 0.90                             |
|         |  |   |                                  | 19/09/2014 | -40000   | 1860000  | 0.89                             |
|         |  |   |                                  | 05/12/2014 | -15000   | 1845000  | 0.88                             |
|         |  |   |                                  | 16/01/2015 | -15000   | 1830000  | 0.87                             |
|         | Closing Balance as on 31/03/2015                                   | 1830000   | 0.87                             | 31/03/2015 | 0  | 1830000  | 0.87                             |
| 8       | L AND T MUTUAL FUND TRUSTEE LTD-L AND T INDIA EQUITY AND GOLD FUND |   |                                  |            |  |  |                                  |
|         | PAN :AAATC4460E  |   |                                  |            |  |  |                                  |
|         | Opening Balance as on 01/04/2014                                   | 340810  | 0.16                             |            |  |  |                                  |
|         |  |   |                                  | 04/04/2014 | 287066   | 627876   | 0.30                             |
|         |  |   |                                  | 11/04/2014 | 189709   | 817585   | 0.39                             |
|         |  |   |                                  | 25/04/2014 | 420248   | 1237833  | 0.59                             |
|         |  |   |                                  | 02/05/2014 | 36214  | 1274047  | 0.61                             |
|         |  |   |                                  | 09/05/2014 | 41082  | 1315129  | 0.63                             |
|         |  |   |                                  | 11/07/2014 | 443642   | 1758771  | 0.84                             |
|         |  |   |                                  | 18/07/2014 | 112621   | 1871392  | 0.89                             |
|         |  |   |                                  | 01/08/2014 | 30000  | 1901392  | 0.91                             |
|         |  |   |                                  | 08/08/2014 | 475000   | 2376392  | 1.13                             |
|         |  |   |                                  | 15/08/2014 | 22942  | 2399334  | 1.14                             |
|         |  |   |                                  | 29/08/2014 | 24322  | 2423656  | 1.15                             |

| Sl. No. | Name & PAN   | Shareholding  |                                  | Date       | Increase / Decrease in shareholding (Transfer) | Cumulative shareholding during the year (01-04-2014 to 31-03-2015) |                                  |
|---------|--|---|----------------------------------|------------|--|--|----------------------------------|
|         |  | No of shares at the beginning (01-04-2014) / end of the year (31-03-2015) | % of total shares of the company |            |  | No of Shares   | % of total shares of the Company |
|         | Increase / Decrease in shareholding during the year          |   |                                  | 05/09/2014 | 25000  | 2448656  | 1.17                             |
|         |  |   |                                  | 12/09/2014 | 75000  | 2523656  | 1.20                             |
|         |  |   |                                  | 19/09/2014 | 28512  | 2552168  | 1.22                             |
|         |  |   |                                  | 30/09/2014 | 48500  | 2600668  | 1.24                             |
|         |  |   |                                  | 10/10/2014 | 10000  | 2610668  | 1.24                             |
|         |  |   |                                  | 17/10/2014 | 17157  | 2627825  | 1.25                             |
|         |  |   |                                  | 24/10/2014 | 25000  | 2652825  | 1.26                             |
|         |  |   |                                  | 31/10/2014 | 25000  | 2677825  | 1.27                             |
|         |  |   |                                  | 21/11/2014 | 25000  | 2702825  | 1.29                             |
|         |  |   |                                  | 28/11/2014 | -565625  | 2137200  | 1.02                             |
|         |  |   |                                  | 05/12/2014 | -543322  | 1593878  | 0.76                             |
|         |  |   |                                  | 19/12/2014 | 50000  | 1643878  | 0.78                             |
|         |  |   |                                  | 23/01/2015 | 4021   | 1647899  | 0.78                             |
|         |  |   |                                  | 06/02/2015 | 25000  | 1672899  | 0.80                             |
|         |  |   |                                  | 13/02/2015 | 15000  | 1687899  | 0.80                             |
|         |  |   |                                  | 20/02/2015 | 14500  | 1702399  | 0.81                             |
|         |  |   |                                  | 27/02/2015 | 61173  | 1763572  | 0.84                             |
|         |  |   |                                  | 13/03/2015 | 13900  | 1777472  | 0.85                             |
|         |  |   |                                  | 20/03/2015 | 100  | 1777572  | 0.85                             |
|         | Closing Balance as on 31/03/2015                             | 1777572   | 0.85                             | 31/03/2015 | 0  | 1777572  | 0.85                             |
| 9       | SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICRO CAP SERIES IV |   |                                  |            |  |  |                                  |
|         | PAN :AAATS2554B  |   |                                  |            |  |  |                                  |
|         | Opening Balance as on 01/04/2014                             | 1450167   | 0.69                             |            |  |  |                                  |
|         | Increase / Decrease in shareholding during the year          |   |                                  | 04/04/2014 | 4548   | 1454715  | 0.69                             |
|         |  |   |                                  | 25/04/2014 | -10000   | 1444715  | 0.69                             |
|         |  |   |                                  | 23/05/2014 | -10000   | 1434715  | 0.68                             |
|         |  |   |                                  | 20/06/2014 | 149  | 1434864  | 0.68                             |
|         |  |   |                                  | 04/07/2014 | -2000  | 1432864  | 0.68                             |
|         |  |   |                                  | 18/07/2014 | -3678  | 1429186  | 0.68                             |
|         |  |   |                                  | 12/09/2014 | 48905  | 1478091  | 0.70                             |
|         |  |   |                                  | 19/09/2014 | 232728   | 1710819  | 0.81                             |
|         |  |   |                                  | 30/09/2014 | 19032  | 1729851  | 0.82                             |
|         |  |   |                                  | 17/10/2014 | -58867   | 1670984  | 0.80                             |
|         |  |   |                                  | 28/11/2014 | -58139   | 1612845  | 0.77                             |



## Sundram Fasteners Limited

| Sl. No. | Name & PAN  | Shareholding  |                                  | Date       | Increase / Decrease in shareholding (Transfer) | Cumulative shareholding during the year (01-04-2014 to 31-03-2015) |                                  |
|---------|---|---|----------------------------------|------------|--|--|----------------------------------|
|         |   | No of shares at the beginning (01-04-2014) / end of the year (31-03-2015) | % of total shares of the company |            |  | No of Shares   | % of total shares of the Company |
|         |   |   |                                  | 02/01/2015 | -5549  | 1607296  | 0.77                             |
|         |   |   |                                  | 09/01/2015 | -3483  | 1603813  | 0.76                             |
|         |   |   |                                  | 06/03/2015 | 24705  | 1628518  | 0.78                             |
|         |   |   |                                  | 31/03/2015 | 0  | 1628518  | 0.78                             |
|         | Closing Balance as on 31/03/2015                    | 1628518   | 0.78                             |            |  |  |                                  |
| 10      | UNITED INDIA INSURANCE COMPANY LIMITED              |   |                                  |            |  |  |                                  |
|         | PAN :AAACU5552C                                     |   |                                  |            |  |  |                                  |
|         | Opening Balance as on 01/04/2014                    | 1392318   | 0.66                             |            | 0  |  |                                  |
|         | Closing Balance as on 31/03/2015                    | 1392318   | 0.66                             |            |  | 1392318  | 0.66                             |
| 11      | CHINMAY G PARIKH                                    |   |                                  |            |  |  |                                  |
|         | PAN :ADVPC9973G                                     |   |                                  |            |  |  |                                  |
|         | Opening Balance as on 01/04/2014                    | 1271413   | 0.61                             |            |  |  |                                  |
|         | Increase / Decrease in shareholding during the year |   |                                  | 16/05/2014 | -22898   | 1248515  | 0.59                             |
|         |   |   |                                  | 23/05/2014 | -215092  | 1033423  | 0.49                             |
|         |   |   |                                  | 06/06/2014 | -100000  | 933423   | 0.44                             |
|         |   |   |                                  | 11/06/2014 | -133475  | 799948   | 0.38                             |
|         |   |   |                                  | 13/06/2014 | -10000   | 789948   | 0.38                             |
|         |   |   |                                  | 20/06/2014 | -6204  | 783744   | 0.37                             |
|         |   |   |                                  | 30/06/2014 | -20029   | 763715   | 0.36                             |
|         |   |   |                                  | 11/07/2014 | -20000   | 743715   | 0.35                             |
|         |   |   |                                  | 22/08/2014 | -115891  | 627824   | 0.30                             |
|         |   |   |                                  | 05/09/2014 | -100000  | 527824   | 0.25                             |
|         |   |   |                                  | 12/09/2014 | -170263  | 357561   | 0.17                             |
|         |   |   |                                  | 19/09/2014 | -54882   | 302679   | 0.14                             |
|         |   |   |                                  | 30/09/2014 | -10110   | 292569   | 0.14                             |
|         |   |   |                                  | 10/10/2014 | -50000   | 242569   | 0.12                             |
|         |   |   |                                  | 17/10/2014 | -10218   | 232351   | 0.11                             |
|         |   |   |                                  | 14/11/2014 | -97110   | 135241   | 0.06                             |
|         |   |   |                                  | 18/11/2014 | -101058  | 34183  | 0.02                             |
|         |   |   |                                  | 21/11/2014 | -33262   | 921  | 0.00                             |
|         | Closing Balance as on 31/03/2015                    | 921   | 0.00                             | 31/03/2015 | 0  | 921  | 0.00                             |

**(v) Shareholding of Directors and Key Managerial Personnel:**

| S. No. | Name of the Director / KMP  | Shareholding at the beginning of the year and at the end of the year |                                  |
|--------|---|--|----------------------------------|
|        |   | No. of Shares  | % of total shares of the company |
| 1      | Sri Suresh Krishna, Chairman and Managing Director                | 36,040   | 0.0171                           |
| 2      | Ms Arathi Krishna, Joint Managing Director                        | 47,040   | 0.0223                           |
| 3      | Ms Arundathi Krishna, Deputy Managing Director                    | 51,840   | 0.0247                           |
| 4      | Sri K Ramesh, Director  | 4,000  | 0.0019                           |
| 5      | Sri Venu Srinivasan, Director                                     | –  | –                                |
| 6      | Sri V Narayanan, Director   | 1,200  | 0.0005                           |
| 7      | Sri R Srinivasan*, Director                                       | 9,200  | 0.0044                           |
| 8      | Sri R Ramakrishnan, Director                                      | 6,400  | 0.0030                           |
| 9      | Sri C V Karthik Narayanan, Director                               | –  | –                                |
| 10     | Sri M Raghupathy, Director  | –  | –                                |
| 11     | Sri V G Jaganathan<br>Chief Financial Officer & Company Secretary | 1,79,020   | 0.084                            |

\* Joint holder

There has been no increase / decrease in shareholding during the year for any of the above mentioned persons.

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment (as on 31st March, 2015)**  
(₹ Lakhs)

| S. No. | Particulars   | Secured Loans | Unsecured Loans | Deposits | Total Indebtedness |
|--------|---|---------------|-----------------|----------|--------------------|
| 1      | Indebtedness at the beginning of the financial year |               |                 |          |                    |
|        | i) Principal amount                                 | 35,917.53     | 29,190.13       | –        | 65,107.66          |
|        | ii) Interest due but not paid                       | –             | –               | –        | –                  |
|        | iii) Interest accrued but not due                   | 160.43        | 48.03           | –        | 208.46             |
|        | Total of (i) + (ii) + (iii)                         | 36,077.96     | 29,238.16       | –        | 65,316.12          |
| 2      | Change in indebtedness during the financial year    |               |                 |          |                    |
|        | - Addition  | 19,263.73     | 58,468.94       | –        | 77,732.67          |
|        | - Reduction   | 18,090.99     | 49,692.81       | –        | 67,783.79          |
|        | Net Change  | 1,172.74      | 8,776.13        | –        | 9,948.88           |
| 3      | Indebtedness at the end of the financial year       |               |                 |          |                    |
|        | i) Principal amount                                 | 38,590.28     | 36,466.26       | –        | 75,056.54          |
|        | ii) Interest due but not paid                       | –             | –               | –        | –                  |
|        | iii) Interest accrued but not due                   | 90.50         | 65.10           | –        | 155.60             |
|        | Total of (i) + (ii) + (iii)                         | 38,680.78     | 36,531.36       | –        | 75,212.14          |

# Sundram Fasteners Limited

## ANNEXURES TO DIRECTORS' REPORT (Contd.)

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### a. Remuneration to Managing Director / Whole time Directors and / or Manager

(₹ Lakhs)

| S. No. | Particulars of Remuneration   | Name of Managing Directors                       |  |  | Total Amount    |
|--------|---|--|--|--|-----------------|
|        |   | Sri Suresh Krishna, Chairman & Managing Director | Ms Arathi Krishna, Joint Managing Director | Ms Arundathi Krishna, Deputy Managing Director |                 |
| 1      | Gross salary-   |  |  |  |                 |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 48.00  | 42.00                                      | 24.00  | 114.00          |
|        | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961                      | 40.20  | 59.56                                      | 51.47  | 151.23          |
|        | (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961       | —  | —  | —  | —               |
| 2      | Stock Option  | —  | —  | —  | —               |
| 3      | Sweat Equity  | —  | —  | —  | —               |
| 4      | Commission  | 275.00   | 275.00                                     | 250.00   | 800.00          |
|        | - as % of profit  | 1.55%  | 1.55%                                      | 1.41%  | 4.51%           |
| 5      | Other benefits (Provident Fund, Superannuation Fund, Gratuity)                      | 9.51   | 14.62                                      | 8.35   | 32.48           |
|        | <b>Total - (A)</b>  | <b>372.71</b>                                    | <b>391.18</b>                              | <b>333.82</b>                                  | <b>1,097.71</b> |
|        | Ceiling as per the Act – 10% of the Net profit                                      |  |  |  | 1,770.72        |

#### b. Remuneration to other Directors

(₹ Lakhs)

| Category   | Particulars of Remuneration                               | Total Amount    |
|--|---|-----------------|
| Independent Directors                            |   |                 |
| Sri R Srinivasan                                 | Fee for attending Board / Committee meetings              | 2.00            |
| Sri V Narayanan                                  |   | 2.00            |
| Sri C V Karthik Narayanan                        |   | 0.40            |
| Sri R Ramakrishnan                               |   | 2.00            |
| Sri M Raghupathy                                 |   | 1.00            |
| <b>TOTAL (1)</b>                                 |   | <b>7.40</b>     |
| <b>Other Non-Executive Directors</b>             |   |                 |
| Sri Venu Srinivasan                              |   | 0.60            |
| Sri K Ramesh                                     |   | 0.20            |
| <b>TOTAL (2)</b>                                 |   | <b>0.80</b>     |
| <b>TOTAL - (B) - (1) + (2)</b>                   |   | <b>8.20</b>     |
| <b>Total Managerial Remuneration - (A) + (B)</b> |   | <b>1,105.91</b> |
| <b>Overall Ceiling as per the Act</b>            | No Commission or other remuneration paid during the year. |                 |

## ANNEXURES TO DIRECTORS' REPORT (Contd.)

### c. Remuneration to Key Managerial Personnel other than Managing Director / Whole time Directors and / or Manager (₹ Lakhs)

| S. No. | Particulars of Remuneration   | Sri V G Jaganathan<br>Chief Financial Officer &<br>Company Secretary |
|--------|---|--|
| 1      | Gross salary-   |  |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 155.10   |
|        | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961                      | 24.54  |
|        | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | –  |
| 2      | Stock Option / Sweat Equity / Commission  | –  |
| 3      | Provident Fund  | 5.70   |
|        | <b>Total</b>  | <b>185.34</b>  |

### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

During the year ended 31st March, 2015, no penalties were levied or punishment / compounding fee imposed by the Regional Director / Court on the company / directors / officers in default.

On behalf of the Board

Chennai  
May 29, 2015

**SURESH KRISHNA**  
Chairman and Managing Director

**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**

1. Details of contracts or arrangements or transactions not at arm's length basis  
All contracts arrangements / transactions with related parties are on arms' length basis and in the ordinary course of business.
2. Details of material contracts or arrangement or transactions at arm's length basis  
There was no material related party contracts during the year on an arms' length basis.

On behalf of the Board

Chennai  
May 29, 2015

**SURESH KRISHNA**  
Chairman and Managing Director

### Annexure - III

The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:

#### CONSERVATION OF ENERGY

- (i) The steps taken or impact on conservation of energy
  - 1) Installation of Variable Frequency Drives (VFD) in the compressors
  - 2) Installation of High Volume Low Speed (HVLS) fans for ventilation
  - 3) Installation of energy efficient transformers
  - 4) Installation of Common air blower for washing conveyors
  - 5) Interlocking of Fume Exhaust Blower with Phosphating Plant and Cooling Blowers with empty belt in Dacro Plant.
  - 6) Resizing of cooling tower pumps
  - 7) Cooling tower pump elimination in Raw Material and Heat Treatment
  - 8) Secondary rolling machine coolant system modification
  - 9) Reciprocating compressors have been replaced with Screw Compressors
  - 10) Thyristor controlled Electrical heating system in Hardening section in place of Contactor control
- (ii) The steps taken by the company for utilising alternate sources of energy

The Company has been continuously increasing renewable energy consumption in lieu of fossil fuels. Against a overall power consumption of 1668.57 lakhs units, 462.32 lakhs units are sourced through wind power, which constitutes 27% of consumption, which is an increase of 76 lakhs units over 2013-14.
- (iii) The capital investments on energy conservation requirements ₹ 62.00 lakhs.

#### TECHNOLOGY ABSORPTION

- (i) The efforts made towards technology adoption
  1. Establishment of High End Super Precision Turning Center for Close Tolerance Machining.
  2. Setting up Scanning Electron Microscope for Metallurgical Failure Analysis.
  3. Installation of Advanced Finite Element Analysis Software for Product and Process Analysis.
- (ii) The benefits like product improvement, cost reduction, product development or import substitution;
  1. Development of Critical Parts using super alloys for Aerospace Applications.
- (iii) Imported Technology

The Company had entered into a technical collaboration agreement during the year 2008 with Hitachi, Japan for the manufacture of tappets. The Company has fully absorbed the technology and has been manufacturing tappets at its factory at Hosur.

## ANNEXURES TO DIRECTORS' REPORT (Contd.)

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The Company has been continuing its efforts towards ongoing implementation and stabilization of the methodologies of Total Productive Maintenance (TPM). All major factories of the Company have obtained accreditation to the latest ISO / TS 16949-2009 standards. Having introduced the Total Quality Management (TQM) across all major divisions, the Company is resolutely pursuing its implementation. Constant updation of the Quality Management Systems has equipped the company to meet the stringent standards stipulated by customers. TQM is expected to bring about reduction in internal rejection rates, besides further strengthening company's manufacturing systems.

TPM is expected to improve productivity and result in considerable reduction in machine downtime, improvement in productivity and cost saving, enabling the Company to gain and retain the competitive edge in the global arena.

### (iv) Expenditure on Research and Development

The Company has incurred expenditure amounting to ₹ 1,202.81 lakhs (Capital expenditure ₹ 65.20 lakhs and Revenue expenditure ₹ 1,137.61 lakhs) towards Research and Development. The expenditure on Research & Development as a percentage of turnover is 0.50%.

## FOREIGN EXCHANGE EARNINGS AND OUTGO

The total foreign exchange earned and used are as under:

|                                      |           |
|--------------------------------------|-----------|
| Foreign exchange earned (₹ in lakhs) | 91,691.59 |
| Foreign exchange used (₹ in lakhs)   | 36,835.40 |

# Sundram Fasteners Limited

## ANNEXURES TO DIRECTORS' REPORT (Contd.)

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### Annexure - IV

#### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2014-2015

##### 1. Brief Outline of the Company's CSR Policy

Our vision is to actively engage and extend support to the communities in which we operate and thus build a better, sustainable way of life by supporting the weaker sections of the society and thus contribute to the human development. Our objective is to impel measures to provide solutions that will balance economic, social and environmental issues. Our aim is to ensure the alignment of our CSR Policy in all facets of our business and across all our business units.

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same can be accessed at <http://www.sundram.com/investors.php>.

##### *Overview of projects undertaken by the Company*

In line with new CSR policy, the Company focusses on two key areas *education and healthcare to a limited extent*. In addition to these focus areas the Company has also extended support to agriculture during the year by supporting rural educational initiatives for farmers to enhance their farm productivity.

The Company founded the Sundram Matriculation Higher Secondary School, an English medium higher secondary (co-educational school) in Aviyur Village in Virudhunagar district of Tamil Nadu 20 years ago to provide high quality education with modern facilities to children. The area is water starved and the income stream is very low for the community. The School is run under the auspices of Krishna Educational Society, the CSR arm of the Company. The Company bears the entire cost of running the school. The project focuses on providing quality education to 461 students from 8 villages near Krishnapuram plant through Sundram Matriculation Higher Secondary School. The students are encouraged to participate in extracurricular activities as much as they focus on studies. The students have represented the school in various state level competitions and brought laurels to the school. Meritorious students of class X and class XII who are school toppers are awarded scholarship to support their higher secondary education and undergraduate education.

The company offers free of cost medical facilities to villages near its Krishnapuram plant (Aviyur, Virudhunagar district near the outskirts of Madurai) thereby benefitting about 2500 families through the programme. The medical centre has a dual role of providing medical care where needed and to educate people through various training programmes on various health related issues. The Company provides regular medical facilities especially to women and children. The Centre treats about 50 – 70 patients every day and medical facilities include maternity services, nutritional supplementation, immunisation, family planning, children's health and geriatric health. Health education programmes are conducted every month covering topics such as personal hygiene, food and nutrition, antenatal and neonatal care, family planning, HIV awareness, women's health and cancer.

The company actively encourages its employees to contribute to CSR activities and acts as a conduit for donations for worthy causes.

##### 2. Composition of CSR Committee

Sri Suresh Krishna, Chairman and Managing Director is the Chairman of the Committee. Ms Arathi Krishna, Joint Managing Director, Ms Arundathi Krishna, Deputy Managing Director and Sri R Ramakrishnan, Independent Director are members of the committee.

##### **Average net profits**

Average net profits of the Company for the last three financial years is ₹ 14,992.68 lakhs.



## ANNEXURES TO DIRECTORS' REPORT (Contd.)

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### 3. Prescribed CSR expenditure (two per cent of the amount specified above)

Prescribed CSR expenditure is ₹ 299.85 lakhs

### 4. Details of CSR spent during the financial year 2014-2015

|  |                |
|--|----------------|
| Total amount to be spent for the financial year 2014-2015  | ₹ 299.85 lakhs |
| Amount unspent   | ₹ 81.53 lakhs  |
| Manner in which the amount spent during the financial year | Refer annexure |

### 5. Reasons for not spending 2% of the average net profits of the last three financial years

In view of new large projects contemplated, which requires more financial resources, the remaining amount of ₹ 81.53 Lakhs has not been spent during the financial year 2014-15.

### 6. CSR Responsibility Statement

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

ARUNDATHI KRISHNA  
Deputy Managing Director

ARATHI KRISHNA  
Joint Managing Director

SURESH KRISHNA  
Chairman and Managing Director  
(Chairman-CSR Committee)

R RAMAKRISHNAN  
Director

# Sundram Fasteners Limited

## ANNEXURES TO DIRECTORS' REPORT (Contd.)

| Manner in which the amount spent during the financial year |  |  |  |   |  |   |   | Annexure<br>₹ in Lakhs |
|--|--|--|--|---|--|---|---|------------------------|
| (1)  | (2)  | (3)                                    | (4)  | (5)   | (6)  | (7)   | (8)   |                        |
| S. No.   | CSR project or activity identified   | Sector in which the project is covered | Project or Programs<br>1. Local area or other<br>2. Specify the state and district where projects or programs was undertaken | Amount outlay (budget) project or programwise | Amount spent on projects or programs<br>Sub heads:<br>1. Direct expenditure on projects or programs<br>2. Over heads | Cumulative expenditure up to the reporting period | Amount spent: Direct or through implementing agency                               |                        |
| 1  | Sundram Matriculation Higher Secondary School  | Education                              | Other<br>Tamil Nadu;<br>Virudhunagar District  | 150.00  | 150.00   |   | 150.00*<br>Under the CSR arm of the company - Krishna Educational Society         |                        |
| 2  | Sponsor Chair for Social Work and Psychology & Chair for Social Entrepreneurship at IMHST    | Mental Health Education                | Chennai<br>Tamil Nadu  | 29.00   | 29.00  |   | 29.00<br>In association with BALM - Banyan Academy of Leadership in Mental Health |                        |
| 3  | Supply of nutrblend and jaggery to the students of village Govt. Schools                     | Healthcare                             | Thandalam village Tamil Nadu; Kancheepuram District  | 4.37  | 4.37   | 218.32  | 4.37<br>In association with Sri Annapoorani Public Charitable Trust               |                        |
| 4  | High quality education for children from poorest families through after school classes       | Education                              | Various villages<br>Tamil Nadu,<br>Thiruvanamalai District, Krishnagiri District and Virudhnagar District                    | 15.00   | 15.00  |   | 15.00<br>In association with Eureka Child Foundation                              |                        |
| 5  | Training of farmers on farm productivity improvement and agriculture value chain enterprises | Education                              | Various surrounding villages<br>Tamil Nadu;<br>Kancheepuram District   | 10.00   | 10.00  |   | 10.00<br>In association with National Agro Foundation                             |                        |
| 6  | Scholarship for bright but marginalized children for their higher studies                    | Education                              | Chennai<br>Tamil Nadu  | 9.95  | 9.95   |   | 9.95<br>In association with Sugun Thomas Foundation                               |                        |
| <b>Total</b>   |  |  |  | <b>218.32</b>                                 | <b>218.32</b>  | <b>218.32</b>                                     | <b>218.32</b>   |                        |

\*Besides the above, the Company has provided premises valued at ₹ 64.09 Lakhs for running the school.

## ANNEXURES TO DIRECTORS' REPORT (Contd.)

### Annexure V

#### Statement of particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year:

| S. No. | Name of the Directors      | Designation                                 | Ratio (times) | Percentage increase in remuneration |
|--------|----------------------------|---|---------------|-------------------------------------|
| 1      | Sri Suresh Krishna         | Chairman and Managing Director              | 83.07         | (23.05%)                            |
| 2      | Ms Arathi Krishna          | Joint Managing Director                     | 87.19         | 2.94%                               |
| 3      | Ms Arundathi Krishna       | Deputy Managing Director                    | 74.41         | 5.58%                               |
| 4      | Sri K Ramesh*              | Director                                    | 0.04          | -50%                                |
| 5      | Sri Venu Srinivasan*       | Director                                    | 0.13          | 200%                                |
| 6      | Sri V Narayanan*           | Director                                    | 0.44          | 25%                                 |
| 7      | Sri R Srinivasan*          | Director                                    | 0.44          | 25%                                 |
| 8      | Sri R Ramakrishnan*        | Director                                    | 0.44          | 25%                                 |
| 9      | Sri C V Karthik Narayanan* | Director                                    | 0.08          | 100%                                |
| 10     | Sri M Raghupathy*          | Director                                    | 0.22          | 25%                                 |
| 11     | Sri. V G Jaganathan        | Chief Financial Officer & Company Secretary | 41.31         | 1.32%                               |

\* Sitting fees were paid for attending Board / Committee meetings.

- (iii) The percentage increase in the median remuneration of employees in the financial year: - **8.16%**

- (iv) The number of permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2015 - **2903**.

- (v) Explanation on the relationship between average increase in remuneration and Company performance.

The Profit before tax for the financial year ended March 31, 2015 increased by 10.75% whereas the average increase in remuneration was 6.12%. The average increase in median remuneration was in line with the performance of the Company.

- (vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company

| S. No. | Name  | Remuneration of Key Managerial Personnel FY 2013-2014 | Remuneration of Key Managerial Personnel FY 2014-2015 | % Increase / (Decrease) | Profit before tax for the year ended 31st March, 2015 | Profit before tax for the year ended 31st March, 2014 | % Increase |
|--------|---|---|---|-------------------------|---|---|------------|
| 1      | Chairman and Managing Director              | 484.36  | 372.71  | (23.05%)                | 17,708.57   | 15,989.30   | 10.75%     |
| 2      | Joint Managing Director                     | 379.99  | 391.17  | 2.94%                   |   |   |            |
| 3      | Deputy Managing Director                    | 316.18  | 333.82  | 5.58%                   |   |   |            |
| 4      | Chief Financial Officer & Company Secretary | 182.91  | 185.34  | 1.32%                   |   |   |            |

# Sundram Fasteners Limited

## ANNEXURES TO DIRECTORS' REPORT (Contd.)

(vii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer

₹ in Lakhs

| S. No. | Particulars   | As at 31st March, 2015 |               |           | As at 31st March, 2014 |               |           |
|--------|---|------------------------|---------------|-----------|------------------------|---------------|-----------|
|        |   |                        | Closing Price |           |                        | Closing Price |           |
| 1.     | Market Capitalisation                               | BSE                    | 173.50        | 364572.72 | BSE                    | 62.70         | 131750.48 |
|        |   | NSE                    | 174.50        | 366674.00 | NSE                    | 62.80         | 131960.61 |
| 2.     | Price Earnings Ratio (considering consolidated EPS) | BSE                    |               | 26.94     | BSE                    |               | 10.90     |
|        |   | NSE                    |               | 27.09     | NSE                    |               | 10.92     |

₹ in Lakhs

**Market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

|  |   |
|--|---|
| The Company made an Initial Public Offer in 1982             | At a price of ₹14/- per equity share of ₹ 10/- each |
| As on 31st March, 2015 the Market Quotation of the Company:- | Closing Share Price of Equity Share of ₹ 1/- each   |
| BSE Limited  | ₹ 173.50  |
| The National Stock Exchange of India Limited                 | ₹ 174.50  |

**An amount of ₹ 1000/- invested in the year 1982 (i.e. last public offer) would be worth ₹ 7,97,714/- as at 31st March 2015, the compounded annual growth rate being 22.44%. (without considering the dividends paid)**

(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 6.12% whereas the decrease in the managerial remuneration for the same financial year was (14.52%).

(ix) **Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.**

Please refer point no. (vi).

(x) **Key parameters for any variable component of remuneration availed by the managing directors**

Only Commission is payable in addition to monthly remuneration. The commission is based on the performance of the Company upon recommendation of Nomination and Remuneration Committee. No variable compensation is paid to other directors of the Company.

(xi) There is no employee who receives remuneration in excess of the highest paid director during the year.

(xii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

### Form No. MR-3

#### Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2015

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To the Members of

**Sundram Fasteners Limited,**

CIN: L35999TN1962PLC004943

98-A, VII Floor, Dr. Radhakrishnan Salai, Mylapore

Chennai - 600004

We have conducted a secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **M/s. Sundram Fasteners Limited** (*hereinafter called "the Company"*). We have conducted the secretarial audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts / statutory compliances and expressing our opinion thereon.

We are issuing this report based on our verification of the books, papers, minute books and other records maintained by the Company, forms and returns filed, compliance related action taken by the Company during the financial year ended 31st March 2015 as well as after 31st March 2015 but before the issue of this report and the information provided by the Company, its officers, agents and authorised representatives during our conduct of secretarial audit.

We hereby report that, in our opinion, during the audit period covering the **financial year ended on 31st March 2015** (*hereinafter referred to as "the year"*), the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The members are requested to read this report along with our letter of even date annexed to this report as Annexure - A.

1. We have examined the books, papers, minute books and other records maintained by the Company and the forms and returns filed during the year according to the applicable provisions of:
  - (i) The Companies Act, 2013 (*the Act*), and the rules made thereunder.
  - (ii) The Companies Act, 1956 and the rules made thereunder.
  - (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
  - (iv) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
  - (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
  - (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

# Sundram Fasteners Limited

## ANNEXURES TO DIRECTORS' REPORT (Contd.)

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- (e) The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client.
  - (vii) The following laws that are specifically applicable to the Company, namely, The Special Economic Zones Act, 2005 and The Special Economic Zones Rules, 2006, since two of the Company's units are located in a Special Economic Zone.
  - (viii) The Listing Agreements entered into by the Company with:
    - (a) BSE Limited;
    - (b) National Stock Exchange of India Limited; and
    - (c) Madras Stock Exchange Limited (*upto 28<sup>th</sup> December 2014*).
2. We are informed that, for the year:
- (i) The Company was not required to maintain any books, papers, minute books or other records or to file any forms / returns according to the provisions of following Regulations and Guidelines prescribed under the SEBI Act:
    - (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
    - (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    - (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (ii) There were no other laws specifically applicable to the Company, the books, papers, minute books, forms and returns of which were required to be examined by us for the purpose of this report.
3. We have not examined compliance with the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India as they become applicable only from 1st July 2015.
4. During the period under review, and also considering the compliance related action taken by the Company after 31st March 2015 but before the issue of this report, the Company has, to the best of our knowledge and belief and according to the information and explanations given to us, complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned under paragraph 1 above, to the extent applicable.
5. We further report that:
- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board has also women directors. The changes in the composition of the Board of Directors that took place during the year were carried out in compliance with the provisions of the Act.
  - (ii) During the year:
    - (a) Adequate notice was given to all directors to schedule the Board Meetings.
    - (b) Notice of Board meetings were sent at least seven days in advance.
    - (c) Agenda and detailed notes on agenda were sent five to ten days before the Board meetings.

## ANNEXURES TO DIRECTORS' REPORT (Contd.)

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- (iii) A system exists for directors to seek and obtain further information and clarification on the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. We are informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
- (iv) The Company has adequate systems and processes commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- (v) The details of specific events / actions during the audit period which had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards are given below:
  - (a) The Company has voluntarily delisted its equity shares from Madras Stock Exchange Limited with effect from 29th December 2014.
  - (b) The members have at the annual general meeting held on 22nd September 2014 passed the following special resolutions:
    - Under section 14 of the Act approving the alteration of articles of association by substituting the existing set of regulations with a completely new set of regulations;
    - Under section 180(1)(c) of the Act according consent to the Board of Directors to borrow upto ₹ 1000 crores (apart from temporary loans to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital and free reserves of the Company; and
    - Under section 180(1)(a) of the Act according consent to the Board of Directors to create charge/ lien/ pledge/ mortgage/ hypothecation in favour of banks/ financial institutions/ other lenders/ trustees for debentures/ bonds, on Company's present/ future properties to secure borrowings of the Company, subsidiaries, associates and joint ventures.

**For S Krishnamurthy & Co.,  
Company Secretaries**

**K Sriram  
Partner**

Membership No: **F6312**

Certificate of Practice No: **2215**

**Date:** 29th May, 2015

**Place:** Chennai

# **Sundram Fasteners Limited**

## **ANNEXURES TO DIRECTORS' REPORT (Contd.)**

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### **Annexure – A to Secretarial Audit Report of even date**

To the Members of

**Sundram Fasteners Limited,**

CIN: L35999TN1962PLC004943

98-A, VII Floor, Dr. Radhakrishnan Salai, Mylapore

Chennai - 600004

**Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March 2015 is to be read along with this letter.**

1. Maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also taken into consideration the compliance related action taken by the Company after 31st March 2015 but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal/professional opinion obtained as being in compliance with law, wherever there was scope for multiple interpretations, especially since the financial year ended 31st March 2015 was the first full financial year in which the Companies Act, 2013 became operational and also on account of the listing agreement with the stock exchanges undergoing major amendments from 1st October 2014.
5. We have verified the records on a test basis to see whether the correct facts are reflected in the secretarial records. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. We have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
8. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For S Krishnamurthy & Co.,  
Company Secretaries**

**K Sriram  
Partner**

Membership No: **F6312**

Certificate of Practice No: **2215**

**Date:** 29th May, 2015

**Place:** Chennai



## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Overview

Indian gross domestic product registered a moderate growth after a few years of steep decline. Index of Industrial Production relating to the manufacturing sector showed a marginal growth. Volatility in foreign exchange rates due to erratic US economic data and Euro zone crisis, large current account deficits, high inflation rates, volatile crude oil prices, high interest rates and low consumption growth marked yet another difficult year.

US economy showed reasonable growth while European economies in general showed a negative growth. The stress in Euro zone economies caused by the financial crisis continued to simmer and full scale recovery is nowhere in sight. Emerging and developing economies other than India also slowed down considerably.

During 2014-15, the automotive sector in India showed a weak growth with some important segments posting a negative growth. The following table shows the production trend of the industry: The domestic market continued to be affected by macro economic problems, high inflation, high petroleum product prices, high interest rates and poor consumer sentiment.

| Category                             | Production         |                    |             |
|--------------------------------------|--------------------|--------------------|-------------|
|                                      | April - March      |                    |             |
| Segment / Sub-segment                | 2014-15            | 2013-14            | % Change    |
| <b>I Passenger Vehicles (PVs)</b>    |                    |                    |             |
| Passenger Cars                       | 24,16,862          | 23,22,578          | 4.06        |
| Utility Vehicles(Uvs)                | 6,29,255           | 5,68,692           | 10.65       |
| Vans                                 | 1,74,055           | 1,96,703           | (11.51)     |
| Total Passenger Vehicles ( PVs )     | 32,20,172          | 30,87,973          | 4.28        |
| <b>II Commercial Vehicles (CVs)</b>  |                    |                    |             |
| <u>M &amp; HCVs</u>                  |                    |                    |             |
| Passenger Carriers                   | 49,360             | 41,175             | 19.88       |
| Goods Carriers                       | 2,19,193           | 1,80,381           | 21.52       |
| Total M & HCVs                       | 2,68,553           | 2,21,556           | 21.21       |
| <u>LCVs</u>                          |                    |                    |             |
| Passenger Carriers                   | 46,569             | 45,136             | 3.17        |
| Goods Carriers                       | 3,81,961           | 4,32,343           | (11.65)     |
| Total LCVs                           | 4,28,530           | 4,77,479           | (10.25)     |
| Total Commercial Vehicles            | 6,97,083           | 6,99,035           | (0.28)      |
| <b>III Three Wheelers</b>            |                    |                    |             |
| Passenger Carriers                   | 8,45,606           | 7,33,244           | 15.32       |
| Goods Carriers                       | 1,03,415           | 96,864             | 6.76        |
| Total Three Wheelers                 | 9,49,021           | 8,30,108           | 14.33       |
| <b>IV Two Wheelers</b>               |                    |                    |             |
| Scooter / Scooterette                | 47,21,415          | 36,76,213          | 28.43       |
| Motor cycle / Step-Throughs          | 1,30,23,210        | 1,24,74,626        | 4.40        |
| Mopeds                               | 7,55,345           | 7,32,210           | 3.16        |
| Total Two Wheelers                   | 1,84,99,970        | 1,68,83,049        | 9.58        |
| <b>V Tractors</b>                    | 6,12,994           | 6,96,801           | (12.03)     |
| <b>Grand Total of All Categories</b> | <b>2,39,79,240</b> | <b>2,21,96,966</b> | <b>8.03</b> |

Source : SIMA / TMA

# Sundram Fasteners Limited

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There was an improvement in the sales of passenger cars during 2014 in the US. In the overseas markets, the CV industry has continued to struggle, with sales recorded at much lower than peak levels. Growth level in sales of passenger cars is expected to improve further during 2015 due to reduction in gasoline prices.

## Domestic Sales

Domestic sales increased by 17% to ₹ 1430 crores from ₹ 1220 crores in the light of increase in sales of heavy and medium commercial vehicles, passenger vehicles and two / three wheelers. There was a steep drop in production of light commercial vehicles and tractors. Demand from major automotive OEMs oscillated throughout the year with production planning and inventory management becoming a challenge.

Aftermarket sales grew moderately.

## Exports

The US market recovered modestly though not uniformly across all customers of the Company. European markets continued to be hit by recession and negative sentiments. Exports were at ₹ 899 crores as against ₹ 761 crores in the previous year, an increase of 18%. Export sales remained around 38% of the overall sales revenues.

The Company's investments for manufacture of new products are expected to result in further improvement in exports in the near future.

## Financial Performance

Automotive component industry leans very heavily on commercial vehicle segment for high volume sales and profits. Increase in production of heavy and medium commercial vehicles and passenger vehicles resulted in improved domestic sales. Raw material prices were steady during the year. Other input costs rose across the board. Spend on wages and salaries increased as new factory at SEZ completed its first full year of operations. Man power costs increased due to general hike in a competitive environment besides increase in dearness allowance in line with the cost of living index linked to inflation. The Company continued to be under pressure due to rising manufacturing costs. Power availability and costs remained a cause concern throughout the year, despite measures taken by the Company over the years to mitigate impact of non-availability of power.

During the year, PBITD (Profit before interest, foreign exchange fluctuation, depreciation, exceptional income and tax) was at ₹ 356.79 crores as against ₹ 304.84 crores in the previous year.

The Company made sizable investments in creation of capacities for new products and additional capacities for manufacture of existing products to meet projected demand from domestic and international customers. Financing costs, including premiums on forward cover and adverse foreign exchange variations of ₹ 60.01 crores (₹ 27.83 crores) on foreign currency borrowings were at ₹ 81.39 crores as against ₹ 58.58 crores in the previous year. The Company has been able to limit increase in interest costs through reduction in working capital requirements across its major divisions.

In line with the Accounting Standard AS-11 (dealing with the effects of change in foreign exchange rates) and to ensure the principles of consistency, the Company recognises the exchange differences arising out foreign currency denominated items as expense or income in the profit and loss statements.

Depreciation was higher at ₹ 88.32 crores (₹ 76.37 crores).

Profit before tax was higher at ₹ 187.09 crores (₹ 169.89 crores). Investment Allowance admissible under Sec. 32AC of the Income Tax Act resulted in lower net tax rate. Profit after tax after providing for exceptional items increased to ₹ 135.32 crores (₹ 120.89 crores).

**Abridged Statement of Profit and Loss****Summary of operating results**

₹ lakhs

| Particulars  | 2014-15           | 2013-14    |
|--|-------------------|------------|
| Net revenue from operations                          | <b>238,576.58</b> | 202,227.62 |
| Other Income   | <b>2,335.50</b>   | 4,871.94   |
| Total Income   | <b>240,912.08</b> | 207,099.56 |
| Total expenditure                                    | <b>205,233.41</b> | 176,616.03 |
| Profit before interest, depreciation and tax (PBIDT) | <b>35,678.67</b>  | 30,483.53  |
| Finance Cost   | <b>8,138.60</b>   | 5,857.50   |
| Depreciation/Amortisation                            | <b>8,831.50</b>   | 7,636.73   |
| Profit before tax (PBT) and before Exceptional item  | <b>18,708.57</b>  | 16,989.30  |
| Exceptional item - Loss /(gain)                      | <b>1,000.00</b>   | 1,000.00   |
| Profit before tax (PBT)                              | <b>17,708.57</b>  | 15,989.30  |
| Current tax  | <b>4,525.00</b>   | 3,833.50   |
| Deferred tax   | <b>15.21</b>      | 66.57      |
| Profit after tax (PAT)                               | <b>13,168.36</b>  | 12,089.23  |
| Tax refunds relating to earlier years                | <b>363.88</b>     | -          |
| Profit after tax and prior period items              | <b>13,532.24</b>  | 12,089.23  |

**Key Ratios**

| Particulars                          | 2014-15         | 2013-14  |
|--------------------------------------|-----------------|----------|
| PBIDT / Total Revenue                | <b>14.8%</b>    | 14.7%    |
| Material cost / Total Revenue        | <b>41.3%</b>    | 43.5%    |
| Operating expenses / Total Revenue   | <b>43.9%</b>    | 41.8%    |
| PBIT / Total Revenue                 | <b>11.1%</b>    | 11.0%    |
| PBT / Total Revenue                  | <b>7.4%</b>     | 7.7%     |
| PAT / Total Revenue                  | <b>5.5%</b>     | 5.8%     |
| ROCE (Avg.Capital Employed)          | <b>22.2%</b>    | 19.7%    |
| RONW (Avg.Net Worth)                 | <b>16.6%</b>    | 16.4%    |
| Economic Value Added (EVA) - ₹ lakhs | <b>4,596.66</b> | 3516.88  |
| Incremental EVA - ₹ lakhs            | <b>1,079.78</b> | (900.10) |

**Subsidiaries / Consolidated Results**

Performance of Subsidiaries has been better despite the slow-down in the automotive industry. German subsidiaries continued to be adversely affected by negative growth in automotive and other industries in Europe.

**Subsidiaries**

₹ in Crores

| Particulars          | 2014-15       | 2013-14 |
|----------------------|---------------|---------|
| Sales & Other Income | <b>878.31</b> | 797.25  |
| Cash Profit          | <b>28.24</b>  | 38.78   |
| Net Profit           | <b>2.21</b>   | 4.76    |

# Sundram Fasteners Limited

## Consolidated Results

₹ in Crores

| Particulars          | 2014-15  | 2013-14  |
|----------------------|----------|----------|
| Sales & Other Income | 3,172.80 | 2,784.99 |
| Net Profit           | 131.24   | 120.77   |

## Capacities and Capital Expenditure

During the year, the Company has incurred ₹ 118 crores towards capital expenditure on existing and new projects. Capital investments were incurred to dovetail production plans to those of key customers.

The total capital expenditure commitments during 2015-16 are likely to be around ₹ 150 crores, subject to market conditions and internal accruals.

## Research and Development

The Company focuses on development of new products for existing customers and new customers. R&D efforts also relate to new processes in line with technological advancements. Projects involving regulatory compliances, cost reduction, import substitution, safety in manufacture and use of products and new technologies are accorded high priority. The Company's R&D facilities at Padi and Velappanchavadi, Chennai and at Hosur have been granted recognition by the Department of Scientific and Industrial Research (DSIR), making the Company eligible for weighted deduction under Section 35 (2AB) of the Income Tax Act. The Company incurred capital expenditure of ₹ 65.20 lakhs besides incurring revenue expenditure of ₹ 1,137.61 lakhs during the financial year.

## Quality Systems, TPM, TQM and Cost reduction

All the major factories of the Company have obtained / retained certification according to the latest ISO / TS 16949-2009 and ISO 14001:2004 standards.

The Company has adopted Total Productivity Maintenance (TPM) techniques for over twenty years and has become a way of life in all the factories. This has helped the employees to continuously improve production, reduce costs, improve quality, reduce wastage, reduce fatigue and improve employee morale. Low cost automation and installation of visual control systems have led to an improved productivity / safety. Best practices and systems developed by the teams are horizontally deployed, wherever feasible, across the Company.

Total Quality Management (TQM) introduced across major divisions of the Company has resulted in remarkable reduction in internal rejection rates. The Company will aggressively pursue TQM over the coming years so that the Company's manufacturing systems are strengthened further.

Various teams representing different units of the Company have won Kaizen competitions at all India level.

The Company has continued to win awards and recognition from its customers for supply of high quality products and for development of new products.

## Human Resources and Industrial Relations

Human resources have been the backbone of the Company since inception. The Company places emphasis on talent management in all aspects. One such aspect is learning and development. The architecture of the learning and development is comprehensive as it is meant to provide well-rounded programmes to employees and integrates with annual performance appraisal. Training is focussed on enhancing the core functional skills and behavioural attributes. Employees are trained in leadership skills, strategic thinking, negotiation skills, etc. Such focussed efforts also serve as a motivational tool.

Mentoring programmes have been successful as employees have embraced it enthusiastically. The mentees have reaped the benefit of partnering with mentors.

The in house journal provides yet another avenue for management to engage with its employees and their family members. This helps to create an atmosphere of bonhomie. The Company imparts free practical training in computers and soft skills to the children of employees, in addition to offering substantial scholarship grants to pursue higher education.

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**The Company has maintained its excellent industrial relations record of not losing even a single day due to industrial action since its inception in 1966.**

### **Health, Safety and Environment**

The Company attaches considerable importance to the health and safety of the employees. Products are manufactured by adhering to zero pollution norms and eliminating accidents by continually improving environmental and occupational health and safety management systems. All factories are provided with green cover of trees and shrubs to enhance aesthetics.

The Company's factories at Krishnapuram, Gummidipoondi and Velappanchavadi are accredited with OHSAS 18001:2007 certification. All the major factories of the Company have obtained certification for conformance to ISO 14001 standards.

Based on a comprehensive assessment of ten parameters viz., energy efficiency, renewable energy, water conservation, waste management, greenhouse gas emission, material conservation, recycling green supply chain product stewardship, life cycle assessment and innovations, **Confederation of Indian Industry (CII) has certified the Company's Hosur factory as "Gold rated"**, which reflects a high level of commitment to continuous ecological improvement. The Company will strive to deploy such practices horizontally in its other factories.

### **Internal Control Systems**

The company's internal control systems are periodically reviewed by the management and the Audit Committee. The systems are continually improved by adopting the best practices in the industry. The efficacy of controls provides a greater degree of assurance to the management across operations, inventory, fixed assets, financial records and regulations. The internal audit department plays a vital role in successful implementation of internal controls.

### **Subsidiaries / Joint Ventures**

Details of investments and operating performance of subsidiaries / joint venture are given in annexure V to the report of the Board of Directors.

### **Prospects, Risks and concerns**

Weak growth in industrial production, power shortages and volatile currency movements are causes for concern in the short run. There has been an improvement in the business sentiment based on optimism arising out of policy statements from a stable government. According to IMF estimates, India is poised to grow faster than most economies. Reduction in inflation spurred by downward trend in crude oil prices has kindled hopes for reduction in interest rates leading to higher consumer demand and investment. Barring a poor monsoon, the pace of growth in domestic market is expected to improve during 2015-16, as the government addresses various problems faced by the economy and more particularly the automotive sector. Prospects for increasing exports appear to be bright.

**Long term prospects for the auto-component industry appear to be good.**

The Company expects to improve its overall performance through development of new products for existing customers and by winning new customers besides increased exports.

### **Cautionary Statement**

*Statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the automobile industry - global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, foreign currency fluctuations and interest costs.*

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## **CERTIFICATE**

To the members of **Sundram Fasteners Limited**

We have examined the compliance of the conditions of Corporate Governance by Sundram Fasteners Limited ('the Company') for the year ended 31st March 2015, as stipulated in Clause 49 of the Listing Agreements, including the revised Clause 49 notified by Securities Exchange Board of India vide Circular no. CIR/CFD/POLICY CELL/2/2014 dated 17th April 2014 and CIR/CFD/POLICY CELL/7/2014 dated 15th September, 2014, of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SUNDARAM & SRINIVASAN**  
Chartered Accountants  
Regn. No. 0042075

**M BALASUBRAMANIAM**  
Partner  
Membership No. F7945

Chennai  
May 29, 2015

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## **REPORT ON CORPORATE GOVERNANCE**

### **[PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT]**

#### **1. Company's Philosophy on Code of Governance**

The Company, in line with TVS philosophy, truly believes in independence, responsibility, transparency, professionalism, accountability and code of ethics, which are the basic principles of corporate governance. The Company always stressed in achieving optimum performance at all levels by adopting and adhering to best corporate governance practices. The Company has always focused on corporate governance as a means to maximize long-term stakeholders' value through disciplined and sustained growth and value creation.

The Company always strives hard to achieve establishment of internal controls and risk management; internal and external communications; and high standards of safety, health and environment management, accounting fidelity, product and service quality. The Company also believes that for a Company to succeed, it must consistently maintain commendable standards of corporate conduct towards its employees, customers and society.

#### **2. Board of Directors**

##### **■ Composition of the Board**

The Board consists of Eleven Directors. The Board comprises Executive and Non-Executive Directors. The Chairman and Managing Director, Joint Managing Director and Deputy Managing Director hold Executive positions. There are eight Non-Executive Directors, of whom six are independent. The Non-Executive Directors, use independent judgment in the Board deliberations and decisions.

The Company immensely benefits from the professional expertise of the independent Directors in their individual capacity as Independent Professional / Business Executives and through their invaluable experience in achieving corporate excellence.

The Company has not had any pecuniary relationship / transaction with any of the Non-Executive Directors other than those disclosed elsewhere.

■ Directors' attendance record and directorships held

| Name of the Director                               | DIN      | Attendance |     | No. of Directorships held in Companies (including SFL) <sup>@</sup> | Committee Memberships (including SFL) <sup>#</sup> |        |
|--|----------|------------|-----|---|--|--------|
|  |          | Board      | AGM |   | Chairman / Chairperson                             | Member |
| Sri Suresh Krishna<br>Chairman & Managing Director | 00046919 | 4          | Yes | 4   | -  | 2      |
| Ms Arathi Krishna<br>Joint Managing Director       | 00517456 | 4          | Yes | 1   | -  | -      |
| Ms Arundathi Krishna<br>Deputy Managing Director   | 00270935 | 4          | Yes | 2   | 1  | -      |
| Sri K Ramesh, Director                             | 00556922 | 1          | No  | 6   | -  | -      |
| Sri Venu Srinivasan, Director                      | 00051523 | 3          | No  | 7   | -  | 2      |
| Sri V Narayanan, Director                          | 00081673 | 4          | Yes | 2   | 3  | 1      |
| Sri R Srinivasan, Director                         | 00043658 | 4          | Yes | 7   | 4  | 3      |
| Sri R Ramakrishnan, Director                       | 00236673 | 4          | Yes | 3   | 3  | 1      |
| Sri C V Karthik Narayanan,<br>Director             | 00255676 | 2          | Yes | 1   | -  | -      |
| Sri M Raghupathy IAS<br>(Retd.), Director          | 00012997 | 4          | Yes | 2   | -  | 1      |
| *Sri B.Muthuraman, Director                        | 00004757 | -          | -   | -   | -  | -      |

Except Chairman and Managing Director, Joint Managing Director and Deputy Managing Director all other Directors are Non-Executive Directors. Chairman and Managing Director, Joint Managing Director & Deputy Managing Director are related inter-se. Sri K Ramesh, Director is related to Chairman and Managing Director.

<sup>@</sup> Excludes private, foreign companies and companies registered under Section 8 of the Companies Act, 2013.

<sup>#</sup> Includes only the membership of Audit and Stakeholders' Relationship Committees.

<sup>\*</sup> Appointed as Independent Director of the Company, not liable to retire by rotation, for a period of five consecutive years from 16th April, 2015 to 15th April, 2020.

None of the Directors is a member of more than ten Board-level Committees or Chairman of more than five such Committees, as required under Clause 49 of the listing agreement, across all companies in which they are directors.

Information as required under Clause 49 (X) are being made available to the Board. In terms of the Company's Corporate Governance Policy, all statutory and materially significant information are submitted either as a part of the agenda papers well in advance of the Board Meetings, or are tabled in the course of the Board Meetings to enable Directors to discharge their responsibilities of strategic supervision of the Company as trustees of the Shareholders.

■ Number of Board Meetings

The Company, in consultation with the Directors, prepares and circulates a tentative annual calendar for the meetings of the Board and Board Committees in order to facilitate and assist the Directors to plan their schedules for the meetings.

There were four Board Meetings during the year ended 31st March 2015, which were on 30th May 2014, 07th August 2014, 06th November 2014 and 04th February 2015. The maximum interval between any two meetings was not more than 100 days.



## ■ Code of Conduct

The Board of Directors has laid down a code of conduct for all Board members and senior management of the Company. As stipulated vide Clause 49 (II)(E)(3), the duties of Independent Directors as laid down in Companies Act, 2013 has been duly incorporated in the Code of Conduct during the year.

The code of conduct is available on the website of the Company: <http://www.sundram.com/investors.php>

All Board members and senior management personnel have affirmed compliance with the code of conduct. A declaration signed by the Chairman and Managing Director to this effect is enclosed at the end of this report.

## ■ Prevention of Insider Trading

The Company has framed a code of conduct for Prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code is applicable to all Board members / officers / designated employees. The code ensures the prevention of dealing in shares by persons having access to unpublished price sensitive information.

## ■ Secretarial Standards

The Institute of Company Secretaries of India (ICSI) has recently released the Secretarial Standard SS-1 and SS-2 relating to Board and General Meetings respectively, which takes effective from 1st July, 2015. The secretarial and the operating practices of the Company are in line with the above Secretarial Standards.

### 3. Audit Committee

#### ■ Composition of Audit Committee of the Board

The Audit Committee consists of Sri R Srinivasan, Sri V Narayanan and Sri R Ramakrishnan, all non-executive independent Directors of the Company with Sri R Srinivasan as its Chairman.

#### ■ Meetings and the attendance record of Committee Members

The Audit Committee met four times during the year on 30th May 2014, 07th August 2014, 06th November, 2014 and 04th February, 2015. The attendance of each Member of the Committee is given below:

| Name of the Director | No. of meetings attended |
|----------------------|--------------------------|
| Sri R Srinivasan     | 4                        |
| Sri V Narayanan      | 4                        |
| Sri R Ramakrishnan   | 4                        |

Sri Suresh Krishna, Chairman and Managing Director, Ms Arathi Krishna, Joint Managing Director and Ms Arundathi Krishna, Deputy Managing Director are permanent invitees. Sri V G Jaganathan, Chief Financial Officer & Company Secretary, acts as Secretary of the Committee.

Sri S Meenakshisundaram, President - Finance and Sri V V S Ramakrishnan, Deputy General Manager - Internal Audit are invited to attend and participate at meetings of the Committee.

The Statutory Auditors are invited to attend and participate at the meetings of the Committee.

The Chairman of the Audit Committee was present at the Annual General Meeting held on 22nd September, 2014.

#### ■ Brief description of terms of reference

The Terms of Reference of Audit Committee cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement as well as in Section 177 of the Companies Act, 2013. The role of Audit Committee is as prescribed under Clause 49(III)(D) of the Listing Agreements.



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In addition to the above, the Audit Committee looks into controls and security of the Company's critical IT applications, the internal and statutory audit reports of all units / divisions and deviations, if any.

#### **4. Separate Meeting of Independent Directors**

- As stipulated by the Code for Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 4th February, 2015 to review the frequency and procedures for conducting the separate meetings of the Independent Directors, to review the performance of Non-independent Directors (including the Chairman and Managing Director) and the Board as a whole, taking into account the views of executive and non-executive directors. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees, which is necessary to effectively and reasonably perform and discharge their duties.
- Attendance of the Independent Directors present at the meeting:  
Sri. V. Narayanan, Sri R. Srinivasan, Sri. R. Ramakrishnan, Sri. C V Karthik Narayanan and Sri. M. Ragupathy are the Independent Directors of the Company as on 31st March, 2015. Except Sri. C V Karthik Narayanan, the remaining Independent Directors attended the meeting.

#### **5. Nomination and Remuneration Committee**

- Composition of Nomination and Remuneration Committee  
During the year, the Board of Directors of the Company constituted the "Nomination and Remuneration Committee" (NRC).  
  
The NRC consists of Sri Suresh Krishna, Chairman and Managing Director, Sri V Narayanan, Sri R Srinivasan, and Sri C V Karthik Narayanan, non-executive independent Directors with Sri V Narayanan as the Chairman of the Committee.
- Meetings and attendance record of Committee Members  
The Committee met once on 4th February, 2015 during the financial year ended 31st March, 2015. All the members attended the meeting except Sri C V Karthik Narayanan.
- Remuneration policy  
The Nomination and Remuneration Committee (NRC) at its meeting held on 4th February, 2015 has approved the Remuneration policy incorporating the decisions taken earlier in the meeting. The scope of the said policy includes the following matters-
  - i. The criteria which a person should possess to be considered eligible for appointment as an Independent Director or senior managerial personnel
  - ii. Evaluation criteria for performance evaluation of independent directors
  - iii. The criteria for determining qualifications, positive attributes and independence of a director
  - iv. Remuneration for the directors
  - v. Remuneration for the key managerial personnel (i.e. Managing Director, Whole-time Director, Manager, CEO, CFO and Company Secretary); and
  - vi. Remuneration of senior management personnel and other employees

## Sundram Fasteners Limited

The Nomination and Remuneration Committee (NRC) decides the remuneration of the Executive Directors viz. Chairman and Managing Director, Joint Managing Director and Deputy Managing Director, subject to approval of Shareholders and Central Government, wherever applicable.

The non-Executive Directors are paid sitting fees as approved by the Board of Directors and as permitted under the relevant statutory provisions for every Board / Committee meeting attended by them.

### ■ Policy on Board Diversity

The NRC also approved the Policy on Board diversity appropriate to the business requirements of the Company covering the following-

- (i) Optimum combination of Executive Directors, Non-Executive Directors and Independent Directors
- (ii) The recommendatory requirement for each of the directors to possess functional diversity.
- (iii) Role of nomination and remuneration committee to ensure that the Policy on Board diversity is considered while recommending the appointment of new directors on the Board of the company.
- (iv) Review of the policy at such intervals including the assessment of the effectiveness of the policy.

### ■ Performance Evaluation

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of independent directors and other directors, Board of Directors and Committees of the Board of Directors. The criteria for performance evaluation covers the areas relevant to their functioning as independent directors or other directors, member of Board or Committees of the Board.

### ■ Remuneration to Directors for the year ended 31st March, 2015 are as follows: ₹ in Lakhs

| Name of the Director      | Sitting Fee <sup>#</sup> | Salaries and Allowances | Perquisites | Company's Contribution to PF, SAF and Gratuity | Commission and Performance Linked Incentive | Total  |
|---------------------------|--------------------------|-------------------------|-------------|--|---|--------|
| Sri Suresh Krishna        | N.A.                     | 48.00                   | 40.20       | 9.51   | 275.00                                      | 372.71 |
| Ms Arathi Krishna         | N.A.                     | 42.00                   | 59.56       | 14.62  | 275.00                                      | 391.17 |
| Ms Arundathi Krishna      | N.A.                     | 24.00                   | 51.47       | 8.35   | 250.00                                      | 333.82 |
| Sri K Ramesh              | 0.20                     | N.A.                    | N.A.        | N.A.   | N.A.  | 0.20   |
| Sri Venu Srinivasan       | 0.60                     | N.A.                    | N.A.        | N.A.   | N.A.  | 0.60   |
| Sri V Narayanan           | 2.00                     | N.A.                    | N.A.        | N.A.   | N.A.  | 2.00   |
| Sri R Srinivasan          | 2.00                     | N.A.                    | N.A.        | N.A.   | N.A.  | 2.00   |
| Sri R Ramakrishnan        | 2.00                     | N.A.                    | N.A.        | N.A.   | N.A.  | 2.00   |
| Sri C V Karthik Narayanan | 0.40                     | N.A.                    | N.A.        | N.A.   | N.A.  | 0.40   |
| Sri M Raghupathy          | 1.00                     | N.A.                    | N.A.        | N.A.   | N.A.  | 1.00   |

<sup>#</sup> Sitting fee indicated above also includes payment for Board committee meetings.

The Company does not have any stock option scheme.

Sitting fee are paid to the Non-Executive Directors based on the number of Board / Committee meetings attended by them.

### ■ Transactions where Directors may have a pecuniary interest

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board, and the interested Directors neither participate in the discussion / meeting, nor do they vote on such matters. In matters other than those involving pecuniary interest, the Directors are

considered to be interested to the extent of their shareholding in the Company and following is the status of their shareholding as on 31st March 2015:

| Name of the Director         | Number of Equity Shares | % holding |
|------------------------------|-------------------------|-----------|
| Sri. Suresh Krishna          | 36,040                  | 0.0171    |
| Ms. Arathi Krishna           | 47,040                  | 0.0223    |
| Ms. Arundathi Krishna        | 51,840                  | 0.0247    |
| Sri. K. Ramesh               | 4,000                   | 0.0019    |
| Sri. Venu Srinivasan         | -                       | -         |
| Sri. V.Narayanan             | 1,200                   | 0.0005    |
| Sri. R. Srinivasan*          | 9,200                   | 0.0044    |
| Sri. R.Ramakrishnan          | 6,400                   | 0.0030    |
| Sri. C .V. Karthik Narayanan | -                       | -         |
| Sri. M Raghupathy            | -                       | -         |

\* Joint holder.

## 6. Stakeholders' Relationship Committee

- Details of the Members, Compliance Officer, Number of Complaints received and pending and pending transfers as on close of the year ended 31st March, 2015:

During the year, the Investor/Shareholder Grievance Committee was reconstituted as 'Stakeholders' Relationship Committee' which comprises of Sri R Ramakrishnan, Chairman, Sri Suresh Krishna and Sri Venu Srinivasan, as members. The Committee deals *inter alia* with redressal of investors / shareholders complaints. Sri V G Jaganathan, Chief Financial Officer and Company Secretary, is the Compliance Officer of the Company. During the year, 1177 correspondences / queries were received from shareholders / investors and other agencies, all of which have been resolved. No complaints of material nature were received during the year under review.

## 7. Corporate Social Responsibility Committee (CSRC)

- Constitution and Composition of Corporate Social Responsibility (CSR) Committee

The Board of Directors at its meeting held on 30th May, 2014, constituted "Corporate Social Responsibility Committee" as required under Section 135 of the Companies Act, 2013.

The CSR Committee comprises of Sri Suresh Krishna, Chairman and Managing Director, who is the Chairman of the Committee, Ms Arathi Krishna, Ms Arundathi Krishna and Sri R Ramakrishnan as members.

Sri V G Jaganathan, Chief Financial Officer and Company Secretary acts as the Secretary to the Committee.

- Meetings and attendance record of Committee Members

The Committee met once on 29th January, 2015 during the financial year ended 31st March, 2015. All the members of the Committee attended the meeting.

The Corporate Social Responsibility Committee recommends to the Board Corporate Social Responsibility Policy and the CSR initiatives and it also monitors implementation of the activities undertaken as per the policy.

## 8. General Meetings

- Details of the location, date and time of the last three Annual General Meetings (AGM) and the details of special resolutions passed or to be passed by Postal Ballot:

| Year | Meeting | Location          | Date       | Time     |
|------|---------|-------------------|------------|----------|
| 2014 | AGM     | The Music Academy | 22-09-2014 | 10.00 am |
| 2013 | AGM     | The Music Academy | 23-08-2013 | 10.00 am |
| 2012 | AGM     | The Music Academy | 17-08-2012 | 10.00 am |

- During the above mentioned 3 years the following Special Resolutions were passed in the AGM held on 22nd September, 2014.
  - Borrowing money upto ₹ 1,000 Crores under Section 180(1)(c) of the Companies Act, 2013 (the Act).
  - To sell, mortgage and / or create charge under Section 180(1)(a) of the Act.
- During the year, no special resolution was passed through postal ballot.

- None of the businesses proposed to be transacted in the ensuing Annual General Meeting requires special resolution through postal ballot.
- Brief background, functional experience of the Directors seeking appointment / re-appointment  
The details of Directors seeking appointment / re-appointment are provided in the Notice calling for the Annual General Meeting.

## 9. Disclosures

- Materially significant related party transactions during the year ended 31st March 2015:  
There were no materially significant related party transactions made by the Company with its Promoters, their subsidiaries, Directors or Management or relatives etc. that may have potential conflict with the interests of the Company at large. All the related party transactions are at arm's length basis and in the ordinary course of business.  
The Company's policies on Material Subsidiaries and Related Party Transactions are available on the website under the following web link:  
**[http:// www.sundram.com/investors.php](http://www.sundram.com/investors.php)**
- Instances of non-compliance  
There were no instances of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchange or SEBI or any authority on any matter related to capital markets during the last three years.  
The Company has complied with all matters relating to the capital market and the listing agreements. The Company has complied with all mandatory requirements. Adoption of non-mandatory requirements is provided under Item No.12 of this report.
- Whistle Blower Policy (Vigil Mechanism) and affirmation that no personnel has been denied access to the audit committee  
The Board of Directors of the Company formulated a Whistle Blower Policy (Vigil Mechanism) enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices, if any, reporting of concerns by directors and employees about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy or any other genuine concerns or grievances, to provide for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee.  
Details about the Whistle Blower Policy can be accessed at:  
**[http:// www.sundram.com/investors.php](http://www.sundram.com/investors.php)**
- Familiarisation programme  
Senior management personnel of the Company brief the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc. and seek their opinions and suggestions on the same. Also, the Directors are briefed on their specific responsibilities and duties that may arise during the meeting and also through various instances including regulatory updates from time to time. Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations, 2015, Policy on related party transactions, Policy on remuneration, Policy on material events as per Clause 36 of the Listing Agreement, Policy on material subsidiaries, Whistle blower policy and Corporate Social Responsibility policy. Factory visits to various plant locations are organised for the Directors to enable them to have insights and understanding of the manufacturing process, business model and operations of the Company.  
Details about the familiarisation programme can be accessed at:  
**<http://www.sundram.com/investors.php>**

## 10. Means of Communication

- The quarterly, half yearly and annual results are published in widely circulating national and local dailies such as Business Line (in English) and Makkal Kural (in Tamil). These are not sent individually to the shareholders.
- The financial results are displayed on the website of the Company, [www.sundram.com](http://www.sundram.com)
- The website also displays official press releases. The Company has not made any presentation to institutional investors or to analysts.
- The Management Discussion and Analysis Report forms part of this Annual Report.

## 11. General Shareholder Information

|   |   |   |
|---|---|---|
| 1 | Annual General Meeting Date, Time and Venue   | Monday, 21st August, 2015, 10.00 a.m.<br>The Music Academy - T T Krishnamachari Auditorium (Main Hall), 168, TTK Road, Royapettah, Chennai 600 014  |
| 2 | Financial calendar  | (i) April 2015 to March 2016<br>(ii) First Quarter Results – on or before 15-8-2015<br>(iii) Half-yearly Results – on or before 15-11-2015<br>(iv) Third Quarter Results – on or before 15-2-2016<br>(v) Annual Results for the year ending 31st March 2016 - on or before 30-5-2016  |
| 3 | Record Date - Interim Dividend Book Closure Date  | 13th August, 2015 to 21st August, 2015 (both days inclusive)  |
| 4 | 1st Interim Dividend<br>2nd Interim Dividend<br>Final Dividend (if any)<br>Payment Date                     | Paid on 27th November 2014<br>Payable on 19th June 2015<br>–  |
| 5 | Listing of Equity Shares on Stock Exchanges   | The Equity Shares of the Company are listed on Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE). The Company delisted its shares from Madras Stock Exchange Limited (MSE) w.e.f. 28th December, 2014. The Company has paid the annual listing fees due to the Stock Exchanges for the financial year 2015-2016.  |
| 6 | Registrar and Transfer Agents   | Integrated Enterprises (India) Limited, Kences Towers, 2nd Floor, No. 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai 600 017<br>Telephone: 91 44 28140801 - 803<br>Fax : 91 44 28142479, 28143378<br><b>Email : <a href="mailto:srirams@integratedindia.in">srirams@integratedindia.in</a></b><br><i>Investor Contacts :</i><br>Mr. Suresh Babu, Senior Vice President<br>Mr. S. Sriram, Assistant General Manager |
| 7 | Stock Code – Physical<br><br>The ISIN No. for Company's Equity Shares in Demat form Depository Connectivity | Code: 500 403 – Bombay Stock Exchange Ltd (BSE)<br>SUNDRMFAST – National Stock Exchange of India Ltd<br>INE387A01021<br><br>National Securities Depository Limited (NSDL)<br>Central Depository Services (India) Limited (CDSL)   |

## 11. General Shareholder Information (Contd.)

|    |  |   |                     |               |
|----|--|---|---------------------|---------------|
| 8  | Share Transfer System (acting as common agency) for all investor servicing activities relating to both electronic and physical segments) | <p>All the transfers in physical form are processed and approved by the Share Transfer and Shareholder / Investor Grievance Committee and/or the Board. Share transfer / Remat requests are processed within the timelines stipulated by SEBI. Demat requests are processed within a period of 10 days from the date of receipt.</p> <p>The Company's Registrar and Share Transfer Agent, Integrated Enterprises (India) Limited (IEL) has adequate infrastructure to process the share transfers. The Board of directors has delegated the power to approve transfer of shares, transmission of shares, transposition of shares, consolidations of shares, split of shares, change of name, issue of new share certificates in lieu of old / mutilated certificates, dematerialization of shares and rematerialisation of shares ("Transactions") and rejection of the said transactions on technical grounds to the authorized officers of the Company (delegated authority). The delegated authority attends to share transfer formalities at such intervals as required. Later, Stakeholders' Relationship Committee takes on record the approved transactions and ratifies the same.</p> |                     |               |
| 9  | Details of Outstanding Shares in Sundram Fasteners Limited - Unclaimed Suspense Account  | Particulars   | No. of Shareholders | No. of Shares |
|    |  | (i) Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year;   | 2457                | 1874518       |
|    |  | (ii) Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year;   | Nil                 | Nil           |
|    |  | (iii) Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year;   | Nil                 | Nil           |
|    |  | (iv) Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year."   | 2457                | 1874518       |
| 10 | Pattern of Shareholding as on 31st March 2015  | Data in statement form – Enclosed   |                     |               |
| 11 | Distribution of shareholding as on 31st March 2015   | Data in statement form – Enclosed   |                     |               |
| 12 | Share Performance  | <p>Share Price Vs BSE Index – Graph form - Enclosed</p> <p>Share Price Vs NSE Index – Graph form - Enclosed</p>   |                     |               |

## 11. General Shareholder Information (Contd.)

|    |  |  |
|----|--|--|
| 13 | Share Price Data – High / Low  | BSE – Data in statement form - Enclosed<br>NSE – Data in statement form – Enclosed   |
| 14 | Dematerialization of shares<br><br>Details of public funding obtained in the last three years<br>Outstanding GDRs/ADRs/Warrants or any convertible instruments | Shares of the Company can be held and traded in electronic form. As stipulated by SEBI, the shares of the Company are accepted in the Stock Exchanges for delivery compulsorily only in dematerialized form.<br><br>96.82% of total equity capital (including holding of promoter companies) is held in dematerialized form with NSDL and CDSL as on 31st March 2015.<br><br>Shares of the Company are actively traded in the Bombay Stock Exchange and National Stock Exchange, and hence have good liquidity.<br><br>No capital has been raised in the last three years.<br><br>Not issued.  |
| 15 | Sub-division of Shares   | Each equity share of face value of ₹ 10 was subdivided into 10 equity shares of ₹ 1 each, effective 2nd February 2004.<br><br>Following the sub-division and issue of bonus equity shares, there has been a significant increase in the number of shareholders.  |
| 16 | Plant Locations  | <u>Tamil Nadu</u><br>1) Padi, Chennai 600 050, Chengleput District<br>2) Harita, Hosur 635 109, Krishnagiri District<br>3) Krishnapuram, Aviyur 626 160, Virudhunagar District<br>4) Mittamandagapet Village 605 106, Villupuram District<br>5) Velappanchavadi, Chennai 600 077<br>6) SIPCOT Industrial Complex, Gummidipoondi 601 021<br>7) Auto Ancillary SEZ, Mahindra World City, Natham Sub Post, Chengleput, Kancheepuram District 603 002<br><br><u>Puducherry (Pondicherry)</u><br>8) Korkadu, Nettapakkam Commune, Bahur Taluk Puducherry 605 110<br><br><u>Andhra Pradesh</u><br>9) Bonthapally Village 502 313, Medak District<br><br><u>Uttarakhand</u><br>10) Pantnagar, Integrated Industrial Estate Rudrapur, Dist. Udam Singh Nagar - 263 153 |

# Sundram Fasteners Limited

## 11. General Shareholder Information (Contd.)

|    |  |   |
|----|--|---|
| 17 | Address for communication                                | Sundram Fasteners Limited<br>98A, VII Floor, Dr Radhakrishnan Salai<br>Mylapore, Chennai 600 004<br>Telephone: +91-44-28478500 Extn. : 236 / 213<br>Fax: +91-44-28478510<br><b>Email: investorshelpdesk@sfl.co.in</b><br>Shareholders holding shares in electronic form should address all their correspondence relating to change in address / instructions regarding dividend etc. to their respective <b>Depository Participant (DP)</b> . |
| 18 | Compliance Officer                                       | Sri V G Jaganathan<br>Chief Financial Officer & Company Secretary<br>98A, VII Floor, Dr Radhakrishnan Salai<br>Mylapore, Chennai 600 004<br>Phone: 91 - 44 – 28478500 Fax: 91 - 44 – 28478510<br><b>Email: vgj@corp.sfl.co.in</b>   |
| 19 | Exclusive E-mail id for redressal of investor complaints | In terms of Clause 47(f) of the Listing Agreement, investors may use the following Email id for redressal of complaints :<br><b>investorshelpdesk@sfl.co.in</b>   |
| 20 | Website  | <b>www.sundram.com</b>  |

## 12. NON-MANDATORY REQUIREMENTS

### ■ The Board

The Chairman of the Board does not maintain a Chairman's office at the Company's expense. However, the Company from time to time reimburses the expenses in relation to the Chairman's office in connection with performance of his duties as the Chairman of the Company.

### ■ Shareholder Rights - Quarterly/Half yearly/Annual results

The quarterly / half yearly/annual results, after they are taken on record by the Board of Directors, are forthwith sent to the Stock Exchanges with whom the Company has listing arrangements. The results, in prescribed proforma, are published in Business Line (English) and Makkal Kural (Tamil) newspapers.

### ■ Audit Qualification

There are no qualifications contained in the Audit Report.

### ■ Separate Posts of Chairman and CEO

The posts of Chairman and Managing Director are held by the same person as permitted by the Articles of Association.

### ■ Reporting of Internal Auditors

The Internal Auditor of the Company reports to the Audit Committee.

29th May 2015

To the members of Sundram Fasteners Limited

### DECLARATION TO THE MEMBERS PURSUANT TO CLAUSE 49(E)(2) OF THE LISTING AGREEMENT

I, Suresh Krishna, Chairman and Managing Director, hereby declare that all Board members and senior management personnel have affirmed compliance with the Code of Business Conduct and Ethics formulated by the Company for the financial year ended 31st March, 2015.

**SURESH KRISHNA**

Chairman and Managing Director



### Categories of Shareholding as on 31<sup>st</sup> March 2015

| Category  | Shares             | % holding     |
|---|--------------------|---------------|
| Promoter Companies  | 104,085,280        | 49.53         |
| Mutual Funds  | 27,230,948         | 12.96         |
| Insurance Companies, Financial Institutions & Banks           | 12,649,079         | 6.02          |
| Foreign Institutional Investors (FIIs)                        | 6,231,815          | 2.97          |
| Public / Private Limited Companies                            | 6,271,549          | 2.98          |
| Resident Individuals Non-resident Indians & Foreign Nationals | 53,659,699         | 25.54         |
| <b>Total</b>  | <b>210,128,370</b> | <b>100.00</b> |

### Distribution of Shareholding as on 31<sup>st</sup> March 2015

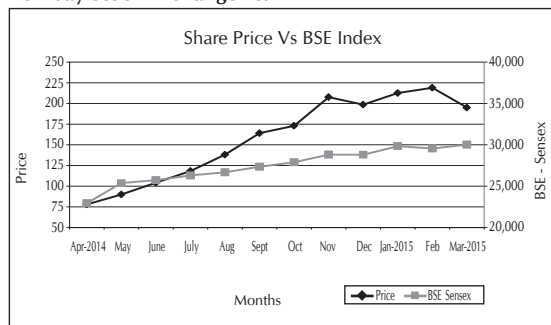
| Number of Shares | Shareholders  |               | No. of shares       |               |
|------------------|---------------|---------------|---------------------|---------------|
|                  | Number        | %             | Number              | %             |
| Upto 100         | 13,127        | 33.87         | 6,52,497            | 0.31          |
| 101 - 250        | 5,633         | 14.53         | 10,17,662           | 0.49          |
| 251 - 500        | 5,617         | 14.49         | 22,33,439           | 1.06          |
| 501 - 1,000      | 4,429         | 11.43         | 35,02,119           | 1.67          |
| 1,001 - 5,000    | 8,420         | 21.72         | 1,99,27,850         | 9.48          |
| 5,001 - 10,000   | 889           | 2.29          | 63,90,097           | 3.04          |
| 10,001 and above | 646           | 1.67          | 17,64,04,706        | 83.95         |
| <b>Total</b>     | <b>38,761</b> | <b>100.00</b> | <b>21,01,28,370</b> | <b>100.00</b> |
| Physical Mode    | 3,968         | 10.24         | 66,82,006           | 3.18          |
| Demat Mode       | 34,793        | 89.76         | 20,34,46,364        | 96.82         |
| <b>Total</b>     | <b>38,761</b> | <b>100.00</b> | <b>21,01,28,370</b> | <b>100.00</b> |

### Share Price Data

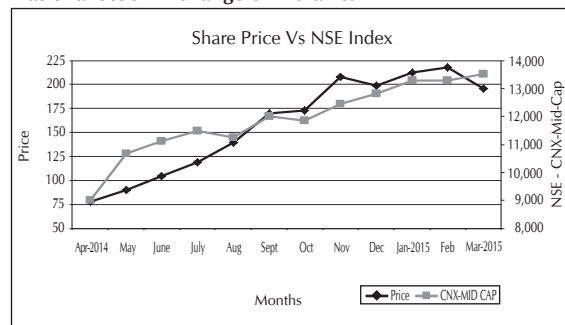
| Month           | Bombay Stock Exchange Ltd. |        |                |          | National Stock Exchange of India Ltd. |        |                     |          |
|-----------------|----------------------------|--------|----------------|----------|---------------------------------------|--------|---------------------|----------|
|                 | Price - ₹                  |        | Index - Sensex |          | Price - ₹                             |        | Index - CNX Mid Cap |          |
|                 | High                       | Low    | High           | Low      | High                                  | Low    | High                | Low      |
| April, 2014     | 78.00                      | 60.60  | 22939.31       | 22197.51 | 77.90                                 | 60.70  | 9009.15             | 8541.55  |
| May, 2014       | 90.00                      | 71.30  | 25375.63       | 22277.04 | 89.95                                 | 71.25  | 10673.75            | 8775.90  |
| June, 2014      | 104.20                     | 83.60  | 25725.12       | 24270.20 | 104.50                                | 81.85  | 11124.40            | 10175.10 |
| July, 2014      | 118.40                     | 95.00  | 26300.17       | 24892.00 | 118.70                                | 97.45  | 11492.35            | 10410.20 |
| August, 2014    | 138.15                     | 101.00 | 26674.38       | 25232.82 | 139.70                                | 101.40 | 11261.95            | 10602.75 |
| September, 2014 | 164.15                     | 129.00 | 27354.99       | 26220.49 | 170.00                                | 129.65 | 12000.60            | 11054.95 |
| October, 2014   | 173.00                     | 148.65 | 27894.32       | 25910.77 | 173.05                                | 148.65 | 11844.8             | 10940.85 |
| November, 2014  | 207.70                     | 153.85 | 28822.37       | 27739.56 | 207.55                                | 152.50 | 12459.15            | 11849.60 |
| December, 2014  | 198.60                     | 172.50 | 28809.64       | 26469.42 | 198.55                                | 172.60 | 12812.35            | 11470.00 |
| January, 2015   | 212.65                     | 184.75 | 29844.16       | 26776.12 | 212.80                                | 185.20 | 13283.05            | 12212.50 |
| February, 2015  | 219.00                     | 175.15 | 29560.32       | 28044.49 | 218.00                                | 175.00 | 13281.35            | 12452.00 |
| March, 2015     | 195.00                     | 163.55 | 30024.74       | 27248.45 | 195.75                                | 163.00 | 13521.65            | 12538.80 |

Source: (Stock Exchange Website - [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com))

### Bombay Stock Exchange Ltd.



### National Stock Exchange of India Ltd.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNDRAM FASTENERS LIMITED,  
CHENNAI FOR THE YEAR ENDED 31ST MARCH, 2015**

To

The Members of Sundram Fasteners Limited,  
No. 98-A, Dr. Radhakrishnan Salai, Mylapore  
Chennai - 600004.

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of SUNDRAM FASTENERS LIMITED, Chennai - 600 004 ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

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

**Auditor's Responsibility**

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

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

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

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

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

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## INDEPENDENT AUDITORS' REPORT (Contd.)

### Opinion

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

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in Annexure, a statement on the matters specified in paragraph 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditors' 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 has disclosed the impact of pending litigations on its financial position in its financial statements - refer note no. 31(29)(A) to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **SUNDARAM & SRINIVASAN**  
Chartered Accountants  
Regn. No. 004207S

Chennai  
May 29, 2015

**M BALASUBRAMANIAM**  
Partner  
Membership No. F7945

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**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNDRAM FASTENERS LIMITED, CHENNAI FOR THE YEAR ENDED 31ST MARCH 2015**

**Annexure referred to in our report of even date on the financial statements for the year ended 31st March 2015**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of physical verification at reasonable intervals, which, in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The inventory other than in transit has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of such verification is adequate. In respect of inventories lying with third parties, which are not physically verified, there is a process of obtaining confirmation from such parties.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion, the company has maintained proper records of inventory. The discrepancies noticed between the physical stocks and the books were not material and have been properly dealt with in the books of account.
- (iii) During the year, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. The Company has waived interest due of ₹ 132.09 lakhs from a subsidiary Company viz. Peiner Umformtechnik GmbH, Peine, Germany for the period upto 31st December, 2014 on a loan granted upto 31st March, 2014. Interest has been charged on the loan granted on or after 1st April, 2014.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regard to purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, no minor or major continuing failure has been noticed in the internal control system.
- (v) The Company has not accepted deposits within the meaning of sections 73 to 76 of the Companies Act, 2013, during the year.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government under section 148(1) of the Companies Act, 2013 for maintenance of cost records and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the records provided to us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities. However, certain delays were noticed in respect of remittance of service tax, employees' state insurance and Income tax into the Government.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added

**Annexure referred to in our report of even date on the financial statements for the year ended 31st March 2015 (Contd.)**

Tax and Cess were in arrears, as at 31st March 2015 for a period of more than six months from the date they became payable.

According to information and explanations furnished to us, the following are the details of the disputed dues that were not deposited with the concerned authorities:

| Name of the statute       | Nature of dues | Amount<br>(₹ In lakhs) | Forum Where the dispute is pending                         |
|---------------------------|----------------|------------------------|--|
| Central Excise Act, 1944. | Excise Duty    | 2.54                   | The Honourable High Court of Judicature at Madras          |
|                           |                | 15.02                  | Customs Excise and Service Tax Appellate Tribunal, Chennai |
|                           |                | 61.95                  | Commissioner (Appeals)                                     |
|                           |                | 50.22                  | Additional / Assistant Commissioner                        |
| Finance Act, 1994         | Service Tax    | 66.56                  | Customs Excise and Service Tax Appellate Tribunal, Chennai |
|                           |                | 41.07                  | Commissioner (Appeals), Chennai                            |
|                           |                | 50.69                  | Joint / Deputy / Assistant Commissioner                    |
| Property Tax              | Property Tax   | 1.56                   | The Honourable High Court of Judicature at Madras          |
| Income Tax Act, 1961      | Income tax     | 19.64                  | The Honourable High Court of Judicature at Madras          |
|                           |                | 331.72                 | Commissioner of Income Tax (Appeals), Chennai              |
| Customs Act, 1962         | Customs duty   | 229.25                 | Customs Excise and Service Tax Appellate Tribunal, Chennai |

- (c) During the year, the Company has transferred the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (viii) The Company neither has accumulated losses as at the end of the financial year nor has incurred cash losses during the financial year and in the immediately preceding financial year.
- (ix) Based on our verification and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to its banks.
- (x) The Company has furnished guarantee to banks and financial institution for loans availed by subsidiary companies. The terms and conditions of such guarantees are not prejudicial to the interests of the Company.
- (xi) The term loans were applied for the purpose for which the loans were obtained.
- (xii) Based on the audit procedures adopted and information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the course of our audit.

Chennai  
May 29, 2015

**For SUNDARAM & SRINIVASAN**  
Chartered Accountants  
Regn. No. 004207S  
**M BALASUBRAMANIAM**  
Partner  
Membership No. F7945

# Sundram Fasteners Limited

## BALANCE SHEET AS AT 31ST MARCH 2015

|                                    |      |                 |                 | ₹ lakhs    |
|------------------------------------|------|-----------------|-----------------|------------|
|                                    | Note | As at 31-3-2015 | As at 31-3-2014 |            |
| <b>I EQUITY AND LIABILITIES</b>    |      |                 |                 |            |
| <b>1. Shareholders' Funds</b>      |      |                 |                 |            |
| (a) Share Capital                  | 1    | 2,101.28        | 2,101.28        |            |
| (b) Reserves & Surplus             | 2    | 83,795.27       | 75,463.00       | 77,564.28  |
|                                    |      | 85,896.55       |                 |            |
| <b>2. Non-Current Liabilities</b>  |      |                 |                 |            |
| (a) Long-Term Borrowings           | 3    | 13,375.00       | 22,896.51       |            |
| (b) Deferred Tax Liabilities (Net) | 4    | 8,586.89        | 9,100.88        |            |
| (c) Long-Term Provisions           | 7    | 337.96          | 283.00          | 32,280.39  |
|                                    |      | 22,299.85       |                 |            |
| <b>3. Current Liabilities</b>      |      |                 |                 |            |
| (a) Short-Term Borrowings          | 3    | 50,933.43       | 36,902.17       |            |
| (b) Trade Payables                 | 5    | 22,563.68       | 21,576.37       |            |
| (c) Other Current Liabilities      | 6    | 18,436.13       | 12,933.87       |            |
| (d) Short-Term Provisions          | 7    | 3,689.18        | 3,757.40        | 75,169.81  |
|                                    |      | 95,622.42       |                 |            |
| Total                              |      | 203,818.82      |                 | 185,014.48 |
| <b>II ASSETS</b>                   |      |                 |                 |            |
| <b>1. Non-Current Assets</b>       |      |                 |                 |            |
| (a) Fixed Assets                   |      |                 |                 |            |
| i) Tangible Assets                 | 8    | 79,507.72       | 78,246.60       |            |
| ii) Capital work-in-progress       | 8    | 1,472.65        | 2,052.97        |            |
| (b) Non-Current Investments        | 9    | 11,392.75       | 12,316.42       |            |
| (c) Long-Term Loans and Advances   | 10   | 16,314.67       | 13,671.79       |            |
| (d) Other Non-Current Assets       | 11   | 33.57           | 33.57           | 106,321.35 |
|                                    |      | 108,721.36      |                 |            |
| <b>2. Current Assets</b>           |      |                 |                 |            |
| (a) Current Investments            | 9    | 302.20          | —               |            |
| (b) Inventories                    | 12   | 37,089.17       | 29,018.16       |            |
| (c) Trade Receivables              | 13   | 40,313.32       | 40,576.56       |            |
| (d) Cash and Cash Equivalents      | 14   | 786.96          | 920.55          |            |
| (e) Short-Term Loans and Advances  | 10   | 16,067.59       | 7,730.24        |            |
| (f) Other Current Assets           | 11   | 538.22          | 447.62          | 78,693.13  |
|                                    |      | 95,097.46       |                 |            |
| Total                              |      | 203,818.82      |                 | 185,014.48 |

**ARUNDATHI KRISHNA**  
Deputy Managing Director

**ARATHI KRISHNA**  
Joint Managing Director

**SURESH KRISHNA**  
Chairman & Managing Director  
As per our report annexed  
For **SUNDARAM & SRINIVASAN**  
Chartered Accountants  
Regn. No. 004207S

**V G JAGANATHAN**  
Chief Financial Officer & Company Secretary

**M BALASUBRAMANIAM**  
Partner  
Membership No. F7945

Chennai  
May 29, 2015

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

|  |      |                         | ₹ lakhs                 |
|--|------|-------------------------|-------------------------|
|  | Note | Year ended<br>31-3-2015 | Year ended<br>31-3-2014 |
| I. Revenue from Operations [Gross]   | 15   | <b>256,344.22</b>       | 218,043.97              |
| Less: Excise Duty  |      | <b>17,767.64</b>        | 15,816.35               |
| Revenue From Operations [Net]  |      | <b>238,576.58</b>       | 202,227.62              |
| II. Other Income   | 16   | <b>2,335.50</b>         | 4,871.94                |
| III. Total Revenue [I + II]  |      | <b>240,912.08</b>       | 207,099.56              |
| IV. <b>EXPENSES</b>  |      |                         |                         |
| Cost of Materials Consumed   | 17   | <b>105,601.84</b>       | 89,455.07               |
| Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade   | 18   | <b>(6,177.78)</b>       | 662.79                  |
| Employee Benefit Expenses  | 19   | <b>23,932.45</b>        | 21,823.08               |
| Finance Costs  | 20   | <b>8,138.60</b>         | 5,857.50                |
| Depreciation and Amortization Expenses & Impairment losses                     | 8    | <b>8,831.50</b>         | 7,636.73                |
| Other Expenses   | 21   | <b>81,876.90</b>        | 64,675.09               |
| Total Expenses   |      | <b>222,203.51</b>       | 190,110.26              |
| V. <b>Profit before exceptional and extraordinary items and tax (III - IV)</b> |      | <b>18,708.57</b>        | 16,989.30               |
| VI. Exceptional Items [Refer Note No. 31 (5(i))]                               |      | <b>1,000.00</b>         | 1,000.00                |
| VII. <b>Profit before extraordinary items and tax (V - VI)</b>                 |      | <b>17,708.57</b>        | 15,989.30               |
| VIII. Extraordinary Items  |      | <b>—</b>                | —                       |
| IX. <b>Profit before tax (VII - VIII)</b>                                      |      | <b>17,708.57</b>        | 15,989.30               |
| X. Tax expense :   |      |                         |                         |
| 1. Current Tax   |      | <b>4,525.00</b>         | 3,833.50                |
| 2. Deferred Tax  |      | <b>15.21</b>            | 66.57                   |
| 3. Earlier years   |      | <b>(363.88)</b>         | —                       |
| XI. <b>Profit for the year</b>   |      | <b>13,532.24</b>        | 12,089.23               |
| XII. Earnings per equity share :   |      |                         |                         |
| 1. Basic   |      | <b>6.44</b>             | 5.75                    |
| 2. Diluted   |      | <b>6.44</b>             | 5.75                    |
| 3. No. of Shares   |      | <b>210,128,370</b>      | 210,128,370             |

**ARUNDATHI KRISHNA**  
Deputy Managing Director

**ARATHI KRISHNA**  
Joint Managing Director

**SURESH KRISHNA**  
Chairman & Managing Director  
As per our report annexed  
For **SUNDARAM & SRINIVASAN**  
Chartered Accountants  
Regn. No. 004207S

**V G JAGANATHAN**  
Chief Financial Officer & Company Secretary

**M BALASUBRAMANIAM**  
Partner  
Membership No. F7945

Chennai  
May 29, 2015

# Sundram Fasteners Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

|  | Year ended<br>31-3-2015 | ₹ lakhs<br>Year ended<br>31-3-2014 |
|--|-------------------------|------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                            |                         |                                    |
| Net Profit before Tax  | 17,708.57               | 15,989.30                          |
| Adjustments for:   |                         |                                    |
| Depreciation   | 8,831.50                | 7,636.73                           |
| Provision for diminution in Investment                                   | 1,000.00                | 1,000.00                           |
| Interest expense (Net)   | 2,729.75                | 3,818.12                           |
| (Profit) / loss on Sale of Investments                                   | (41.60)                 | (84.06)                            |
| (Profit) / loss on Sale of Assets (Net)                                  | 50.17                   | 13.00                              |
| Impairment of Fixed Assets   | (12.16)                 | -                                  |
| Dividend Received  | (1,227.45)              | (1,135.61)                         |
| Unrealised Exchange (gain) / loss  | 4,431.47                | 2,050.81                           |
|  | <u>15,761.68</u>        | <u>13,298.99</u>                   |
| Operating Profit before Extra-ordinary items & Working Capital Changes : | 33,470.25               | 29,288.29                          |
| Adjustments For Changes in Working Capital :                             |                         |                                    |
| Trade and other receivables*   | (12,404.34)             | 3,581.43                           |
| Inventories  | (8,071.01)              | 3,100.06                           |
| Trade and other payables*  | 1,388.56                | 6,436.23                           |
|  | <u>(19,086.79)</u>      | <u>13,117.72</u>                   |
| Cash Generated From Operations   | 14,383.46               | 42,406.01                          |
| Less: Direct Taxes Paid  | 4,442.88                | 3,825.53                           |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>                                | <u>9,940.58</u>         | <u>38,580.48</u>                   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                            |                         |                                    |
| Purchase of Fixed Assets   | (11,808.61)             | (15,082.41)                        |
| Sale of Fixed Assets   | 701.36                  | 36.64                              |
| Sale of Investments  | 45,339.40               | 62,234.07                          |
| Purchase of Investments  | (45,676.36)             | (62,264.40)                        |
| Interest received  | 864.06                  | 499.17                             |
| Dividend received  | 1,227.45                | 1,135.61                           |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>                             | <u>(9,352.70)</u>       | <u>(13,441.32)</u>                 |



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

|   | Year ended<br>31-3-2015 | ₹ lakhs<br>Year ended<br>31-3-2014 |
|---|-------------------------|------------------------------------|
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                             |                         |                                    |
| Term Loans raised during the year*  | <b>4,053.30</b>         | 2,087.40                           |
| Term Loans repaid during the year   | <b>(8,878.95)</b>       | (13,172.26)                        |
| Proceeds from working capital loans(net of repayments)                    | <b>12,212.19</b>        | (6,212.21)                         |
| Capital Subsidy received  | <b>—</b>                | 30.00                              |
| Interest paid   | <b>(3,646.67)</b>       | (4,397.41)                         |
| Dividend & Dividend Taxes Paid  | <b>(4,461.34)</b>       | (3,626.10)                         |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>                              | <b>(721.47)</b>         | (25,290.58)                        |
| <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b> | <b>(133.59)</b>         | (151.42)                           |
| <b>CASH AND CASH EQUIVALENTS - Opening Balance</b>                        | <b>954.12</b>           | 1,105.54                           |
| <b>CASH AND CASH EQUIVALENTS - Closing Balance</b>                        | <b>820.53</b>           | 954.12                             |
| <b>Notes :</b>  |                         |                                    |
| <b>CASH AND CASH EQUIVALENTS include</b>                                  |                         |                                    |
| a) Cash and Cheques on hand   | <b>396.91</b>           | 676.47                             |
| b) With Scheduled Banks:  |                         |                                    |
| i) Current Account  | <b>219.00</b>           | 94.68                              |
| ii) Deposit Accounts  | <b>33.57</b>            | 33.57                              |
| iii) Dividend Warrant Accounts  | <b>171.05</b>           | 149.40                             |
|   | <b>820.53</b>           | 954.12                             |

\* Excludes unrealised exchange loss of ₹ 4,431.47 lakhs (Last year loss of ₹ 2,050.81 lakhs)

**ARUNDATHI KRISHNA**  
Deputy Managing Director

**ARATHI KRISHNA**  
Joint Managing Director

**SURESH KRISHNA**  
Chairman & Managing Director  
As per our report annexed  
For **SUNDARAM & SRINIVASAN**  
Chartered Accountants  
Regn. No. 004207S

**V G JAGANATHAN**  
Chief Financial Officer & Company Secretary

**M BALASUBRAMANIAM**  
Partner  
Membership No. F7945

Chennai  
May 29, 2015

# Sundram Fasteners Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

|  | As at<br>31-3-2015 | As at<br>31-3-2014 |
|--|--------------------|--------------------|
| <b>1 SHARE CAPITAL</b>                               |                    |                    |
| a) <b>Authorised</b>                                 |                    |                    |
| 25,00,00,000 Equity Shares of ₹ 1 each               | <u>2,500.00</u>    | <u>2,500.00</u>    |
| b) <b>Issued</b>                                     |                    |                    |
| 21,01,28,370 Equity Shares of ₹ 1 each               | <u>2,101.28</u>    | <u>2,101.28</u>    |
| c) <b>Subscribed and Paid-up</b>                     |                    |                    |
| 21,01,28,370 Equity Shares of ₹ 1 each fully paid-up | <u>2,101.28</u>    | <u>2,101.28</u>    |

**d) Reconciliation of number of shares :**

| Equity Shares                          | As at 31-3-2015 |                  | As at 31-3-2014 |                  |
|--|-----------------|------------------|-----------------|------------------|
|  | No. of shares   | Value in ₹ lakhs | No. of shares   | Value in ₹ lakhs |
| 1 Balance at the beginning of the year | 210,128,370     | 2,101.28         | 210,128,370     | 2,101.28         |
| 2 Add: Shares issued during the year   | —               | —                | —               | —                |
| 3 Bonus Shares issued during the year  | —               | —                | —               | —                |
| 4 Balance at the end of the year       | 210,128,370     | 2,101.28         | 210,128,370     | 2,101.28         |

**e) Terms / rights attached to shares :**

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

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

**f) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

| Name of the Shareholder                             | As at 31-3-2015 |                                    | As at 31-3-2014 |                                    |
|---|-----------------|------------------------------------|-----------------|------------------------------------|
|   | No. of Shares   | Shares as % of Total No. of Shares | No. of shares   | Shares as % of Total No. of Shares |
| 1. T V Sundram Iyengar & Sons Private Ltd., Madurai | 53,312,000      | 25.37                              | 53,312,000      | 25.37                              |
| 2. Southern Roadways Limited, Madurai               | 50,773,280      | 24.16                              | 50,773,280      | 24.16                              |
| Sub Total   | 104,085,280     | 49.53                              | 104,085,280     | 49.53                              |
| 3. Total No. of Equity Shares of the Company        | 210,128,370     | 100.00                             | 210,128,370     | 100.00                             |

**g) Bonus Shares / Buy Back / Shares for consideration other than cash issued during the period of five years immediately preceding the financial year ended 31<sup>st</sup> March 2015 :**

- Aggregate number of equity shares allotted as fully paid up pursuant to contracts without payment being received in cash : Nil
- Aggregate number of equity shares allotted as fully paid up by way of Bonus Shares : Nil
- Aggregate number of equity shares bought back : Nil

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|          |  | ₹ lakhs                        |                             |
|----------|--|--------------------------------|-----------------------------|
|          |  | As at<br>31-3-2015             | As at<br>31-3-2014          |
| <b>2</b> | <b>RESERVES AND SURPLUS</b>  |                                |                             |
| a)       | <b>General Reserve</b>   |                                |                             |
| 1.       | Balance as at the beginning of the year  | 67,474.96                      | 59,974.96                   |
| 2.       | Add : Transfer from Surplus in Statement of profit and loss  | —                              | 7,500.00                    |
| 3.       | Less : Depreciation charged to retained earnings as per Schedule II of the Companies Act, 2013 [Refer Note No.8] |                                |                             |
| a        | Depreciation charged to retained earnings  | 1,556.94                       | —                           |
| b        | Deferred Tax reversal consequent to above  | (529.20)                       | —                           |
| c        | Net Amount Charged to retained earnings (a + b)  | 1,027.74                       | —                           |
|          | Sub Total  | 66,447.22                      | 67,474.96                   |
| 4.       | Balance as at the end of the year  | 66,447.22                      | 67,474.96                   |
| b)       | <b>Capital Reserve</b>   |                                |                             |
| 1.       | Balance as at the beginning of the year  | 30.00                          | —                           |
| 2.       | Add : Capital Subsidy from state government  | —                              | 30.00                       |
| 3.       | Balance as at the end of the year [1 + 2]  | 30.00                          | 30.00                       |
| c)       | <b>Surplus in Statement of Profit and Loss</b>   |                                |                             |
| 1.       | Balance as at the beginning of the year  | 7,958.04                       | 7,352.56                    |
| 2.       | Profit for the year  | 13,532.24                      | 12,089.23                   |
| 3.       | Balance available for appropriation(1 + 2)   | 21,490.28                      | 19,441.79                   |
|          | <b>Appropriations:</b>   |                                |                             |
| 4.       | First Interim Dividend Paid  | 1,786.09                       | 1,470.90                    |
| 5.       | Tax Paid thereon   | 346.59                         | 192.98                      |
| 6.       | Second Interim Dividend payable  | 1,891.16                       | 2,101.28                    |
| 7.       | Tax Payable thereon  | 148.39                         | 227.38                      |
| 8.       | Excess Provision for dividend tax written back   | —                              | (8.79)                      |
| 9.       | Transfer to General Reserve  | —                              | 7,500.00                    |
| 10.      | Amount appropriated during the year  | 4,172.23                       | 11,483.75                   |
| 11.      | Balance at the end of the year(3-10)   | 17,318.05                      | 7,958.04                    |
| d)       | <b>Total Reserves and Surplus (a + b + c)</b>  | 83,795.27                      | 75,463.00                   |
|          |  | <b>Long-term / Non-current</b> | <b>Short-term / Current</b> |
|          |  | As at                          | As at                       |
|          |  | 31-3-2015                      | 31-3-2014                   |
| <b>3</b> | <b>BORROWINGS</b>  |                                |                             |
| a)       | <b>Secured</b>   |                                |                             |
| i)       | Term Loans   | 13,375.00                      | 20,896.51                   |
| ii)      | Working Capital Loans*   | —                              | —                           |
| (A)      |  | 13,375.00                      | 20,896.51                   |
| b)       | <b>Unsecured</b>   |                                |                             |
| i)       | Term Loans   | —                              | 2,000.00                    |
| ii)      | Working Capital Loans  | —                              | —                           |
| (B)      |  | —                              | 2,000.00                    |
|          | Total (A + B)  | 13,375.00                      | 22,896.51                   |
|          |  | 50,933.43                      | 36,902.17                   |

\* Secured by hypothecation of current assets viz., stocks of raw materials, work-in-process and finished goods.

# Sundram Fasteners Limited

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

₹ lakhs

### 3A LONG-TERM BORROWINGS - FROM BANKS - MATURITY PROFILE

| Particulars               | FY 2016-17      | FY 2017-18      | FY 2018-19      |
|---------------------------|-----------------|-----------------|-----------------|
| a) Term Loans - Secured*  | 3,125.00        | 7,125.00        | 3,125.00        |
| b) Term Loans - Unsecured | –               | –               | –               |
| Total                     | <b>3,125.00</b> | <b>7,125.00</b> | <b>3,125.00</b> |

\* Secured by first charge on movable fixed assets, present and future.

|   | As at<br>31-3-2015 | As at<br>31-3-2014 |
|---|--------------------|--------------------|
| <b>4 DEFERRED TAX LIABILITY / ASSETS</b>  |                    |                    |
| <b>a) Deferred Tax Liability</b>  |                    |                    |
| <b>On Depreciation :</b>  |                    |                    |
| As per last Balance Sheet   | <b>9,809.82</b>    | 9,513.03           |
| For the current year (transferred from<br>Statement of Profit & Loss)                 | <b>259.86</b>      | 296.79             |
| Tax effect on depreciation as per Companies Act,<br>2013 charged to retained earnings | <b>(529.20)</b>    | –                  |
| Sub Total   | <b>9,540.48</b>    | 9,809.82           |
| <b>b) Deferred Tax Asset :</b>  |                    |                    |
| <b>i. On Provision for Leave Salary</b>   |                    |                    |
| As per last Balance Sheet   | <b>(157.16)</b>    | (152.93)           |
| For the current year (transferred from<br>Statement of Profit & Loss)                 | <b>(12.82)</b>     | (4.23)             |
| <b>ii. Others</b>   |                    |                    |
| As per last Balance Sheet   | <b>(551.78)</b>    | (325.79)           |
| For the current year (transferred from<br>Statement of Profit & Loss)                 | <b>(231.83)</b>    | (225.99)           |
| Sub Total   | <b>(953.59)</b>    | (708.94)           |
| <b>c) Net Deferred Tax Liability (a + b)</b>  | <b>8,586.89</b>    | 9,100.88           |

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|   |  |                         |                    |                      | ₹ lakhs            |
|---|--|-------------------------|--------------------|----------------------|--------------------|
|   |  | Long-term / Non-current |                    | Short-term / Current |                    |
|   |  | As at<br>31-3-2015      | As at<br>31-3-2014 | As at<br>31-3-2015   | As at<br>31-3-2014 |
| <b>5</b>  | <b>TRADE PAYABLES</b>  |                         |                    |                      |                    |
|   | Sundry Creditors for Goods Purchased / Services availed                | —                       | —                  | <b>22,563.68</b>     | 21,576.37          |
|   |  | —                       | —                  | <b>22,563.68</b>     | 21,576.37          |
|   | Trade Payables includes :  |                         |                    |                      |                    |
| a)  | Total outstanding Dues of Micro, Small & Medium Enterprises (MSMEs) ** | —                       | —                  | <b>347.73</b>        | 162.36             |
| b)  | Total outstanding Dues of creditors other than MSMEs                   | —                       | —                  | <b>22,215.95</b>     | 21,414.01          |
|   | Total  | —                       | —                  | <b>22,563.68</b>     | 21,576.37          |
| ** Based on the information available with the Company in respect of Micro, Small & Medium Enterprises (as defined in 'The Micro, Small & Medium Enterprises Development Act, 2006'). The Company is generally regular in making payments of dues to such enterprises. Hence the question of payments of interest or provision towards belated payments does not arise. |  |                         |                    |                      |                    |
| <b>6</b>  | <b>OTHER LIABILITIES</b>   |                         |                    |                      |                    |
| a)  | Current Maturities of Long-Term Debt                                   | —                       | —                  | <b>10,748.10</b>     | 5,308.98           |
| b)  | Interest accrued but not due   | —                       | —                  | <b>155.60</b>        | 208.45             |
| c)  | Unclaimed Dividend   | —                       | —                  | <b>171.05</b>        | 149.40             |
| d)  | Statutory Dues   | —                       | —                  | <b>852.94</b>        | 623.90             |
| e)  | Trade deposits   | —                       | —                  | <b>213.11</b>        | 125.16             |
| f)  | Unclaimed Wages & Salaries   | —                       | —                  | <b>27.79</b>         | 25.40              |
| g)  | Unclaimed Bonus  | —                       | —                  | <b>4.80</b>          | 5.97               |
| h)  | Bonus Payable  | —                       | —                  | <b>243.01</b>        | 251.12             |
| i)  | Outstanding Liabilities  | —                       | —                  | <b>5,519.47</b>      | 5,919.28           |
| j)  | Customer Advances  | —                       | —                  | <b>279.70</b>        | 161.24             |
| k)  | Non-Statutory dues   | —                       | —                  | <b>220.56</b>        | 154.97             |
|   | Total  | —                       | —                  | <b>18,436.13</b>     | 12,933.87          |
| <b>7</b>  | <b>PROVISIONS</b>  |                         |                    |                      |                    |
| (i)   | <b>Employee Benefits</b>   |                         |                    |                      |                    |
| a)  | Leave Salary   | <b>337.96</b>           | 283.00             | <b>163.23</b>        | 180.47             |
| b)  | Gratuity   | —                       | —                  | <b>482.30</b>        | 441.19             |
| (ii)  | <b>Others</b>  |                         |                    |                      |                    |
| a)  | Second Interim dividend payable  | —                       | —                  | <b>1,891.16</b>      | 2,101.28           |
| b)  | Dividend distribution tax payable                                      | —                       | —                  | <b>148.39</b>        | 227.38             |
| c)  | Expenses   | —                       | —                  | <b>1,004.10</b>      | 807.08             |
|   | Total  | <b>337.96</b>           | 283.00             | <b>3,689.18</b>      | 3,757.40           |

# Sundram Fasteners Limited

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### 8 FIXED ASSETS

₹ lakhs

| Particulars  | Tangible  |                  |                   |                  |                        |                      |                   |               |                   | Intangible         | Total as at 31-03-2015 | Total as at 31-03-2014 |
|--|-----------|------------------|-------------------|------------------|------------------------|----------------------|-------------------|---------------|-------------------|--------------------|------------------------|------------------------|
|  | Aircraft* | Land - Free Hold | Land - Lease Hold | Buildings        | Plant and Equip-ment # | Furniture & Fixtures | Office Equip-ment | Vehicles      | Total             | Technical Know-How |                        |                        |
| <b>A Cost of Assets</b>  |           |                  |                   |                  |                        |                      |                   |               |                   |                    |                        |                        |
| As at 01-4-2014  | 720.99    | 3,988.77         | 738.19            | 14,995.50        | 114,378.35             | 697.60               | 2,076.01          | 407.37        | 138,002.78        | 490.38             | <b>138,493.16</b>      | 123,616.87             |
| Additions  | -         | 3.26             | -                 | 1,371.01         | 10,498.00              | 74.73                | 417.34            | 24.97         | 12,389.31         | -                  | <b>12,389.31</b>       | 15,170.03              |
| Sales / Discards   | (720.99)  | -                | -                 | (64.12)          | (696.95)               | (1.81)               | (13.86)           | (19.90)       | (1,517.63)        | -                  | <b>(1,517.63)</b>      | (293.74)               |
| Other Adjustments  | -         | -                | -                 | -                | (0.38)                 | -                    | -                 | -             | (0.38)            | -                  | <b>(0.38)</b>          | -                      |
| Transfer   | -         | -                | -                 | -                | (0.35)                 | 0.35                 | -                 | -             | -                 | -                  | -                      | -                      |
| <b>As at 31-3-2015</b>   | <b>-</b>  | <b>3,992.03</b>  | <b>738.19</b>     | <b>16,302.39</b> | <b>124,178.67</b>      | <b>770.87</b>        | <b>2,479.49</b>   | <b>412.44</b> | <b>148,874.08</b> | <b>490.38</b>      | <b>149,364.46</b>      | <b>138,493.16</b>      |
| <b>B Depreciation /Amortization</b>                                      |           |                  |                   |                  |                        |                      |                   |               |                   |                    |                        |                        |
| As at 01-4-2014  | 134.63    | -                | 51.77             | 3,900.63         | 53,658.05              | 433.47               | 1,408.39          | 169.24        | 59,756.18         | 490.38             | <b>60,246.56</b>       | 52,853.93              |
| For the year   | 32.83     | -                | 6.38              | 447.08           | 8,046.71               | 48.79                | 196.85            | 52.86         | 8,831.50          | -                  | <b>8,831.50</b>        | 7,613.05               |
| Deduction on sale or discards  | (167.46)  | -                | -                 | (46.64)          | (519.54)               | (0.67)               | (13.17)           | (18.62)       | (766.10)          | -                  | <b>(766.10)</b>        | (244.10)               |
| Other Adjustments  |           |                  |                   |                  |                        |                      |                   |               |                   | -                  |                        |                        |
| - Transfer   | -         | -                | -                 | -                | 0.02                   | 0.08                 | (0.10)            |               | -                 | -                  | -                      | -                      |
| - Impairment loss /(reversal)  | -         | -                | -                 | -                | (12.16)                | -                    | -                 | -             | (12.16)           | -                  | <b>(12.16)</b>         | 23.68                  |
| - Charged to Retained Earnings as per requirement of Companies Act, 2013 | -         | -                | -                 | 18.25            | 1,461.19               | 15.65                | 60.44             | 1.41          | 1,556.94          | -                  | <b>1,556.94</b>        | -                      |
| <b>As at 31-3-2015</b>   | <b>-</b>  | <b>-</b>         | <b>58.15</b>      | <b>4,319.32</b>  | <b>62,634.27</b>       | <b>497.32</b>        | <b>1,652.41</b>   | <b>204.89</b> | <b>69,366.36</b>  | <b>490.38</b>      | <b>69,856.74</b>       | <b>60,246.56</b>       |
| <b>C Written Down Value</b>  |           |                  |                   |                  |                        |                      |                   |               |                   |                    |                        |                        |
| <b>As at 31-3-2015</b>   | <b>-</b>  | <b>3,992.03</b>  | <b>680.04</b>     | <b>11,983.07</b> | <b>61,544.40</b>       | <b>273.55</b>        | <b>827.08</b>     | <b>207.55</b> | <b>79,507.72</b>  | <b>-</b>           | <b>79,507.72</b>       |                        |
| As at 31-3-2014  | 586.36    | 3,988.77         | 686.42            | 11,094.87        | 60,720.30              | 264.13               | 667.62            | 238.13        | 78,246.60         | -                  | 78,246.60              |                        |
| <b>D Capital Work-in-Progress</b>  |           |                  |                   |                  |                        |                      |                   |               |                   |                    |                        |                        |
| <b>As at 31-3-2015</b>   | <b>-</b>  | <b>-</b>         | <b>-</b>          | <b>249.10</b>    | <b>1,218.99</b>        | <b>4.56</b>          | <b>-</b>          | <b>-</b>      | <b>1,472.65</b>   | <b>-</b>           | <b>1,472.65</b>        |                        |
| As at 31-3-2014  | -         | -                | -                 | -                | 2,039.27               | 13.70                | -                 | -             | 2,052.97          | -                  | 2,052.97               |                        |

\* Jointly Owned [Vide Note No. 31 (27) (A)].

# Includes assets under operating lease to sub-contractors (Cost ₹ 2,932.99 lakhs, Accumulated Depreciation ₹ 1,935.97 lakhs, Written Down Value ₹ 997.02 lakhs).

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|          |   | As at             | ₹ lakhs            |
|----------|---|-------------------|--------------------|
|          |   | 31-3-2015         | As at<br>31-3-2014 |
| <b>9</b> | <b>A. INVESTMENTS – Long-Term / Non-Current</b>   |                   |                    |
|          | <b>1. Non-Trade (Valued at Cost unless otherwise stated)</b>  |                   |                    |
|          | <b>Quoted equity instruments</b>  |                   |                    |
|          | a) 75,000 Equity Shares of ₹ 2 each in Housing Development Finance Corporation Limited, Mumbai  | <b>0.94</b>       | 0.94               |
|          | b) 2,500 Equity Shares of ₹ 2 each in HDFC Bank Limited, Mumbai   | <b>0.05</b>       | 0.05               |
|          | c) 20,439 Equity Shares of ₹ 10 each in IDBI Bank Limited, Mumbai   | <b>9.23</b>       | 9.23               |
|          | Sub Total   | <b>10.22</b>      | 10.22              |
|          | <b>Unquoted equity instruments</b>  |                   |                    |
|          | a) 1,25,000 Equity Shares of ₹ 10 each in Madras Engineering Industries Private Limited, Chennai  | <b>12.50</b>      | 12.50              |
|          | b) 100 Shares of ₹ 5 each in TVS- Co-operative Stores Limited, Madurai  | <b>–</b>          | –                  |
|          | Sub Total   | <b>12.50</b>      | 12.50              |
|          | Total of 1  | <b>22.72</b>      | 22.72              |
|          | <b>2. Trade - (Valued at Cost unless otherwise stated)</b>  |                   |                    |
|          | <b>Unquoted equity instruments / preference instruments / capital contribution</b>  |                   |                    |
|          | <b>Investment in subsidiaries</b>   |                   |                    |
|          | a) 24,90,000 Equity Shares of ₹ 10 each in Sundram Fasteners Investments Limited, Chennai (extent of holding - 100%)  | <b>249.00</b>     | 249.00             |
|          | b) 14,00,000 Equity Shares of £ 1 each fully paid up in Cramlington Precision Forge Limited, Northumberland, UK (extent of holding - 100%)                            | <b>1,117.12</b>   | 1,117.12           |
|          | 5,00,000 6% Redeemable Preference shares of £ 1 each fully paid up in Cramlington Precision Forge Limited   | <b>406.02</b>     | 406.02             |
|          | c) 3,50,000 Ordinary Shares of RM 1 each in Sundram RBI Sdn. Bhd. Kuala Lumpur, (Formerly RBI Auto Parts Sdn. Bhd., Kuala Lumpur, Malaysia) (extent of holding - 70%) | <b>68.00</b>      | 68.00              |
|          | Less : Provision for diminution in value of investments<br>[Vide Note No. 31 (13) (a)]  | <b>(68.00)</b>    | (68.00)            |
|          | d) 53,20,000 Equity Shares of ₹ 10 each in Sundram Bleistahl Limited, Chennai (extent of holding - 76%)   | <b>532.00</b>     | 532.00             |
|          | e) 18,215 Shares of US \$ 10 each in Sundram International Inc., Michigan, USA (extent of holding - 100%)   | <b>81.46</b>      | 81.46              |
|          | Less : Provision for diminution in value of investments<br>[Vide Note No. 31 (13) (a)]  | <b>(81.46)</b>    | (81.46)            |
|          | f) Purchase price of Equity Share Capital in Peiner Umformtechnik, GmbH, Peine, Federal Republic of Germany (extent of holding - 100%)                                | <b>4,791.55</b>   | 4,791.55           |
|          | Less : Provision for diminution in value of investments<br>[Vide Note No. 31 (13) (a)]  | <b>(3,000.00)</b> | (2,000.00)         |
|          | g) Capital Contribution in PUT Grundstucks GmbH, Peine, Federal Republic of Germany (extent of holding - 100%)  | <b>15.23</b>      | 15.23              |
|          | h) Capital Contribution in Sundram Fasteners (Zhejiang) Limited, Zhejiang, People's Republic of China (extent of holding - 100%)                                      | <b>5,687.60</b>   | 5,687.60           |
|          | i) 1,18,99,674 Equity Shares of ₹ 10 each in Upasana Engineering Limited, Chennai (extent of holding - 100%)  | <b>1,191.70</b>   | 1,191.70           |

# Sundram Fasteners Limited

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|  |  | ₹ lakhs          |                  |
|--|--|------------------|------------------|
|  |  | As at            | As at            |
|  |  | 31-3-2015        | 31-3-2014        |
| <b>9 INVESTMENTS (Contd.)</b>  |  |                  |                  |
| j) 2,64,691 Equity Shares of ₹ 10 each fully paid up in Sundram Non-Conventional Energy Systems Limited, Chennai (extent of holding - 52.94%)        |  | 92.87            | 92.87            |
| k) Capital Contribution in TVS Peiner Services, GmbH (Formerly Peiner Logistik, GmbH), Peine, Federal Republic of Germany (extent of holding - 100%) |  | 15.34            | 15.34            |
| <b>Investment in Associate / Joint Venture</b>   |  |                  |                  |
| Capital Contribution in Windbolt, GmbH, Hohenstein-Ernstthal, Federal Republic of Germany (extent holding - 24.99%)                                  |  | 22.22            | 22.22            |
| Total of 2   |  | <u>11,120.65</u> | <u>12,120.65</u> |
| <b>3. Other Investments (Valued at Cost)</b>   |  |                  |                  |
| <b>Unquoted</b>  |  |                  |                  |
| <b>Investment in Venture Capital Fund [Non-Trade]</b>  |  |                  |                  |
| Venture Capital Fund - 3,626 Units of ₹ 100 each in ICICI Emerging Sectors Fund, Bengaluru   |  | 3.63             | 3.63             |
| <b>Investment in Equity Shares [Trade]</b>   |  |                  |                  |
| a) 35 Shares of ₹ 100 each (₹ 65 paid up) in The Adyar Property Holding Co. Ltd. [Vide Note No. 31 (29) (A) on Contingent Liabilities]               |  | —                | —                |
| b) 45,788 Equity Shares of ₹ 10 each (Class A) and 1,04,692 Equity Shares of ₹ 10 each (Class B) in PPS Enviro Power Pvt. Ltd., Hyderabad*           |  | 54.99            | 54.99            |
| c) 2,59,875 equity shares of ₹ 10 each in Clarion Wind Farm Pvt Ltd, Chennai *   |  | 25.99            | —                |
| d) 8,67,190 Equity Shares of ₹ 10 each of Class A in Beta Wind Farm Pvt. Ltd, Chennai * [Last Year 6,02,097 Equity Shares]                           |  | 164.77           | 114.40           |
| Total of 3   |  | <u>249.38</u>    | <u>173.02</u>    |
| <b>4. Government Securities [Non-Trade]</b>  |  |                  |                  |
| Kisan Vikas Patra (Series Nos. 43AA 954864, 43AA 954863, 07EE053434)   |  | —                | 0.03             |
| Total (1 + 2 + 3 + 4)  |  | <u>11,392.75</u> | <u>12,316.42</u> |
| <b>B. INVESTMENTS – Short-Term / Current</b>   |  | <b>As at</b>     | <b>As at</b>     |
|  |  | <b>31-3-2015</b> | <b>31-3-2014</b> |
| <b>1. Other Investments (Valued At Cost)</b>   |  |                  |                  |
| <b>Investment in Mutual Funds [Non-Trade]</b>  |  |                  |                  |
| 1024575.212 units in Sundaram Money Fund scheme of Sundaram Asset Management Co Ltd, Chennai.  |  | 302.20           | —                |
| Total  |  | <u>302.20</u>    | <u>—</u>         |
| Total (A + B)  |  | <u>11,694.95</u> | <u>12,316.42</u> |
| <b>C. TOTAL INVESTMENTS</b>  |  |                  |                  |
| a) Aggregate Cost of Quoted investments  |  | 10.22            | 10.22            |
| b) Aggregate Cost of Unquoted Investments  |  | 11,684.73        | 12,306.20        |
| Total (a + b)  |  | <u>11,694.95</u> | <u>12,316.42</u> |
| c) Aggregate provision for diminution in value of investments  |  | 3,149.46         | 2,149.46         |
| d) Market Value of Quoted Investments  |  | 1,026.85         | 694.99           |
| * The right to sell / transfer these shares are subject to terms and conditions of shareholder agreement.  |  |                  |                  |



## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

| ₹ lakhs   |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | Non-current        |                    | Current            |                    |
|   | As at<br>31-3-2015 | As at<br>31-3-2014 | As at<br>31-3-2015 | As at<br>31-3-2014 |
| <b>10 LOANS AND ADVANCES (UNSECURED,<br/>CONSIDERED GOOD UNLESS STATED<br/>OTHERWISE)</b> |                    |                    |                    |                    |
| A) Capital Advance  | <b>1,415.72</b>    | 972.80             | —                  | —                  |
| B) Security Deposits  | <b>2,158.85</b>    | 1,524.00           | —                  | —                  |
| C) Loans and Advances to Related Parties<br>(refer note on related party)                 | <b>10,363.27</b>   | 9,864.48           | <b>825.00</b>      | 1,180.00           |
| D) Other Loans and Advances   |                    |                    |                    |                    |
| Advance Income-tax (net of provision<br>for taxation)                                     | <b>2,012.82</b>    | 964.95             | —                  | 432.81             |
| Prepaid Expenses  | —                  | —                  | <b>588.26</b>      | 570.83             |
| Loans / Advances to employees   | <b>364.01</b>      | 345.56             | <b>15.97</b>       | 12.49              |
| Balance with statutory / government authorities   | —                  | —                  | <b>5,638.71</b>    | 17.27              |
| Advances to suppliers   | —                  | —                  | <b>576.07</b>      | 829.49             |
| Advances recoverable in Cash or in kind   | —                  | —                  | <b>8,423.58</b>    | 4,687.35           |
| Total (A + B + C + D)   | <b>16,314.67</b>   | 13,671.79          | <b>16,067.59</b>   | 7,730.24           |
| <b>11 OTHER ASSETS (UNSECURED,<br/>CONSIDERED GOOD UNLESS<br/>STATED OTHERWISE)</b>       |                    |                    |                    |                    |
| a Electricity deposits  | <b>33.57</b>       | 33.57              | —                  | —                  |
| b Interest receivable   | —                  | —                  | <b>672.73</b>      | 447.62             |
| Less: Provision for doubtful debts -<br>others  | —                  | —                  | <b>(136.01)</b>    | —                  |
| c Others  | —                  | —                  | <b>1.50</b>        | —                  |
| Total (a + b + c)   | <b>33.57</b>       | 33.57              | <b>538.22</b>      | 447.62             |

# Sundram Fasteners Limited

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|  | As at<br>31-3-2015 | ₹ lakhs<br>As at<br>31-3-2014 |
|--|--------------------|-------------------------------|
| <b>12 INVENTORIES (VALUED AT LOWER OF COST AND NET REALIZABLE VALUE) *</b>   |                    |                               |
| a) Stores & Spares   | 937.86             | 1,202.20                      |
| b) Stores & Spares in Transit  | 35.99              | —                             |
| c) Loose tools   | 2,386.94           | 1,871.53                      |
| d) Loose tools in Transit  | 2.28               | —                             |
| e) Raw Materials and components  | 8,513.56           | 7,081.22                      |
| f) Raw Materials and components in Transit   | 1,317.64           | 1,141.20                      |
| g) Work-in-process   | 8,168.34           | 7,066.73                      |
| h) Work-in-process in Transit  | 20.03              | 30.49                         |
| i) Finished Goods  | 15,700.96          | 10,624.79                     |
| j) Finished Goods in Transit   | 5.57               | —                             |
| Total  | <u>37,089.17</u>   | <u>29,018.16</u>              |
| * Certified by Chairman and Managing Director  |                    |                               |
| <b>13 TRADE RECEIVABLES</b>  |                    |                               |
| <b>A) Unsecured, considered good unless stated otherwise</b>   |                    |                               |
| i) Outstanding for a period exceeding 6 months from the date they are due for payment  | 39.12              | 29.20                         |
| ii) Other Receivables  | 40,274.20          | 40,547.36                     |
| Sub Total  | <u>40,313.32</u>   | <u>40,576.56</u>              |
| <b>B) Doubtful</b>   |                    |                               |
| i) Others  | —                  | 4.26                          |
| Less : Provision for bad and doubtful debts  | —                  | (4.26)                        |
| Sub Total  | <u>—</u>           | <u>—</u>                      |
| Total (A + B)  | <u>40,313.32</u>   | <u>40,576.56</u>              |
| <b>14 CASH AND CASH EQUIVALENTS<sup>#</sup></b>  |                    |                               |
| <b>a) Balances with Bank</b>   |                    |                               |
| i) Current Account   | 219.00             | 94.68                         |
| ii) Deposit Accounts*  | 33.57              | 33.57                         |
| iii) Earmarked balances with banks - Dividend Warrant Accounts   | 171.05             | 149.40                        |
| <b>b) Cheques on hand</b>  | 370.32             | 651.98                        |
| <b>c) Cash on hand</b>   | 26.59              | 24.49                         |
|  | <u>820.53</u>      | <u>954.12</u>                 |
| *Deposits have been lodged with electricity board to meet the security deposit requirements, hence classified under other Non-current Bank Balance | (33.57)            | (33.57)                       |
| Actual Balances with Bank  | <u>786.96</u>      | <u>920.55</u>                 |

<sup>#</sup>The details furnished above are current items and there are no non-current items.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|   |  | Year ended<br>31-3-2015 | ₹ lakhs<br>Year ended<br>31-3-2014 |
|---|--|-------------------------|------------------------------------|
| <b>15 REVENUE FROM OPERATION</b>  |  |                         |                                    |
| a) <b>Sales of Products</b> (Refer Note 15A)  |  |                         |                                    |
| Domestic Sales  |  | <b>160,400.97</b>       | 137,514.74                         |
| Export Sales  |  | <b>89,871.55</b>        | 76,075.30                          |
| Sub Total   |  | <b>250,272.52</b>       | 213,590.04                         |
| b) <b>Sales of Service</b>  |  |                         |                                    |
| Sub Contract Receipts   |  | <b>93.90</b>            | 120.58                             |
| c) <b>Other Operating Revenues</b> (Refer Note 15B)                                       |  | <b>5,977.80</b>         | 4,333.35                           |
| Sub Total (a + b + c)   |  | <b>256,344.22</b>       | 218,043.97                         |
| Less : Excise Duty  |  | <b>17,767.64</b>        | 15,816.35                          |
| Total   |  | <b>238,576.58</b>       | 202,227.62                         |
| <b>15A DETAILS OF PRODUCTS SOLD</b>   |  |                         |                                    |
| a) High tensile fasteners   |  | <b>89,502.11</b>        | 77,231.01                          |
| b) Automotive & other miscellaneous cold formed / extruded parts / precision formed gears |  | <b>15,301.34</b>        | 13,266.86                          |
| c) Powder metal parts   |  | <b>22,541.64</b>        | 21,485.13                          |
| d) Iron powder  |  | <b>1,535.07</b>         | 1,030.69                           |
| e) Radiator caps  |  | <b>5,998.92</b>         | 5,910.40                           |
| f) Gear Shifters  |  | <b>276.60</b>           | 415.67                             |
| g) Tyre Carriers  |  | <b>118.99</b>           | 148.19                             |
| h) Hot and warm forged parts  |  | <b>3,858.07</b>         | 2,058.16                           |
| i) Pump Assemblies (Water / Oil / Fuel Pumps)   |  | <b>39,371.61</b>        | 37,404.05                          |
| j) Engine Components  |  | <b>41,784.72</b>        | 32,740.67                          |
| k) Water / Oil Pumps Kits and Spares  |  | <b>4,143.99</b>         | 4,062.69                           |
| l) Shafts   |  | <b>12,777.67</b>        | 5,505.13                           |
| m) Hubs   |  | <b>7,340.34</b>         | 7,203.65                           |
| n) Sprockets  |  | <b>3,847.61</b>         | 3,411.42                           |
| o) Nozzle Ring Assembly   |  | <b>1,867.21</b>         | 1,716.32                           |
| p) Others   |  | <b>6.63</b>             | —                                  |
| Total   |  | <b>250,272.52</b>       | 213,590.04                         |
| <b>15B OTHER OPERATING REVENUE</b>  |  |                         |                                    |
| a) Scrap Sales [Includes excise duty of ₹ 377 lakhs(₹ 344.01 lakhs)]                      |  | <b>4,958.10</b>         | 3,993.53                           |
| b) Lease Income   |  | <b>75.36</b>            | 75.36                              |
| c) Export Incentives  |  | <b>944.34</b>           | 264.46                             |
| Total   |  | <b>5,977.80</b>         | 4,333.35                           |

# Sundram Fasteners Limited

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|   |                         | ₹ lakhs                 |
|---|-------------------------|-------------------------|
|   | Year ended<br>31-3-2015 | Year ended<br>31-3-2014 |
| <b>16 OTHER INCOME</b>  |                         |                         |
| a) Interest Income  | 864.06                  | 499.17                  |
| b) Net Foreign exchange gain (net off loss)                               | 113.32                  | 3,052.37                |
| c) Dividends - Subsidiary Companies                                       | 1,215.16                | 1,125.23                |
| d) Dividends - From Other Companies                                       | 12.29                   | 10.38                   |
| e) Miscellaneous Income   | 65.05                   | 78.23                   |
| f) Profit on Sale of Assets   | 24.02                   | 22.50                   |
| g) Profit on Sale of Investment in Mutual funds                           | 41.60                   | 84.06                   |
| Total   | <u>2,335.50</u>         | <u>4,871.94</u>         |
| <b>17 RAW MATERIALS INCLUDING PACKING MATERIALS CONSUMED</b>              |                         |                         |
| Opening Stock of Raw Materials  | 7,081.22                | 9,489.66                |
| Add : Purchase of Materials   | 107,034.18              | 87,046.63               |
| Less : Closing Stock of Raw Materials                                     | 8,513.56                | 7,081.22                |
| Total   | <u>105,601.84</u>       | <u>89,455.07</u>        |
| <b>Consumption of Raw Material under Broad Head</b>                       |                         |                         |
| a) Steel  | 54,430.63               | 43,567.35               |
| b) Metal Powder   | 3,309.41                | 3,868.42                |
| c) Aluminium Ingots   | 1,737.45                | 1,208.76                |
| d) MS Scrap   | 3,566.23                | 2,993.01                |
| e) Other Components   | 42,669.41               | 37,970.77               |
| Sub Total   | <u>105,713.13</u>       | <u>89,608.31</u>        |
| Less: Amount relating to research & Development Expenses (Refer Note 27A) | 111.29                  | 153.24                  |
| Consumption Total   | <u>105,601.84</u>       | <u>89,455.07</u>        |

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|  | Year ended<br>31-3-2015 | ₹ lakhs<br>Year ended<br>31-3-2014 |
|--|-------------------------|------------------------------------|
| <b>18 CHANGES IN INVENTORIES OF FINISHED GOODS,<br/>AND WORK-IN-PROCESS AND STOCK-IN-TRADE</b> |                         |                                    |
| A. Opening Stock :   |                         |                                    |
| Work-in-Process  | 7,066.73                | 9,662.26                           |
| Finished Goods   | 10,624.79               | 8,692.05                           |
| Less : Excise Duty on Finished Goods   | 615.04                  | 401.54                             |
| Sub Total  | <u>17,076.48</u>        | <u>17,952.77</u>                   |
| B. Less :  |                         |                                    |
| Closing Stock :  |                         |                                    |
| Work-in-Process (Refer Note 18A)   | 8,168.34                | 7,066.73                           |
| Finished Goods   | 15,700.96               | 10,624.79                          |
| Less : Excise Duty on Finished Goods   | 856.69                  | 615.04                             |
| Sub Total  | <u>23,012.61</u>        | <u>17,076.48</u>                   |
| Total (A - B)  | <u>(5,936.13)</u>       | <u>876.29</u>                      |
| Add / (Less) : Excise Duty on opening and closing of<br>Finished Goods (Net)                   | (241.65)                | (213.50)                           |
| Total  | <u>(6,177.78)</u>       | <u>662.79</u>                      |

### 18A WORK-IN-PROCESS – UNDER BROAD HEADS

|  |                 |                 |
|--|-----------------|-----------------|
| a) High tensile fasteners  | 3,834.00        | 2,793.98        |
| b) Automotive & other miscellaneous cold formed / extruded parts /<br>precision formed gears | 433.17          | 591.72          |
| c) Powder metal parts  | 670.54          | 706.85          |
| d) Iron powder   | 127.01          | 145.65          |
| e) Radiator caps   | 89.55           | 137.87          |
| f) Gear shifters   | 11.97           | 11.51           |
| g) Tyre carriers   | 1.65            | 3.06            |
| h) Hot and warm forged parts   | 416.28          | 439.10          |
| i) Pump Assemblies & Engine Components(Water / Oil / Fuel<br>Pumps Kits & Spares)            | 1,472.93        | 1,237.37        |
| j) Shafts, Hubs & Sprockets  | 1,069.13        | 954.09          |
| k) Nozzle ring assembly  | 42.11           | 45.53           |
| Total  | <u>8,168.34</u> | <u>7,066.73</u> |

# Sundram Fasteners Limited

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|  | Year ended<br>31-3-2015 | ₹ lakhs<br>Year ended<br>31-3-2014 |
|--|-------------------------|------------------------------------|
| <b>19 EMPLOYEE BENEFIT EXPENSES</b>  |                         |                                    |
| a) Salaries, Wages, Bonus and Allowances   | <b>19,732.06</b>        | 17,930.92                          |
| b) Leave travel assistance   | <b>60.27</b>            | 104.06                             |
| c) Provident and Other Funds   | <b>1,736.67</b>         | 1,592.39                           |
| d) Welfare expenses  | <b>2,403.45</b>         | 2,195.71                           |
| Total  | <b><u>23,932.45</u></b> | <u>21,823.08</u>                   |
| <b>20 FINANCE COST</b>   |                         |                                    |
| a) Interest expense  | <b>2,088.89</b>         | 3,033.48                           |
| b) Other borrowing costs   | <b>48.92</b>            | 40.60                              |
| c) Applicable net loss on foreign currency transactions and translation including borrowing cost | <b>6,000.79</b>         | 2,783.42                           |
| Total  | <b><u>8,138.60</u></b>  | <u>5,857.50</u>                    |
| <b>21 OTHER EXPENSES</b>   |                         |                                    |
| a) Stores and Tools consumed   | <b>26,800.43</b>        | 21,333.08                          |
| b) Power & Fuel  | <b>12,737.95</b>        | 11,145.34                          |
| c) Rent  | <b>642.77</b>           | 641.20                             |
| d) Rates & Taxes [Excluding taxes on Income]   | <b>1,054.85</b>         | 527.46                             |
| e) Insurance   | <b>671.42</b>           | 540.20                             |
| f) Repairs & Maintenance - Building  | <b>1,829.97</b>         | 1,457.38                           |
| g) Repairs & Maintenance - Plant & Equipment   | <b>2,738.40</b>         | 2,156.93                           |
| h) Miscellaneous expenses [refer Note 22]  | <b>35,401.11</b>        | 26,873.50                          |
| Total  | <b><u>81,876.90</u></b> | <u>64,675.09</u>                   |

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|   | Year ended<br>31-3-2015 | ₹ lakhs<br>Year ended<br>31-3-2014 |
|---|-------------------------|------------------------------------|
| <b>22 MISCELLANEOUS EXPENSES</b>  |                         |                                    |
| a) Sub-contract expenses  | 17,914.31               | 13,445.19                          |
| b) Freight & Cartage Inward   | 1,648.78                | 1,383.70                           |
| c) Repairs & Maintenance - Other assets   | 571.61                  | 499.01                             |
| d) Commission on sales  | 579.94                  | 578.12                             |
| e) Directors' Sitting Fees  | 8.20                    | 7.00                               |
| f) Remuneration to Auditors including Reimbursement of expenditure [Refer Note 23]  | 68.66                   | 72.21                              |
| g) Loss on sale of assets   | 74.19                   | 35.50                              |
| h) Research and development Expenditure [Refer Note 27A]  | 1,137.61                | 1,099.57                           |
| i) Corporate Social Responsibility Expenditure [Refer Note 27B]   | 218.32                  | —                                  |
| j) Freight & Cartage Outward  | 5,492.18                | 4,378.90                           |
| k) Travel Expenses  | 1,052.91                | 984.77                             |
| l) Postage & Telecom Expenses   | 320.52                  | 293.85                             |
| m) Customer claims - Warranty and Other claims  | 2,795.47                | 631.04                             |
| n) Consultancy  | 1,814.65                | 1,712.06                           |
| o) Sundry Expenses [Under this head there is no expenditure which is in excess of 1% of revenue from operations or ₹ 1 lakhs whichever is higher] | 1,703.76                | 1,752.58                           |
| Total   | 35,401.11               | 26,873.50                          |
| <b>23 REMUNERATION TO AUDITORS CONSIST OF</b>   |                         |                                    |
| a) As Auditors  | 32.50                   | 32.50                              |
| b) Taxation Matters   | 4.25                    | 5.66                               |
| c) Company Law Matters  | 0.01                    | 0.26                               |
| d) Other Services   | 21.05                   | 16.10                              |
| e) Reimbursement of expenses  | 10.85                   | 17.69                              |
| Total   | 68.66                   | 72.21                              |
| <b>24 CIF VALUE OF IMPORTS</b>  |                         |                                    |
| a) Raw Materials  | 23,816.41               | 18,150.53                          |
| b) Components & Spare Parts   | 1,984.87                | 1,525.82                           |
| c) Capital Goods  | 4,216.70                | 6,890.49                           |
| d) Tool Steel, Tools, Gauges etc.,  | 1,214.44                | 1,329.92                           |
| e) Others   | 59.90                   | 12.96                              |
| Total   | 31,292.32               | 27,909.72                          |

# Sundram Fasteners Limited

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|   |                         | ₹ lakhs                 |
|---|-------------------------|-------------------------|
|   | Year ended<br>31-3-2015 | Year ended<br>31-3-2014 |
| <b>25 EARNINGS IN FOREIGN EXCHANGE</b>                          |                         |                         |
| a) FOB value of exports   | 89,871.55               | 76,075.30               |
| b) Dividend income  | 1,135.75                | 992.88                  |
| c) Interest income  | 310.55                  | 211.30                  |
| d) Others   | 270.31                  | 396.80                  |
| Total   | <u>91,588.16</u>        | <u>77,676.28</u>        |
| <b>26 EXPENDITURE IN FOREIGN CURRENCY</b>                       |                         |                         |
| a) Agency Commission  | 56.31                   | 42.72                   |
| b) Consultancy Fee  | 101.70                  | 123.09                  |
| c) Interest on Foreign Currency Loans                           | 1,181.93                | 1,359.59                |
| d) Royalty  | 137.16                  | 122.66                  |
| e) Others   | 4,065.99                | 1,731.48                |
| Total   | <u>5,543.09</u>         | <u>3,379.54</u>         |
| <b>27 (A) DETAILS OF RESEARCH AND DEVELOPMENT EXPENDITURE *</b> |                         |                         |
| i) Capital Expenditure  | 65.20                   | 351.77                  |
| ii) Revenue Expenditure   |                         |                         |
| a) Raw Material and Components consumed                         | 111.29                  | 153.24                  |
| b) Salaries, Wages, Bonus and Allowances                        | 549.38                  | 528.05                  |
| c) Staff and Labour Welfare Expenses                            | 3.52                    | 13.18                   |
| d) Stores and Tools consumed                                    | 373.64                  | 279.54                  |
| e) Travelling Expenses  | 20.28                   | 11.66                   |
| f) Freight and Cartages   | 7.36                    | 0.08                    |
| g) Sub-Contract Expenses  | 76.23                   | 39.69                   |
| h) Repairs and Maintenance                                      |                         |                         |
| – Building  | 0.02                    | 1.17                    |
| – Plant & Equipment   | 36.29                   | 10.38                   |
| – Other Assets  | –                       | 6.95                    |
| i) Product Development expenses                                 | 0.51                    | –                       |
| j) Consultancy  | 0.28                    | 4.86                    |
| k) Software expenses  | 7.94                    | 40.09                   |
| l) Other expenses   | 13.12                   | 10.68                   |
| m) Sale of products   | (62.25)                 | –                       |
| Total Revenue Expenditure                                       | <u>1,137.61</u>         | <u>1,099.57</u>         |
| iii) Total Research and Development Expenditures [(i) + (ii)]   | <u>1,202.81</u>         | <u>1,451.34</u>         |

\* All the above Research and Development Expenditures are incurred on projects approved by DSIR [Department of Scientific and Industrial Research].



## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|  |                         | ₹ lakhs                 |
|--|-------------------------|-------------------------|
|  | Year ended<br>31-3-2015 | Year ended<br>31-3-2014 |
| <b>27 (B) EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)</b> |                         |                         |
| a) Gross amount required to be spent                               | <b>299.85</b>           | –                       |
| b) Amount Spent on*:   |                         |                         |
| (i) Construction / acquisition of any asset                        | –                       | –                       |
| (ii) On purposes other than (i) above                              |                         |                         |
| a) Education   | <b>184.95</b>           | –                       |
| b) Healthcare  | <b>4.37</b>             | –                       |
| c) Mental Health Education   | <b>29.00</b>            | –                       |
| Total  | <b>218.32</b>           | –                       |

\*Spent in cash.

## 28 DISCLOSURE IN RESPECT OF DERIVATIVE INSTRUMENTS

|   |                  |           |
|---|------------------|-----------|
| a) Derivative Instruments outstanding* :                                      |                  |           |
| Forward Contracts   | <b>50,852.71</b> | 32,183.63 |
| Principal Only Swap**   | –                | –         |
| b) Foreign Currency exposures that are not hedged by derivative instruments : |                  |           |
| – Loans   | <b>15,628.16</b> | 17,379.83 |
| – Interest on Foreign Currency Loans  | <b>155.01</b>    | 180.85    |
| – Others  | <b>19,662.57</b> | 18,414.59 |

\* The Company has entered into derivative contracts to hedge against exchange risk.

\*\* Hedged by means of Principal Only Swap from JPY to USD. USD-INR leg is unhedged and is included at (b) above.

# Sundram Fasteners Limited

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### 29 VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS CONSUMED AND THEIR PERCENTAGE TO TOTAL CONSUMPTION

| ₹ lakhs  |                      |                           |                      |                           |
|--|----------------------|---------------------------|----------------------|---------------------------|
|  | Year ended 31-3-2015 |                           | Year ended 31-3-2014 |                           |
|  | Value<br>₹ in lakhs  | % to total<br>consumption | Value<br>₹ in lakhs  | % to total<br>consumption |
| <b>A) Raw Materials, Components &amp; Finished Goods</b> |                      |                           |                      |                           |
| <b>1. Imported :</b>                                     |                      |                           |                      |                           |
| a) Steel   | <b>10,204.73</b>     | <b>9.65</b>               | 9,325.22             | 10.41                     |
| b) Metal Powder  | <b>1,884.51</b>      | <b>1.78</b>               | 2,465.76             | 2.75                      |
| c) Aluminium Ingots                                      | <b>1,316.36</b>      | <b>1.24</b>               | 933.16               | 1.04                      |
| d) Other Components @                                    | <b>5,884.82</b>      | <b>5.57</b>               | 6,237.94             | 6.96                      |
|  | <b>19,290.42</b>     | <b>18.24</b>              | 18,962.08            | 21.16                     |
| <b>2. Indigenous :</b>                                   |                      |                           |                      |                           |
| a) Steel   | <b>44,225.90</b>     | <b>41.84</b>              | 34,242.13            | 38.21                     |
| b) Metal Powder*   | <b>1,424.90</b>      | <b>1.35</b>               | 1,402.65             | 1.57                      |
| c) Aluminium Ingots                                      | <b>421.09</b>        | <b>0.40</b>               | 275.59               | 0.31                      |
| d) Other Components @                                    | <b>36,784.59</b>     | <b>34.80</b>              | 31,732.85            | 35.41                     |
| e) M.S. Scrap  | <b>3,566.23</b>      | <b>3.37</b>               | 2,993.01             | 3.34                      |
|  | <b>86,422.71</b>     | <b>81.76</b>              | 70,646.23            | 78.84                     |
|  | <b>105,713.13</b>    | <b>100.00</b>             | 89,608.31            | 100.00                    |
| <b>B) Spares :</b>                                       |                      |                           |                      |                           |
| a) Imported  | <b>432.41</b>        | <b>11.64</b>              | 321.18               | 10.10                     |
| b) Indigenous  | <b>3,283.74</b>      | <b>88.36</b>              | 2,857.90             | 89.90                     |
|  | <b>3,716.15</b>      | <b>100.00</b>             | 3,179.08             | 100.00                    |

@ Do not individually account for more than 10% of the total consumption.

\* The above particulars excludes inter unit transfers.

**30** Figures for the previous year have been re-grouped, wherever necessary to conform to current year classification.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### 31. Accounting policies / compliance of Accounting Standards issued by the Institute of Chartered Accountants of India

(1) **AS 1: Disclosure of accounting policies**

The accounts are maintained on accrual basis as a going concern.

(2) **AS 2: Valuation of inventories**

Inventories are valued at lower of cost or net realisable value. Cost is ascertained on weighted average basis in accordance with the method of valuation prescribed by the Institute of Chartered Accountants of India. Raw materials are valued at cost of purchase and includes all expenses incurred in bringing the materials to location of use. Work-in-process and finished goods include conversion costs in addition to the landed cost of raw materials.

(3) **AS 3: Cash flow statements**

Cash Flow Statement is attached to the Balance Sheet and Statement of Profit and Loss.

(4) **AS 4: Contingencies and Events occurring after the Balance Sheet date**

There are no significant events occurring after the Balance Sheet date that materially affect the financial statements for the current year.

(5) **AS 5: Net profit or loss for the period, prior period items and changes in accounting policies**

(i) **Net profit for the period**

All items of income and expense in the period are included in the determination of net profit for the period, unless specifically mentioned elsewhere in the financial statements or is required by an Accounting Standard. Following are the details of income and expenses in the period which are not in the normal course of the business.

|  |       | ₹ lakhs  |
|--|-------|----------|
|  |       | 2014-15  |
|  |       | 2013-14  |
| a) Provision for diminution in value of investment |       | 1,000.00 |
|  | Total | 1,000.00 |

(ii) **Prior period items:**

|  | Prior Period Expenses |       |
|--|-----------------------|-------|
| 1) Raw materials and consumption               | –                     | 0.72  |
| 2) Staff & Labour Welfare Expenses             | –                     | 0.12  |
| 3) Stores & Tools Consumed                     | –                     | 1.50  |
| 4) Rates & Taxes                               | –                     | –     |
| 5) Freight & Cartage                           | –                     | 1.39  |
| 6) Sub Contract Expenses                       | –                     | 0.16  |
| 7) Sales Discount                              | –                     | 2.01  |
| 8) Repairs and Maintenance - Plant & Machinery | –                     | –     |
| 9) Repairs and Maintenance - Building          | –                     | 0.58  |
| 10) Others                                     | 4.88                  | 5.40  |
|  | Total                 | 11.88 |

# Sundram Fasteners Limited

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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(6) **AS 6: Depreciation Accounting**

Depreciation has been provided in the accounts for the financial year 2014-15 as per the useful life prescribed under Schedule II of the Companies Act, 2013, except in respect of certain category of plant and equipments, where useful life is different than those prescribed under schedule II. In respect of these assets, the useful life has been determined based on technical assessments.

The carrying value of fixed assets whose lives have expired as at 1st April 2014 have been charged in Retained earnings amounting to ₹ 1,027.74 lakhs (net of deferred tax ₹ 529.20 lakhs).

Cost of Leasehold lands are amortised over the period of lease.

(7) **AS 7: Accounting for Construction Contracts**

The above standard is not applicable to the Company as it is not engaged in the business of construction.

(8) **AS 8: Accounting for Research and Development**

This Standard was withdrawn with effect from 1-4-2003 consequent to Accounting Standard AS 26 on Accounting for Intangible Assets becoming mandatory.

(9) **AS 9: Revenue recognition**

Income of the company is derived from sale of products and includes excise duty and is net of sales returns, trade and cash discounts. Revenue is recognized when the risk and reward in the goods pass on to the customer. As per the terms of the contract with some customers, risk and reward pass on to them when the goods are dispatched to them through designated logistics. In other cases the risks and rewards pass on to them only when the goods were inwarded by them. Accordingly revenue is recognized at that point of time.

Export sales are recognized on the basis of 'on board' bills of lading and on the dates of 'LET' export certificate. Export benefits are recognized on post shipment basis.

Revenue and expenditure are accounted on a going concern basis.

Interest incomes/expenses are recognized using the time proportion method based on the rates implicit in the transaction.

Dividend income is recognized when the right to receive dividend is established as on the Balance Sheet date.

(10) **AS 10: Accounting for fixed assets**

The gross blocks of fixed assets are disclosed at the cost of acquisition, which includes taxes, duties (net of excise duty credit availed) and other identifiable direct expenses incurred up to the date the asset is put to use.

Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(11) **AS 11: Accounting for the effects of changes in foreign exchange rates**

Transactions on account of import of raw materials and other inputs are accounted based on the actual liability incurred if the transactions are settled within the accounting year. Such transactions not settled during the accounting year are accounted on rates prevailing on close of the accounting year.

Export sales are accounted at rates prevailing on the date of shipment (Transaction date). Exchange difference between the actual realization and value arrived based on the transaction rate are accounted as other income.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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Non - monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction.

Gain or loss arising due to repayment or restatement of liabilities incurred for the purpose of acquiring fixed assets have been recognised in the statement of profit and loss.

Net exchange difference is recognised in the Statement of Profit and Loss - loss of ₹ 5,887.47 lakhs (₹ 268.95 lakhs gain in the previous year).

**(12) AS 12: Accounting for Government grants**

The Company has not received any grant from the Government during the year.

**(13) AS 13: Accounting for Investments**

- (a) Investments are accounted at the cost of acquisition which includes stamp fees, etc. Long term investments are carried at cost. Diminution in the market value of long term investments is provided for only when there is a permanent diminution in the value of such investments.

Provision for diminution in value of investments stands as follows:

|  |            | ₹ lakhs    |
|--|------------|------------|
|  | 31-03-2015 | 31-03-2014 |
| i) Sundram International Inc, Michigan, USA      | 81.46      | 81.46      |
| ii) Sundram RBI Sdn. Bhd, Kuala Lumpur, Malaysia | 68.00      | 68.00      |
| iii) Peiner Umformtechnik, GmbH, Peine, Germany  | 3,000.00   | 2,000.00   |
| Total  | 3,149.46   | 2,149.46   |

Current investment is carried at lower of cost and realisable value.

- (b) The investments have been held by the Company in its own name except to the extent of exemption granted under Section 187 of the Act, in respect of shares held in subsidiary companies through the nominees.

**(14) AS 14: Accounting for amalgamations**

This standard is not applicable as there was no amalgamation during the year.

**(15) AS 15: Accounting for Employee Benefits**

**(A) Defined Contribution Plan**

- a. Contribution to Provident Fund is in the nature of defined contribution plan and are made to a recognised fund.
- b. Contribution to Superannuation Fund is in the nature of defined contribution plan and is remitted to Life Insurance Corporation of India in accordance with the scheme framed by the Corporation.
- c. Contribution to Defined Contribution Plan, recognised as expense for the year are as under:
- (i) Employer's Contribution to Provident Fund during the year ₹ 987.15 lakhs previous year ₹ 918.53 lakhs.
  - (ii) Employer's Contribution to Superannuation Fund during the year ₹ 71.88 lakhs previous year ₹ 75.96 lakhs.

# Sundram Fasteners Limited

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### (B) Defined Benefit Plan

#### (i) Provident Fund

The Provident Fund being administered by a Trust is a defined benefit scheme whereby the Company deposits an amount determined as a fixed percentage of basic pay to the fund every month. The benefit vests upon commencement of employment. The interest credited to the accounts of the employees is adjusted on an annual basis to conform to the interest rate declared by the Government for the Employees Provident fund. The Guidance Note on implementing AS-15, Employee Benefits (Revised 2005) issued by the Accounting Standard Board (ASB) states that, interest shortfall in respect of provident fund set up by employers are to be met by employer and hence such fund need to be treated as defined benefit plan. There is no liability due to interest shortfall determined under paragraphs 58 & 59 of AS-15 (Revised).

#### (ii) Gratuity

Retirement benefit in the form of Gratuity Liability (being administered by Life Insurance Corporation of India) is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year.

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Gratuity.

|  | ₹ lakhs          |                |
|--|------------------|----------------|
|  | <u>2014-15</u>   | <u>2013-14</u> |
| <b>1) Statement of Profit and Loss</b>                                   |                  |                |
| <b>Net employee benefit expense (recognised in Employee Cost)</b>        |                  |                |
| Current Service cost   | <b>251.28</b>    | 198.91         |
| Interest cost on benefit obligation                                      | <b>280.53</b>    | 243.45         |
| Expected return on plan assets   | <b>(260.43)</b>  | (218.30)       |
| Net actuarial loss recognised in the year                                | <b>201.43</b>    | 224.27         |
| Past service cost  | —                | —              |
| Liability not accounted as at the end of the year                        | —                | —              |
| <b>Net benefit expense</b>   | <b>472.81</b>    | 448.33         |
| <b>Actual return on Plan assets</b>                                      | <b>260.43</b>    | 218.30         |
| <b>2) Balance sheet</b>  |                  |                |
| <b>Details of Provision for Gratuity</b>                                 |                  |                |
| Defined benefit obligation - Opening                                     | <b>3,799.56</b>  | 3,221.21       |
| Fair value of plan assets  | <b>(3307.37)</b> | (2773.73)      |
| Less: Unrecognised past service cost                                     | —                | —              |
| Less: Liability not funded as on 31.3.2015                               | —                | —              |
| <b>Plan Liability (adjusted from operating revenue/retained earning)</b> | <b>492.19</b>    | 447.48         |

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|   |                        | ₹ lakhs         |
|---|------------------------|-----------------|
|   | <u>2014-15</u>         | <u>2013-14</u>  |
| <b>3) Changes in present value of the defined benefit obligation are as follows:</b>                        |                        |                 |
| Defined benefit obligation as at April 1, 2014  | <b>3,221.21</b>        | 2,700.95        |
| Interest cost   | <b>280.53</b>          | 243.45          |
| Current service cost  | <b>251.28</b>          | 198.91          |
| Benefits paid   | <b>(188.19)</b>        | (130.65)        |
| Actuarial loss on obligation  | <b>234.73</b>          | 208.55          |
| Defined benefit obligation as at end of the year.   | <b><u>3,799.56</u></b> | <u>3,221.21</u> |
| <b>4) Changes in the fair value of plan assets are as follows:</b>  |                        |                 |
| Fair value of plan assets as at April 1, 2014   | <b>2,773.73</b>        | 2,218.47        |
| Expected return   | <b>260.43</b>          | 218.30          |
| Contribution by employer  | <b>448.34</b>          | 480.91          |
| Benefits paid   | <b>(188.19)</b>        | (130.65)        |
| Actuarial gain  | <b>13.06</b>           | (13.30)         |
| Fair value of plan assets as at end of the year   | <b><u>3,307.37</u></b> | <u>2,773.73</u> |
| The major categories of plan assets as a percentage of the fair value of total plan assets are as follows : | %                      | %               |
| Investment with insurer   | <b>99.95</b>           | 99.95           |
| Investment in Government Bonds  | —                      | —               |
| Bank Balance  | <b>0.05</b>            | 0.05            |
| Total   | <b><u>100.00</u></b>   | <u>100.00</u>   |

The principal plan assets consists of a scheme of insurance taken by the Trust, which is a qualifying policy. Break down of individual investments that comprise the total plan assets is not supplied by the insurer.

### (iii) Leave Salary - Compensated Absences

The Company also extends defined benefit plans in the form of Compensated absences to employees. Provision for Compensated absences is made on actuarial valuation basis.

The Employee Benefits towards Compensated absences are provided based on actuarial valuation made at the end of the year.

# Sundram Fasteners Limited

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Employee benefits towards Compensated absences recognised in the Statement of Profit and Loss are as follows:

|                                 |              | ₹ lakhs      |
|---------------------------------|--------------|--------------|
|                                 | 2014-15      | 2013-14      |
| (a) Current service cost        | 25.32        | 30.86        |
| (b) Interest cost               | 40.52        | 34.97        |
| (c) Net actuarial (gain) / loss | (1.56)       | (36.18)      |
| Total                           | <u>64.28</u> | <u>29.65</u> |

### Actuarial Assumptions:

The Principal assumptions used in determining gratuity benefit obligation and determining company's liability towards employee benefits under Compensated absences are furnished below:

|                              | %    | %    |
|------------------------------|------|------|
| Discount rate - Gratuity     | 8.00 | 9.00 |
| Discount rate - Leave Salary | 7.80 | 9.00 |

The estimates of future salary increases, considered in actuarial valuation taking into account of inflation, seniority, promotion, attrition and relevant factors, such as supply and demand in the employment market.

### (16) AS 16: Borrowing costs

Interest on borrowings to finance fixed assets are capitalised only if the borrowing costs are attributable to the acquisition of fixed assets that take a substantial period of time to get ready for its intended use. Expenditure incurred on alteration/temporary constructions is charged off as expenditure under appropriate heads of expenditure in Statement of Profit and Loss in the year in which it is incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

There is no borrowing cost capitalised during the year.

### (17) AS 17: Segment reporting

The Company operates in the single segment which are subject to similar risks and returns.

### (18) AS 18: Related party disclosures

#### Related Parties :

#### (I) Where Control exists:

##### (A) Subsidiary Companies

##### Domestic Subsidiaries

1. Sundram Fasteners Investments Ltd., Chennai,
2. Upasana Engineering Ltd., Chennai,
3. Sundram Non-Conventional Energy Systems Ltd., Chennai,
4. Sundram Bleistahl Ltd, Chennai.
5. TVS Infotech Ltd., Chennai (from 18.06.2014)



## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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### **Foreign Subsidiaries**

1. Cramlington Precision Forge Ltd., Northumberland, United Kingdom,
2. Sundram RBI Sdn. Bhd, Kuala Lumpur, Malaysia,
3. Sundram Fasteners (Zhejiang) Ltd., Zhejiang, Peoples Republic of China,
4. Sundram International Inc, Michigan, USA,
5. TVS Peiner Services, GmbH (formerly Peiner Logistik GmbH), Peine, Federal Republic of Germany,
6. Peiner Umformtechnik GmbH, Peine, Federal Republic of Germany and
7. PUT Grundstücks GmbH, Peine, Federal Republic of Germany.
8. TVS Infotech Inc., Michigan, USA (Subsidiary of TVS Infotech Ltd.) (from 18.06.2014)

### **(B) Associate**

1. TV Sundram Iyengar & Sons Private Ltd., Madurai and
2. Southern Roadways Ltd., Madurai

### **(C) Joint Venture**

Windbolt GmbH, Germany

## **(II) Other Related Parties with whom transactions have been entered into during the year :**

### **(A) Key Management Personnel**

Mr Suresh Krishna,  
Ms Arathi Krishna,  
Ms Arundathi Krishna and  
Mr. V.G.Jaganathan\*

### **(B) Relatives of Key Management Personnel**

Ms Usha Krishna and  
Ms Preethi Krishna

### **(C) Enterprise in which Key Management Personnel have significant influence**

Upasana Finance Limited, Chennai

\* Key Management Personnel as per Companies Act, 2013.

# Sundram Fasteners Limited

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### (III) Transactions with related parties referred in (I) and (II) above, in ordinary course of business:

₹ in lakhs

| Nature of transaction                                   | Subsidiary Companies          | Associate                     | Joint Venture                 | Key Management Personnel     | Relatives of Key Management Personnel | Enterprise in which key management personnel have significant influence |
|---|-------------------------------|-------------------------------|-------------------------------|------------------------------|---------------------------------------|---|
| <b>Purchases</b>  |                               |                               |                               |                              |                                       |   |
| Goods and Materials                                     | <b>2,371.18</b><br>(1,054.08) | <b>1.83</b><br>(2.30)         | —<br>—                        | —<br>—                       | —<br>—                                | —<br>—  |
| Shares  | —<br>—                        | —<br>—                        | —<br>—                        | —<br>—                       | —<br>—                                | —<br>—  |
| Fixed Assets  | —<br>(25.87)                  | —<br>—                        | —<br>—                        | —<br>—                       | —<br>—                                | —<br>—  |
| <b>Sales</b>  |                               |                               |                               |                              |                                       |   |
| Goods and Materials                                     | <b>998.37</b><br>(1332.17)    | <b>8,346.18</b><br>(8,642.27) | —<br>—                        | —<br>—                       | —<br>—                                | —<br>—  |
| Fixed Assets  | <b>0.58</b><br>—              | —<br>—                        | —<br>—                        | —<br>—                       | —<br>—                                | —<br>—  |
| <b>Services</b>   |                               |                               |                               |                              |                                       |   |
| Rendered  | <b>104.49</b><br>(91.54)      | —<br>—                        | —<br>—                        | —<br>—                       | —<br>—                                | —<br>—  |
| Received  | <b>1,113.53</b><br>(536.58)   | <b>412.95</b><br>(199.43)     | —<br>—                        | —<br>—                       | —<br>—                                | <b>43.51</b><br>(39.38)   |
| <b>Finance*</b>   |                               |                               |                               |                              |                                       |   |
| Inter Corporate Deposit                                 | <b>3,016.68</b><br>(2,092.64) | —<br>—                        | —<br>—                        | —<br>—                       | —<br>—                                | —<br>—  |
| Interest on Inter Corporate Deposit                     | <b>244.31</b><br>(191.15)     | —<br>—                        | <b>157.08</b><br>(192.58)     | —<br>—                       | —<br>—                                | —<br>—  |
| Dividend Received                                       | <b>1,215.16</b><br>(1125.23)  | —<br>—                        | —<br>—                        | —<br>—                       | —<br>—                                | —<br>—  |
| Dividend Paid   | —<br>—                        | <b>1,925.58</b><br>(1,561.28) | —<br>—                        | <b>2.50</b><br>(2.02)        | —<br>—                                | —<br>—  |
| <b>Others</b>   |                               |                               |                               |                              |                                       |   |
| Leasing or hire purchase arrangements                   | <b>75.32</b><br>(74.24)       | —<br>—                        | —<br>—                        | <b>19.20</b><br>(19.20)      | <b>6.20</b><br>(6.20)                 | —<br>—  |
| Guarantees & Collaterals                                | <b>3,463.59</b><br>(946.65)   | —<br>—                        | —<br>—                        | —<br>—                       | —<br>—                                | —<br>—  |
| Management contracts, Including deputation of employees | —<br>(10.74)                  | —<br>—                        | —<br>—                        | <b>1,097.72</b><br>(1180.54) | —<br>—                                | —<br>—  |
| <b>Outstanding balances</b>                             |                               |                               |                               |                              |                                       |   |
| Due to the Company                                      | <b>9,741.11</b><br>(9,071.60) | <b>1,026.19</b><br>(698.97)   | <b>1,991.52</b><br>(2,839.83) | —<br>—                       | —<br>—                                | —<br>—  |
| Due by the Company                                      | <b>756.09</b><br>(248.94)     | <b>15.33</b><br>—             | —<br>—                        | <b>800.00</b><br>(900.00)    | —<br>—                                | —<br>—  |

\*Finance includes loans

(Previous year figures are in brackets)

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|  | <u>2014-15</u>  | <u>2013-14</u> |
|--|-----------------|----------------|
|  |                 | ₹ lakhs        |
| <b>(IV) Transactions with related parties required to be disclosed pursuant to listing agreement:</b>  |                 |                |
| <b>Loans and advances (without repayment schedule) given to Subsidiaries:</b>  |                 |                |
| (i) Sundram Fasteners Investments Limited, Chennai<br>[maximum outstanding during the year - ₹ 1,196.89 lakhs<br>(₹ 1,064.54 lakhs) (includes interest free loan of ₹ 571.03 lakhs<br>(₹ 572.04 lakhs))] | <b>1,190.30</b> | 979.54         |
| (ii) Upasana Engineering Limited, Chennai<br>[maximum outstanding during the year ₹ 1,180.00 lakhs<br>(₹ 1,850.00 lakhs)]  | <b>825.00</b>   | 1,180.00       |
| (iii) TVS Peiner Services GmbH, Peine, Germany<br>[maximum outstanding during the year ₹ 436.35 lakhs<br>(₹ 123.45 lakhs)]   | <b>458.73</b>   | 658.40         |
| (iv) Sundram International Inc. Michigan, USA<br>[maximum outstanding during the year ₹ 25.00 lakhs<br>(₹ 23.96 lakhs)]  | <b>25.00</b>    | 23.96          |
| (v) Peiner Umformtechnik GmbH, Peine, Germany<br>[maximum outstanding during the year - ₹ 6,713.00 lakhs<br>(₹ 6,167.34 lakhs)]  | <b>6,801.89</b> | 5,761.00       |

### (19) AS 19: Accounting for Leases

The company has entered into lease agreements for a period up to five years, which are in the nature of operating leases as defined in the Accounting Standard prescribed by the Institute of Chartered Accountants of India.

- (a) Future minimum lease payments under non cancellable operating leases in respect of lease agreements entered into on or after 01.04.2001:
- |                   |                      |               |
|-------------------|----------------------|---------------|
| Upto One year     | <b>46.10</b>         | 55.84         |
| One to Five years | <b>76.51</b>         | 85.19         |
| Total             | <u><b>122.61</b></u> | <u>141.03</u> |
- (b) During the year ₹ 453.10 lakhs(₹ 448.45 lakhs) of Lease payments recognised in the statement of profit and loss, in respect of operating lease agreements entered into on or after 01.04.2001 as well as share of lease rent for aircraft under joint ownership.
- (c) Significant Leasing arrangements :
- The Company has entered into leasing arrangements in respect of vehicles.

# Sundram Fasteners Limited

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

- (i) Basis of determining contingent rent :

Contingent rents are payable for excessive, improper or unauthorised use of the asset, beyond the terms of the lease agreement, prejudicially affecting the resale value of the asset, either by way of increase in lease rentals or by way of lump-sum amount, as agreed between the parties.

- (ii) Renewal / purchase options and escalation clauses :

Lease agreements are renewable for further period or periods on terms and conditions mutually agreed between the parties. Variations in lease rentals are made in the event of a change in the basis of computation of lease rentals by the lessor.

- (iii) There are no restrictions imposed by the lease arrangements, concerning dividends, additional debt and further leasing.

### (20) AS 20: Earnings per share

Basic earnings per share are disclosed in the Statement of Profit and Loss. There is no diluted earnings per share as there are no dilutive potential equity shares.

| Particulars   | 2014-15      | 2013-14      |
|---|--------------|--------------|
| Basic / Diluted EPS before considering Extra-ordinary items (₹) | 6.44         | 5.75         |
| Basic / Diluted EPS after considering Extra-ordinary items (₹)  | 6.44         | 5.75         |
| Weighted average number of shares                               | 21,01,28,370 | 21,01,28,370 |
| Face Value per share (fully paid up)                            | ₹ 1          | ₹ 1          |

### (21) AS 21: Consolidated financial statements

Consolidated financial statements of the Company and its subsidiaries, viz.

#### Domestic Subsidiaries

- Upasana Engineering Limited, Chennai
- Sundram Bleistahl Limited, Chennai
- Sundram Non-Conventional Energy Systems Limited, Chennai
- Sundram Fasteners Investments Ltd., Chennai
- TVS Infotech Limited, Chennai

#### Foreign Subsidiaries

- Sundram Fasteners (Zhejiang) Limited, Zhejiang, People's Republic of China
- Cramlington Precision Forge Limited, Northumberland, UK
- Sundram RBI Sdn. Bhd, Kuala Lumpur, Malaysia (formerly RBI Autoparts Sdn Bhd, Malaysia)\*
- Sundram International Inc, Michigan, USA
- Peiner Umformtechnik GmbH, Peine, Federal Republic of Germany
- PUT Grundstucks GmbH, Peine, Federal Republic of Germany
- TVS Peiner Services GmbH (Formerly Peiner Logistik GmbH), Peine, Federal Republic of Germany
- TVS Infotech Inc, Michigan, USA

are annexed.

\* Sundram RBI Sdn. Bhd (SRBI) has not been in operation during the year. Further, the shares of SRBI have been divested after the year end. Hence consolidation has not been done for the year 2014- 15.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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(22) **AS 22: Accounting for taxes on income**

Refer Note 4 to the Accounts

Tax expense comprises of current and deferred. Current income tax is measured as the amount expected to be paid to the tax authorities in accordance with the Indian Income tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

The company reviews carrying amount of deferred tax assets at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(23) **AS 23: Accounting for Investments in associates in Consolidated Financial Statements**

Company has no associates as defined in AS 23.

(24) **AS 24: Discontinuing Operations**

The Company has not discontinued any operations during the year.

(25) **AS 25: Interim Financial Reporting**

Quarterly financial results are published in accordance with the guidelines given by SEBI. The recognition and measurement principles as laid down in the standard are followed with respect to such results. The Quarterly results are also subject to a limited review by the auditors as required by SEBI.

(26) **AS 26: Intangible Assets**

The Company has not acquired any intangible asset during the year. With respect to fees paid for acquiring Technical Know-how before 01-04-2003, the amount capitalised has been amortised over the currency of the collaboration agreement.

The Company had entered into a Technical agreement for manufacture of tappets. The Technical Know-how fees paid for acquiring Technical Know-how has been grouped under Technical Know-how fees.

(27) **AS 27: Financial Reporting of Interests in Joint Ventures**

A) The Company has entered into joint venture agreements with T V Sundram Iyengar and Sons Private Limited, Madurai and The Ramco Cements Limited, Chennai (Formerly known as Madras Cements Limited, Chennai) for utilisation of Aircraft for business purposes. The agreement involves joint control and ownership of the aircraft by the venturers.

During the year the company sold the share in the Joint venture and the Company's share of expenditure and loss on sale of share have been recognised in the books of accounts as detailed below :

**Information on Joint Venture**

| <b>Share of Interest in the transactions with respect to Jointly Controlled entities</b> |  | <b>₹ lakhs</b>        |                       |
|--|--|-----------------------|-----------------------|
|  |  | <b><u>2014-15</u></b> | <b><u>2013-14</u></b> |
| <b>A) Assets</b>   |  |                       |                       |
| WDV of Aircraft  |  | —                     | 586.37                |
| Current Assets - Advances  |  | —                     | —                     |
| Current Assets - Deposits  |  | <b>125.58</b>         | 125.58                |
| Current Assets - Prepaid Insurance   |  | <b>0.92</b>           | —                     |

# Sundram Fasteners Limited

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|  | <u>2014-15</u> | <u>₹ lakhs</u><br><u>2013-14</u> |
|--|----------------|----------------------------------|
| <b>B) Liabilities</b>                            |                |                                  |
| <b>Current liabilities and provisions</b>        |                |                                  |
| Current liabilities                              | –              | 36.13                            |
| <b>C) Income</b>                                 | –              | –                                |
| <b>D) Expenditure</b>                            |                |                                  |
| Consultancy fees                                 | <b>34.10</b>   | 123.22                           |
| Travelling Expenses                              | <b>4.11</b>    | 9.97                             |
| Postage, Courier and Telephone charges           | <b>1.99</b>    | 0.66                             |
| Insurance  | <b>3.40</b>    | 6.38                             |
| Lease Rent                                       | <b>187.87</b>  | 230.50                           |
| Aircraft Maintenance                             | <b>180.76</b>  | 175.68                           |
| Bank Charges                                     | <b>0.08</b>    | 0.40                             |
| Legal Expenses                                   | <b>3.98</b>    | –                                |
| Sundry Expenses                                  | <b>3.42</b>    | 1.85                             |
| Depreciation                                     | <b>32.84</b>   | 40.38                            |
| <b>E) Loss on sale of share in Joint Venture</b> |                |                                  |
| WDV of Aircraft                                  | <b>553.53</b>  | –                                |
| Sale value                                       | <b>531.68</b>  | –                                |
| Loss on sale                                     | <b>21.85</b>   | –                                |

### (B) Winbolt GmbH

The Company has participated in capital contribution of 24.99% in Winbolt GmbH alongwith Mr. Wolfgang Walter Naumann. The scheme of capital contribution is accounted at cost (vide Note No. 9).

### (28) AS 28: Impairment of Assets

At the Balance Sheet date, an assessment is done to determine whether there is impairment in the carrying amount of the Company's fixed assets. In this, it was found that there was no impairment of any asset (previous year impairment loss ₹ 23.68 Lakhs).

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|  | 2014-15         | 2013-14  |
|--|-----------------|----------|
|  |                 | ₹ lakhs  |
| <b>(29) AS 29: Provisions, Contingent Liabilities and Contingent Assets</b>  |                 |          |
| <b>(A) (i) Contingent Liabilities :</b>  |                 |          |
| a) On Letters of Guarantee   | <b>3,463.59</b> | 946.65   |
| b) On Letters of Credit  | <b>271.84</b>   | 65.87    |
| c) On partly paid shares of The Adyar Property Holding Co. Ltd.  | <b>0.01</b>     | 0.01     |
| d) The Company has furnished guarantees to fulfil various obligations of Cramlington Precision Forge Limited, UK wholly owned subsidiaries of the Company, the amount of which is to the extent of non fulfilment of obligations of the subsidiaries which is not ascertainable. |                 |          |
| <b>(ii) Liabilities disputed and not provided for :</b>  |                 |          |
| a) Sales Tax / entry tax - under appeal  | <b>3,347.84</b> | 1,017.76 |
| b) Excise Duty / Customs Duty / Service Tax - under appeal   | <b>633.89</b>   | 504.19   |
| c) Income-tax - under appeal   | <b>46.29</b>    | 65.63    |
| d) Others  | <b>212.92</b>   | 1.56     |
| <b>(iii) Estimated amount of contracts remaining to be executed on capital account and not provided for</b>  | <b>4,784.42</b> | 4,334.89 |
| <b>(iv) Contingent Assets :</b>  |                 |          |
| Claim of additional compensation against land acquisition  | <b>23.29</b>    | 23.29    |
| <b>(30) AS 30 : Financial Instruments : Recognition and Measurement</b>  |                 |          |
| a) AS 30 was issued by the Institute of Chartered Accountants of India (ICAI) in 2007 but has not yet been notified by the Government under Section 133 of the Companies Act, 2013.  |                 |          |
| b) The Institute of Chartered Accountants of India has clarified that to the extent of accounting treatments covered by any of the existing notified accounting standards (for eg. AS 11, AS 13 etc,) the existing accounting standards would continue to prevail over AS 30.    |                 |          |
| c) Since the company follows the accounting treatment specified in the AS 30 through the accounting treatment under existing accounting standards i.e AS 11 & AS 13 etc, AS 30 is not followed.  |                 |          |

**ARUNDATHI KRISHNA**  
Deputy Managing Director

**ARATHI KRISHNA**  
Joint Managing Director

**SURESH KRISHNA**  
Chairman & Managing Director  
As per our report annexed  
For **SUNDARAM & SRINIVASAN**  
Chartered Accountants  
Regn. No. 0042075

**V G JAGANATHAN**  
Chief Financial Officer & Company Secretary

**M BALASUBRAMANIAM**  
Partner  
Membership No. F7945

Chennai  
May 29, 2015

**INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS OF  
SUNDRAM FASTENERS LIMITED, CHENNAI FOR THE YEAR ENDED MARCH 31, 2015**

To

The Members of Sundram Fasteners Limited,  
Chennai - 600 004.

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of SUNDRAM FASTENERS LIMITED, Chennai - 600 004 (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entity comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the



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## INDEPENDENT AUDITORS' REPORT (Contd.)

consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entity as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

- (a) We did not audit the financial statements of five numbers of overseas wholly owned subsidiaries, whose financial statements reflect total assets of ₹ 39,953.90 lakhs as at 31st December, 2014, total revenues of ₹ 70,678.59 lakhs and net cash outflows amounting to ₹ 320.33 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

We did not audit the financial statements of two numbers of overseas subsidiaries as at 31st March 2015 and one number of jointly controlled entity as at 31st December 2014, whose financial statements reflect total assets of ₹ 2,983.24 lakhs and total revenues of ₹ 1,217.61 lakhs and net cash inflows amounting to ₹ 102.19 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

- (b) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and its Indian subsidiaries, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

## **INDEPENDENT AUDITORS' REPORT (Contd.)**

2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and our reports as statutory auditors of its Indian subsidiaries, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entity - Refer Note No.23 (3) to the consolidated financial statements.
  - ii. The Group and its jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. In respect of the five Indian Subsidiaries, requirement of transferring to Investor Education and Protection fund did not arise.

Chennai  
May 29, 2015

For **SUNDARAM & SRINIVASAN**  
Chartered Accountants  
Regn. No. 004207S

**M BALASUBRAMANIAM**  
Partner  
Membership No. F7945

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## **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS OF SUNDRAM FASTENERS LIMITED, CHENNAI FOR THE YEAR ENDED MARCH 31, 2015**

**Annexure referred to in our report of even date on the consolidated financial statements for the year ended March 31, 2015**

- (i) (a) The Holding Company and its subsidiaries incorporated in India (hereinafter 'Indian Companies') have maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the Indian Companies in accordance with a regular programme at reasonable intervals during the year. In our opinion the interval is reasonable having regard to the size of the companies and nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The inventory has been physically verified at reasonable intervals during the year. In respect of the Indian subsidiaries Sundram Non-Conventional Energy Systems Limited, Chennai and Sundram Fasteners Investments Limited, Chennai there was no inventory.

In our opinion, the frequency of such verification is adequate. In respect of inventories lying with third parties, which are not physically verified, there is a process of obtaining confirmation from such parties.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of all the Indian Companies and the nature of its business.
- (c) In our opinion, the Indian Companies which hold inventory have maintained proper records of inventory. The discrepancies noticed between the physical stocks and the books were not material and have been properly dealt with in the books of account.
- (iii) During the year, the holding company and its five Indian subsidiaries have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Indian Companies and the nature of its businesses, with regard to purchase of inventory, fixed assets and for the sale of goods. We have observed no minor or major continuing failure in the internal control system.
- (v) The holding company and its five Indian subsidiaries have not accepted deposits within the meaning of sections 73 to 76 of the Companies Act, 2013, during the year.
- (vi) We have broadly reviewed the books of account maintained by the holding company and one of its subsidiaries viz. Upasana Engineering Limited pursuant to the rules made by the Central Government under section 148(1) of the Companies Act, 2013 for maintenance of cost records and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete. In respect of other entities in the group this clause is not applicable.

## Sundram Fasteners Limited (CONSOLIDATED)

### Annexure referred to in our report of even date on the consolidated financial statements for the year ended March 31, 2015 (Contd.)

- (vii) (a) The holding company and its Indian subsidiaries are regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities, wherever such statutes are applicable to Indian Companies. Marginal delays in remitting the statutory dues by various companies are detailed below:

| Sl. No. | Name of the Company                                      | Nature of statutory dues  |
|---------|--|---|
| 1       | Sundram Fasteners Limited, Chennai                       | Service tax, Employees' State Insurance and Income Tax deducted at source |
| 2       | Upasana Engineering Limited, Chennai                     | Income Tax deducted at source, Service Tax and Provident Fund             |
| 3       | Sundram Non-Conventional Energy Systems Limited, Chennai | Income Tax deducted at source, Service Tax and Provident Fund.            |

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess were in arrears, as at 31st March 2015 for a period of more than six months from the date they became payable.

According to information and explanations furnished to us, the following are the details of the disputed dues that were not deposited with the concerned authorities collectively by the Indian Companies:

| Name of the statute         | Nature of dues                                 | Amount<br>(₹ In lakhs) | Forum Where the dispute is pending                         |
|-----------------------------|--|------------------------|--|
| Central Excise Act, 1944.   | Excise Duty                                    | 2.54                   | The Honourable High Court of Judicature at Madras          |
|                             |  | 15.02                  | Customs Excise and Service Tax Appellate Tribunal, Chennai |
|                             |  | 61.95                  | Commissioner (Appeals)                                     |
|                             |  | 50.22                  | Additional / Assistant Commissioner                        |
| Finance Act, 1994           | Service Tax                                    | 66.56                  | Customs Excise and Service Tax Appellate Tribunal, Chennai |
|                             |  | 41.07                  | Commissioner (Appeals), Chennai                            |
|                             |  | 50.69                  | Joint / Deputy / Assistant Commissioner                    |
| Property Tax                | Property Tax                                   | 1.56                   | The Honourable High Court of Judicature at Madras          |
| Income Tax Act, 1961        | Income tax / interest / tax deducted at source | 19.79                  | The Honourable High Court of Judicature at Madras          |
|                             |  | 408.24                 | Commissioner of Income Tax (Appeals), Chennai              |
|                             |  | 41.39                  | Assessing Officer – reassessment proceedings               |
| Customs Act, 1962           | Customs duty                                   | 229.25                 | Customs Excise and Service Tax Appellate Tribunal, Chennai |
| Central Sales Tax Act, 1956 | Sales tax                                      | 2.68                   | Appellate Deputy Commissioner - CT                         |

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**Annexure referred to in our report of even date on the consolidated financial statements for the year ended March 31, 2015 (Contd.)**

- (c) During the year, the holding company has transferred the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time. This requirement is not applicable to the five Indian subsidiaries.
- (viii) The Indian Companies other than those mentioned below have not accumulated losses as at the end of the financial year nor have incurred cash losses during the financial year and in the immediately preceding financial year. In case of
  - (a) TVS Infotech Limited, Chennai - 600 004 - The Company's accumulated loss is more than fifty percentage of its net worth as at March 31, 2015;
  - (b) Sundram Fasteners Investments Limited, Chennai - 600 004 - The Company has incurred cash loss during the financial year.
- (ix) The holding company and its five Indian subsidiaries have not defaulted in repayment of dues to its banks or financial institutions. There is no borrowing by a subsidiary viz. Sundram Non-Conventional Energy Systems Limited, Chennai.
- (x) Only the holding company has furnished guarantee to banks and financial institution for loans availed by subsidiary companies. The terms and conditions of such guarantees are not prejudicial to the interests of the company.
- (xi) The term loans were applied for the purpose for which the loans were obtained. The term loans were availed only by the holding company and one of its subsidiaries viz. Upasana Engineering Limited, Chennai 600 004.
- (xii) Based on the audit procedures adopted and information and explanations given to us by the management, no fraud by the Indian Companies have been noticed or reported. As regards fraud on the company, in one of the subsidiaries viz. Upasana Engineering Limited, Chennai 600 004, the genuineness of some of the certificates of origin issued by the export inspection agency has been challenged. The customer's claim on the company is indicated as claims not acknowledged as debt by the company vide note no. 23(2)(e) of the consolidated financial statement.

Chennai  
May 29, 2015

For **SUNDARAM & SRINIVASAN**  
Chartered Accountants  
Regn. No. 004207S

**M BALASUBRAMANIAM**  
Partner  
Membership No. F7945

# Sundram Fasteners Limited (CONSOLIDATED)

## BALANCE SHEET AS AT 31ST MARCH 2015

|                                    |    |                 |            | ₹ lakhs         |            |
|------------------------------------|----|-----------------|------------|-----------------|------------|
|                                    |    | As at 31-3-2015 |            | As at 31-3-2014 |            |
| I EQUITY AND LIABILITIES           |    | Note No.        |            |                 |            |
| 1. Shareholders' Funds             |    |                 |            |                 |            |
| (a) Share Capital                  | 1  | 2,101.28        |            | 2,101.28        |            |
| (b) Reserves and Surplus           | 2  | 85,776.25       | 87,877.53  | 78,038.15       | 80,139.43  |
| 2. Minority Interest               |    |                 |            |                 |            |
| (a) Share Capital                  |    | 1,237.88        |            | 219.05          |            |
| (b) Reserves and Surplus           |    | (192.82)        | 1,045.06   | 169.39          | 388.44     |
| 3. Non-current Liabilities         |    |                 |            |                 |            |
| (a) Long-term Borrowings           | 3  | 20,300.05       |            | 24,656.31       |            |
| (b) Deferred Tax Liabilities (Net) | 4  | 9,009.58        |            | 9,664.77        |            |
| (c) Trade Payables                 | 5  | 89.14           |            | 54.13           |            |
| (d) Other Long-term Liabilities    | 6  | —               |            | 8.65            |            |
| (e) Long-term Provisions           | 7  | 493.04          | 29,891.81  | 345.22          | 34,729.08  |
| 4. Current Liabilities             |    |                 |            |                 |            |
| (a) Short-term Borrowings          | 3  | 54,233.81       |            | 43,204.75       |            |
| (b) Trade Payables                 | 5  | 29,764.19       |            | 33,938.07       |            |
| (c) Other Current Liabilities      | 6  | 23,204.17       |            | 15,160.87       |            |
| (d) Short-term Provisions          | 7  | 8,095.08        | 115,297.25 | 8,799.48        | 101,103.17 |
| Total                              |    |                 | 234,111.65 |                 | 216,360.12 |
| II ASSETS                          |    |                 |            |                 |            |
| 1. Non-Current Assets              |    |                 |            |                 |            |
| (a) Fixed Assets                   |    |                 |            |                 |            |
| i) Tangible Assets                 | 8  | 101,489.43      |            | 100,144.53      |            |
| ii) Intangible Assets              | 8  | 392.75          |            | 567.56          |            |
| iii) Capital work-in-progress      | 8  | 2,174.79        |            | 4,041.45        |            |
| (b) Non-current Investments        |    | 336.70          |            | 1,002.07        |            |
| (c) Long-term Loans and Advances   | 9  | 6,909.94        |            | 4,804.27        |            |
| (d) Other Non-current Assets       | 10 | 34.35           | 111,337.96 | 33.82           | 110,593.70 |
| 2. Current Assets                  |    |                 |            |                 |            |
| (a) Current Investments            |    | 337.66          |            | 11.45           |            |
| (b) Inventories                    | 11 | 52,644.50       |            | 44,095.28       |            |
| (c) Trade Receivables              | 12 | 49,186.10       |            | 48,392.01       |            |
| (d) Cash and Cash Equivalents      | 13 | 2,484.49        |            | 2,548.72        |            |
| (e) Short-term Loans and Advances  | 9  | 16,950.10       |            | 10,383.98       |            |
| (f) Other Current Assets           | 10 | 1,170.84        | 122,773.69 | 334.98          | 105,766.42 |
| Total                              |    |                 | 234,111.65 |                 | 216,360.12 |

The notes form an integral part of the Financial Statements.

**ARUNDATHI KRISHNA**  
Deputy Managing Director

**ARATHI KRISHNA**  
Joint Managing Director

**SURESH KRISHNA**  
Chairman & Managing Director

**V G JAGANATHAN**  
Chief Financial Officer & Company Secretary

As per our report annexed  
For **SUNDARAM & SRINIVASAN**  
Chartered Accountants  
Regn. No. 0042075

**M BALASUBRAMANIAM**  
Partner  
Membership No. F 7945

Chennai  
May 29, 2015

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

|  |          |                      | ₹ lakhs              |
|--|----------|----------------------|----------------------|
|  | Note No. | Year ended 31-3-2015 | Year ended 31-3-2014 |
| I. Revenue from Operations   | 14       | 315,613.83           | 273,620.10           |
| II. Other Income   | 15       | 1,665.72             | 4,878.70             |
| III. Total Revenue (I + II)  |          | 317,279.55           | 278,498.80           |
| IV. <b>EXPENSES</b>  |          |                      |                      |
| Cost of Materials Consumed   | 16       | 135,352.22           | 120,067.85           |
| Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade       | 17       | (6,533.44)           | (560.95)             |
| Employee Benefit Expenses  | 18       | 44,113.40            | 38,847.44            |
| Finance Costs  | 19       | 9,446.56             | 6,759.63             |
| Depreciation, amortization expenses and impairment losses                          | 8        | 11,575.34            | 10,213.72            |
| Other Expenses   | 20       | 105,107.62           | 86,299.32            |
| Share of Loss / (Profits) of Associate Company                                     |          | (14.61)              | 2.91                 |
| Total Expenses   |          | 299,047.09           | 261,629.92           |
| V. <b>Profit before exceptional and extraordinary items and tax (III - IV)</b>     |          | 18,232.46            | 16,868.88            |
| VI. Exceptional Items  |          | (14.07)              | (0.01)               |
| VII. <b>Profit before extraordinary items and tax (V - VI)</b>                     |          | 18,246.53            | 16,868.89            |
| VIII. Extraordinary Items  |          | 9.18                 | 8.92                 |
| IX. <b>Profit before tax (VII - VIII)</b>  |          | 18,237.35            | 16,859.97            |
| X. Tax expense :   |          |                      |                      |
| 1. Current Tax   |          | 5,509.91             | 4,760.04             |
| 2. Deferred Tax  |          | (93.75)              | 1.58                 |
| 3. Earlier years   |          | (380.25)             | 15.75                |
| XI. <b>Profit / (Loss) for the period before Minority Interest (IX - X)</b>        |          | 13,201.44            | 12,082.60            |
| XII. Profit / (Loss) from discontinuing operations                                 |          | (7.27)               | (5.95)               |
| XIII. Tax expense of discontinuing operations                                      |          | -                    | -                    |
| XIV. <b>Profit / (Loss) from Discontinuing operations (after tax) (XII - XIII)</b> |          | (7.27)               | (5.95)               |
| XV. <b>Profit / (Loss) for the period before Minority Interest (XI - XIV)</b>      |          | 13,194.17            | 12,076.65            |
| XVI. Minority's share of profit for the current year                               |          | 70.37                | (0.36)               |
| XVII. <b>Profit/(Loss) for the period after Minority Interest (XV - XVI)</b>       |          | 13,123.80            | 12,077.01            |
| XVIII. Earnings per equity share :   |          |                      |                      |
| 1. Basic   |          | 6.25                 | 5.75                 |
| 2. Diluted   |          | 6.25                 | 5.75                 |
| Weighted average No. of Equity Shares of ₹ 1/- each.                               |          | 210,128,370          | 210,128,370          |

The notes form an integral part of the Financial Statements.

**ARUNDATHI KRISHNA**  
Deputy Managing Director

**ARATHI KRISHNA**  
Joint Managing Director

**SURESH KRISHNA**  
Chairman & Managing Director

**V G JAGANATHAN**  
Chief Financial Officer & Company Secretary

As per our report annexed  
For **SUNDARAM & SRINIVASAN**  
Chartered Accountants  
Regn. No. 004207S

**M BALASUBRAMANIAM**  
Partner  
Membership No. F 7945

Chennai  
May 29, 2015

**Sundram Fasteners Limited (CONSOLIDATED)****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

|  | Year ended<br>31-3-2015 | ₹ lakhs<br>Year ended<br>31-3-2014 |
|--|-------------------------|------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                                      |                         |                                    |
| Net Profit before Tax  | 18,237.35               | 16,859.97                          |
| Adjustments for :  |                         |                                    |
| Add :  |                         |                                    |
| Depreciation   | 11,575.34               | 10,213.72                          |
| Unrealised Profit on Closing Stock   | 16.58                   | 6.22                               |
| Interest expense (Net)   | 3,902.45                | 4,906.06                           |
| (Profit)/loss on Sale of Assets (net)  | 11.53                   | 22.66                              |
| Effect on consolidation in respect of subsidiary *                                 | 2,211.02                | —                                  |
| Unrealised Exchange (gain) / loss - Loans  | 4,574.02                | 1,531.37                           |
|  | <u>22,290.94</u>        | <u>16,680.03</u>                   |
| (Less) :   |                         |                                    |
| (Profit)/loss on Sale of Investments   | (41.60)                 | (84.06)                            |
| Exchange loss/(gain) arising on Application of AS 11                               | (93.00)                 | (1,095.45)                         |
| Impairment of Fixed Assets   | (12.16)                 | —                                  |
| Dividend Received  | (13.06)                 | (10.87)                            |
| (Profit) / Loss of sale of Associate   | (14.61)                 | 2.91                               |
| Provision for Dimunition in Investments (net)                                      | (0.01)                  | (0.01)                             |
| Profit/(loss) on Discontinuing operation   | (7.27)                  | (5.95)                             |
| Unrealised Exchange (gain)/ loss - Others  | (113.32)                | (3,052.38)                         |
|  | <u>(295.03)</u>         | <u>(4,245.81)</u>                  |
|  | <u>21,995.91</u>        | <u>12,434.22</u>                   |
| <b>Operating Profit before Extraordinary Items &amp; Working Capital changes :</b> | <b>40,233.26</b>        | <b>29,294.19</b>                   |
| Adjustments For Changes in Working Capital :                                       |                         |                                    |
| Trade and other receivables #  | (10,987.77)             | 6,065.65                           |
| Inventories  | (8,549.22)              | (65.71)                            |
| Trade and other Payables #   | (3,740.56)              | 12,121.66                          |
| Cash Generated From Operations   | <u>16,955.71</u>        | <u>47,415.79</u>                   |
| Less: Direct Taxes Paid (Net)  | <u>(6,322.68)</u>       | <u>(4,712.72)</u>                  |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>  | <b><u>10,633.03</u></b> | <b><u>42,703.07</u></b>            |



## CONSOLIDATED CASH FLOW STATEMENT (Contd.)

|   | Year ended<br>31-3-2015 | ₹ lakhs<br>Year ended<br>31-3-2014 |
|---|-------------------------|------------------------------------|
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                 |                         |                                    |
| Purchase of Fixed Assets                                      | (14,092.00)             | (18,323.02)                        |
| Sale of Fixed Assets  | 744.49                  | 61.50                              |
| Sale of Investments   | 45,339.43               | 62,234.00                          |
| Purchase of Investments                                       | (45,700.37)             | (62,264.40)                        |
| Interest received   | 970.09                  | 322.20                             |
| Dividend received   | 13.06                   | 10.87                              |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>                  | <b>(12,725.30)</b>      | <b>(17,958.85)</b>                 |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                 |                         |                                    |
| Term Loans raised #   | 10,817.00               | 4,969.25                           |
| Term Loans repaid   | (10,409.22)             | (15,283.16)                        |
| Proceeds from other borrowings(net of repayments) #           | 11,106.68               | (5,056.81)                         |
| Interest paid   | (4,927.50)              | (5,308.39)                         |
| Dividend & Corporate Dividend Taxes Paid                      | (4,558.92)              | (3,698.34)                         |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>                  | <b>2,028.04</b>         | <b>(24,377.45)</b>                 |
| <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b> | <b>(64.23)</b>          | <b>366.77</b>                      |
| <b>CASH AND CASH EQUIVALENTS - Opening Balance</b>            | <b>2,582.29</b>         | <b>2,215.52</b>                    |
| <b>CASH AND CASH EQUIVALENTS - Closing Balance</b>            | <b>2,518.06</b>         | <b>2,582.29</b>                    |
| <b>Notes :</b>  |                         |                                    |
| <b>CASH AND CASH EQUIVALENTS include</b>                      |                         |                                    |
| a) Cash and Cheques on hand                                   | 402.52                  | 681.74                             |
| b) With Scheduled Banks:                                      |                         |                                    |
| i) Current Account & Cash Credit a/c                          | 1,361.13                | 1,062.90                           |
| ii) Deposit Accounts  | 583.36                  | 688.25                             |
| iii) Dividend warrant Accounts                                | 171.05                  | 149.40                             |
|   | <b>2,518.06</b>         | <b>2,582.29</b>                    |

# Excludes unrealised exchange loss of ₹ 4,460.70 lakhs (Last year gain of ₹ 1,521.01 lakhs).

\* Impact of difference in opening balance of fixed assets and net accumulated losses of a company which became a subsidiary during the year.

**ARUNDATHI KRISHNA**  
Deputy Managing Director

**ARATHI KRISHNA**  
Joint Managing Director

**SURESH KRISHNA**  
Chairman & Managing Director  
As per our report annexed  
For **SUNDARAM & SRINIVASAN**  
Chartered Accountants  
Regn. No. 004207S

**V G JAGANATHAN**  
Chief Financial Officer & Company Secretary

**M BALASUBRAMANIAM**  
Partner  
Membership No. F 7945

Chennai  
May 29, 2015

# Sundram Fasteners Limited (CONSOLIDATED)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

|  | As at<br>31-3-2015 | ₹ lakhs<br>As at<br>31-3-2014 |
|--|--------------------|-------------------------------|
| <b>1 SHARE CAPITAL</b>                               |                    |                               |
| <b>a) Authorised</b>                                 |                    |                               |
| 25,00,00,000 Equity Shares of ₹ 1 each               | <u>2,500.00</u>    | <u>2,500.00</u>               |
| <b>b) Issued</b>                                     |                    |                               |
| 21,01,28,370 Equity Shares of ₹ 1 each               | <u>2,101.28</u>    | <u>2,101.28</u>               |
| <b>c) Subscribed and Paid-up</b>                     |                    |                               |
| 21,01,28,370 Equity Shares of ₹ 1 each fully paid-up | <u>2,101.28</u>    | <u>2,101.28</u>               |

**d) Reconciliation of number of shares**

| Equity Shares                          | As at 31-3-2015 |                  | As at 31-3-2014 |                  |
|--|-----------------|------------------|-----------------|------------------|
|  | No. of Shares   | Value in ₹ lakhs | No. of shares   | Value in ₹ lakhs |
| 1 Balance at the beginning of the year | 210,128,370     | 2,101.28         | 210,128,370     | 2,101.28         |
| 2 Add: Shares issued during the year   | –               | –                | –               | –                |
| 3 Bonus Shares issued during the year  | –               | –                | –               | –                |
| 4 Balance as at the end of the year    | 210,128,370     | 2,101.28         | 210,128,370     | 2,101.28         |

**e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

| Name of the Shareholder                             | As at 31-3-2015 |                                    | As at 31-3-2014 |                                    |
|---|-----------------|------------------------------------|-----------------|------------------------------------|
|   | No. of Shares   | Shares as % of Total No. of Shares | No. of shares   | Shares as % of Total No. of Shares |
| 1. T V Sundram Iyengar & Sons Private Ltd., Madurai | 53,312,000      | 25.37                              | 53,312,000      | 25.37                              |
| 2. Southern Roadways Limited, Madurai               | 50,773,280      | 24.16                              | 50,773,280      | 24.16                              |
| Sub Total   | 104,085,280     | 49.53                              | 104,085,280     | 49.53                              |
| 3. Total No. of shares of the Company               | 210,128,370     | 100.00                             | 210,128,370     | 100.00                             |

**f) Bonus Shares / Buy Back / Shares for consideration other than cash issued during the period of five years immediately preceding the financial year ended 31<sup>st</sup> March, 2015 :**

- Aggregate number of equity shares allotted as fully paid up pursuant to contracts without payment being received in cash : Nil
- Aggregate number of equity shares allotted as fully paid up by way of Bonus Shares : Nil
- Aggregate number of equity shares bought back : Nil

**g) Terms / rights attached to shares**

The Company has only one class of equity shares having a face value of ₹ 1/- each. Each holder of equity share is entitled to one vote per share. The Company declares dividend and pays dividends in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|   | As at<br>31-3-2015 | ₹ lakhs<br>As at<br>31-3-2014 |
|---|--------------------|-------------------------------|
| <b>2 RESERVES AND SURPLUS</b>   |                    |                               |
| <b>a) General Reserve</b>   |                    |                               |
| 1. Balance as at the beginning of the year  | 67,647.83          | 60,123.34                     |
| 2. Add : Transfer from Surplus in Statement of Profit and Loss                                      | —                  | 7,518.27                      |
| 3. Less: Depreciation charged to retained earnings<br>as per Schedule II of the Companies Act, 2013 | 1,028.40           | —                             |
| Sub Total   | 66,619.43          | 67,641.61                     |
| 4. Stock Reserve  | 16.58              | 6.22                          |
| 5. Less: Pre-acquisition profit of Minority Interest -<br>TVS Infotech Limited, TVS Infotech Inc.   | 11.03              | —                             |
| 6. Balance as at the end of the year  | 66,624.98          | 67,647.83                     |
| <b>b) Surplus in Statement of Profit and Loss</b>   |                    |                               |
| 1. Balance as at the beginning of the year  | 2,674.95           | 3,250.70                      |
| 2. Add: Exchange variation - balance brought forward in<br>foreign subsidiaries                     | 708.73             | 1,095.43                      |
| 3. Add: Opening balance of Sundram RBI Sdn. Bhd.  | 291.82             | —                             |
| 4. Less : TVS Infotech Limited, Chennai accumulated lossess   | (1,407.44)         | —                             |
| 5. Sub total (1 to 4)   | 2,268.06           | —                             |
| 6. Add: Effect on consolidation of TVS Infotech Limited   | 202.98             | —                             |
| 7. Adjusted Balance as at the beginning of the year (5 + 6)   | 2,471.04           | 2,155.27                      |
| 8. Profit for the Year  | 13,123.80          | 12,077.01                     |
| 9. Balance available for appropriation (7 + 8)  | 15,594.84          | 14,232.28                     |
| <b>Appropriations :</b>   |                    |                               |
| 10. Interim Dividend Paid   | 1,856.68           | 1,491.87                      |
| 11. Tax Paid there on   | 373.58             | 226.97                        |
| 12. Second Interim Dividend payable   | 1,891.16           | 2,101.28                      |
| 13. Tax Payable there on  | 148.39             | 218.59                        |
| 14. Transfer to Special Reserve   | —                  | 0.34                          |
| 15. Transfer to General Reserve   | —                  | 7,518.27                      |
| 16. Depreciation charged to surplus as per Schedule II of the<br>Companies Act, 2013                | 11.72              | —                             |
| 17. Minority share in opening balance of p&L  | (472.84)           | —                             |
| 18. Amount appropriated during the year   | 3,808.69           | 11,557.33                     |
| 19. Balance as the end of the year (9-18)   | 11,786.15          | 2,674.95                      |
| <b>c) Capital Reserve</b>   | 105.50             | 105.50                        |
| <b>d) Special Reserve</b>   |                    |                               |
| Balance as at the beginning of the year   | 82.22              | 81.88                         |
| Add : Transfer from Surplus in Statement of Profit and Loss   | —                  | 0.34                          |
|   | 82.22              | 82.22                         |
| <b>e) Foreign Exchange Translation Reserve / (Asset)</b>  |                    |                               |
| Balance as at the beginning of the year   | 7,527.65           | 4,967.70                      |
| Current year foreign exchange gain / (loss)   | (350.25)           | 2,559.95                      |
|   | 7,177.40           | 7,527.65                      |
| <b>Total Reserves and Surplus</b>   | <b>85,776.25</b>   | <b>78,038.15</b>              |

# Sundram Fasteners Limited (CONSOLIDATED)

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|                                    |   | ₹ lakhs                 |                      |
|------------------------------------|---|-------------------------|----------------------|
|                                    |   | Long-term / Non-current | Short-term / Current |
|                                    |   | As at                   | As at                |
|                                    |   | 31-3-2015               | 31-3-2014            |
|                                    |   | 31-3-2015               | 31-3-2014            |
| <b>3</b>                           | <b>BORROWINGS</b>   |                         |                      |
| a)                                 | Secured   |                         |                      |
| i)                                 | Term Loans  | 19,763.38               | 22,656.31            |
| ii)                                | Working Capital Loans*  | –                       | –                    |
|                                    | * Secured by hypothecation of current assets viz., stocks of raw materials, work-in-progress and finished goods | 16,691.30               | 12,394.58            |
| iii)                               | Hire Purchase Agreement   | –                       | –                    |
| (A)                                |   | 19,763.38               | 22,656.31            |
| b)                                 | Unsecured   |                         |                      |
| i)                                 | Term Loans  | –                       | 2,000.00             |
| ii)                                | Working Capital Loans   | 536.67                  | –                    |
| (B)                                |   | 536.67                  | 2,000.00             |
| Total (A + B)                      |   | 20,300.05               | 24,656.31            |
|                                    |   | 54,233.81               | 43,204.75            |
| <b>4</b>                           | <b>DEFERRED TAX LIABILITY / ASSETS</b>  |                         |                      |
| a)                                 | Deferred Tax Liability  |                         |                      |
|                                    | On Depreciation   | 9,996.52                | 10,085.38            |
| b)                                 | Deferred Tax Asset :  |                         |                      |
| i)                                 | On Provision for Leave Salary   | (175.25)                | 118.09               |
| ii)                                | On Provision for Gratuity   | (25.39)                 | –                    |
| iii)                               | Others  | (786.30)                | (538.70)             |
| Net Deferred Tax Liability (a + b) |   | 9,009.58                | 9,664.77             |

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

| ₹ lakhs  |                         |                    |                      |                    |
|--|-------------------------|--------------------|----------------------|--------------------|
|  | Long-term / Non-current |                    | Short-term / Current |                    |
|  | As at<br>31-3-2015      | As at<br>31-3-2014 | As at<br>31-3-2015   | As at<br>31-3-2014 |
| <b>5 TRADE PAYABLES</b>                                    |                         |                    |                      |                    |
| Sundry Creditors for Goods purchased /<br>Services availed | <b>89.14</b>            | 54.13              | <b>29,764.19</b>     | 33,938.07          |
|  | <b>89.14</b>            | 54.13              | <b>29,764.19</b>     | 33,938.07          |
| <b>6 OTHER LIABILITIES</b>                                 |                         |                    |                      |                    |
| 1 Current Maturities of Long Term Debt                     | —                       | —                  | <b>12,860.20</b>     | 5,426.98           |
| 2 Interest accrued but not due                             | —                       | —                  | <b>165.65</b>        | 220.90             |
| 3 Unclaimed Dividend                                       | —                       | —                  | <b>171.05</b>        | 149.40             |
| 4 Statutory Dues   | —                       | —                  | <b>977.54</b>        | 715.81             |
| 5 Trade deposits   | —                       | —                  | <b>213.11</b>        | 125.16             |
| 6 Unclaimed Wages & Salaries                               | —                       | —                  | <b>241.13</b>        | 243.82             |
| 7 Unclaimed Bonus  | —                       | —                  | <b>4.80</b>          | 5.97               |
| 8 Bonus Payable  | —                       | —                  | <b>243.01</b>        | 251.12             |
| 9 Outstanding Liabilities                                  | —                       | —                  | <b>7,259.57</b>      | 6,692.24           |
| 10 Customer Advances                                       | —                       | —                  | <b>311.06</b>        | 165.73             |
| 11 Non Statutory dues                                      | —                       | —                  | <b>283.67</b>        | 520.67             |
| 12 Provision for income Tax less Advance Tax               | —                       | —                  | <b>395.99</b>        | 562.93             |
| 13 Liabilities to Group companies                          | —                       | —                  | <b>15.21</b>         | —                  |
| 14 Income received in advance                              | —                       | —                  | <b>12.50</b>         | —                  |
| 15 Government Grant  | —                       | 8.65               | <b>8.32</b>          | 38.78              |
| 16 Interest Payable on Income Tax                          | —                       | —                  | <b>41.36</b>         | 41.36              |
| Total  | —                       | 8.65               | <b>23,204.17</b>     | 15,160.87          |
| <b>7 PROVISIONS</b>  |                         |                    |                      |                    |
| a) Leave Salary  | <b>380.41</b>           | 303.43             | <b>189.49</b>        | 181.16             |
| b) Gratuity  | <b>112.63</b>           | 41.79              | <b>504.50</b>        | 517.76             |
| c) Dividend Payable  | —                       | —                  | <b>2,039.55</b>      | 2,328.66           |
| d) Expenses  | —                       | —                  | <b>5,342.18</b>      | 5,771.90           |
| e) Provision for Taxation                                  | —                       | —                  | <b>19.36</b>         | —                  |
|  | <b>493.04</b>           | 345.22             | <b>8,095.08</b>      | 8,799.48           |

# Sundram Fasteners Limited (CONSOLIDATED)

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### 8 NON-CURRENT ASSETS : FIXED ASETS

|  |           |                    |                   |                  |                        |                      |                   |               |                   |                    | ₹ lakhs         |                   |
|--|-----------|--------------------|-------------------|------------------|------------------------|----------------------|-------------------|---------------|-------------------|--------------------|-----------------|-------------------|
| Particulars  | Tangible  |                    |                   |                  |                        |                      |                   |               |                   | Intangible         |                 | Total             |
|  | Aircraft* | Land - Free Hold * | Land - Lease Hold | Buildings        | Plant and Equip-ment # | Furniture & Fixtures | Office Equip-ment | Vehi-cles     | Total             | Technical Know How | Software        |                   |
| <b>A Cost of Assets</b>  |           |                    |                   |                  |                        |                      |                   |               |                   |                    |                 |                   |
| As at 01.04.2014   | 720.99    | 4,579.05           | 1,146.16          | 23,928.97        | 159,396.89             | 10,531.96            | 2,463.21          | 457.09        | 203,224.32        | 490.38             | 1,156.00        | 204,870.70        |
| On acquiring new subsidiaries (TVS Infotech Ltd & TVS Infotech Inc)  | -         | -                  | -                 | -                | 255.70                 | 6.51                 | 22.46             | -             | 284.67            | -                  | 48.29           | 332.96            |
| Additions  | -         | 3.26               | -                 | 1,543.43         | 13,152.61              | 711.24               | 443.87            | 42.67         | 15,897.08         | -                  | 28.67           | 15,925.76         |
| Sales/Discards   | (720.99)  | -                  | -                 | (64.12)          | (1,011.52)             | (57.37)              | (14.25)           | (40.12)       | (1,908.37)        | -                  | -               | (1,908.37)        |
| Other Adjustments  | -         | -                  | -                 | -                | (0.73)                 | 1.04                 | (0.69)            | -             | (0.38)            | -                  | -               | (0.38)            |
| - Exchange difference  | -         | -                  | (1.60)            | (522.07)         | (2,790.03)             | (940.10)             | (9.51)            | (0.18)        | (4,263.50)        | -                  | (95.63)         | (4,359.14)        |
| <b>As at 31.03.2015</b>  | <b>-</b>  | <b>4,582.31</b>    | <b>1,144.56</b>   | <b>24,886.21</b> | <b>169,002.92</b>      | <b>10,253.28</b>     | <b>2,905.09</b>   | <b>459.46</b> | <b>213,233.82</b> | <b>490.38</b>      | <b>1,137.33</b> | <b>214,861.53</b> |
| <b>B Depreciation/ Amortization</b>                                  |           |                    |                   |                  |                        |                      |                   |               |                   |                    |                 |                   |
| As at 01.04.2014   | 134.63    | -                  | 157.39            | 5,355.13         | 87,057.07              | 8,542.37             | 1,621.03          | 212.17        | 103,079.79        | 490.38             | 588.44          | 104,158.61        |
| On acquiring new subsidiaries (TVS Infotech Ltd & TVS Infotech Inc)  | -         | -                  | -                 | -                | 153.39                 | 1.76                 | 14.38             | -             | 169.53            | -                  | 21.46           | 190.99            |
| Charges for the year   | 32.83     | -                  | 13.81             | 695.52           | 10,078.76              | 289.39               | 224.01            | 55.53         | 11,389.85         | -                  | 185.50          | 11,575.34         |
| Deduction on sale or discards  | (167.46)  | -                  | -                 | (46.64)          | (831.66)               | (56.23)              | (13.54)           | (36.82)       | (1,152.35)        | -                  | -               | (1,152.35)        |
| Other Adjustments  | -         | -                  | -                 | (4.88)           | (5.21)                 | (0.16)               | (0.10)            | -             | (10.34)           | -                  | (22.94)         | (33.29)           |
| Other Adjustments - TVS Infotech Limited                             | -         | -                  | -                 | -                | 7.51                   | 0.06                 | 0.44              | -             | 8.02              | -                  | 3.89            | 11.90             |
| Impairment for the year  | -         | -                  | -                 | -                | (12.16)                | -                    | -                 | -             | (12.16)           | -                  | -               | (12.16)           |
| Charged to General Reserve as per requirement of Companies Act, 2013 | -         | -                  | -                 | 18.25            | 1,471.65               | 15.67                | 64.31             | 1.41          | 1,571.29          | -                  | 3.80            | 1,575.09          |
| Exchange Difference  | -         | -                  | (0.22)            | (50.27)          | (2,461.29)             | (787.08)             | (0.27)            | (0.10)        | (3,299.22)        | -                  | (35.56)         | (3,334.79)        |
| <b>As at 31.03.2015</b>  | <b>-</b>  | <b>-</b>           | <b>170.98</b>     | <b>5,967.11</b>  | <b>95,458.06</b>       | <b>8,005.78</b>      | <b>1,910.27</b>   | <b>232.19</b> | <b>111,744.39</b> | <b>490.38</b>      | <b>744.58</b>   | <b>112,979.35</b> |
| <b>C Written Down Value</b>  |           |                    |                   |                  |                        |                      |                   |               |                   |                    |                 |                   |
| <b>As at 31.03.2015</b>  | <b>-</b>  | <b>4,582.31</b>    | <b>973.58</b>     | <b>18,919.10</b> | <b>73,544.86</b>       | <b>2,247.50</b>      | <b>994.82</b>     | <b>227.27</b> | <b>101,489.43</b> | <b>-</b>           | <b>392.75</b>   | <b>101,882.18</b> |
| As at 31.03.2014   | 586.36    | 4,579.05           | 988.77            | 18,573.84        | 72,339.82              | 1,989.59             | 842.18            | 244.92        | 100,144.53        | -                  | 567.56          | 100,712.09        |
| <b>D Capital Work in Progress</b>                                    |           |                    |                   |                  |                        |                      |                   |               |                   |                    |                 |                   |
| <b>As at 31.03.2015</b>  | <b>-</b>  | <b>-</b>           | <b>-</b>          | <b>249.10</b>    | <b>1,921.13</b>        | <b>4.56</b>          | <b>-</b>          | <b>-</b>      | <b>2,174.79</b>   | <b>-</b>           | <b>-</b>        | <b>2,174.79</b>   |
| As at 31.03.2014   | -         | -                  | -                 | 2,039.27         | 2,002.18               | -                    | -                 | -             | 4,041.45          | -                  | -               | 4,041.45          |

\* Jointly owned.

# Includes assets under operating lease to sub-contractors (cost ₹ 2,932.99 lakhs, accumulated depreciation ₹ 1,935.97 lakhs, Written Down Value ₹ 997.02 lakhs)

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

| ₹ lakhs   |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | Non-current        |                    | Current            |                    |
|   | As at<br>31-3-2015 | As at<br>31-3-2014 | As at<br>31-3-2015 | As at<br>31-3-2014 |
| <b>9. LOANS AND ADVANCES (UNSECURED,<br/>CONSIDERED GOOD UNLESS STATED<br/>OTHERWISE)</b> |                    |                    |                    |                    |
| A) Capital Advance  | <u>1,460.53</u>    | <u>977.57</u>      | <u>—</u>           | <u>—</u>           |
| (A)   | <u>1,460.53</u>    | <u>977.57</u>      | <u>—</u>           | <u>—</u>           |
| B) Security Deposits  | <u>2,239.31</u>    | <u>1,570.13</u>    | <u>—</u>           | <u>—</u>           |
| (B)   | <u>2,239.31</u>    | <u>1,570.13</u>    | <u>—</u>           | <u>—</u>           |
| C) Loans and Advances to Related Parties<br>(refer note on related party)                 | <u>—</u>           | <u>1,153.37</u>    | <u>—</u>           | <u>657.85</u>      |
| (C)   | <u>—</u>           | <u>1,153.37</u>    | <u>—</u>           | <u>657.85</u>      |
| D) Other Loans and Advances   |                    |                    |                    |                    |
| Advance Income-tax (net of provision for<br>taxation)                                     | <u>2,600.70</u>    | <u>994.18</u>      | <u>17.00</u>       | <u>432.81</u>      |
| Income Tax refundable   | <u>50.09</u>       | <u>—</u>           | <u>11.33</u>       | <u>—</u>           |
| Prepaid Expenses  | <u>22.90</u>       | <u>45.52</u>       | <u>1,722.72</u>    | <u>2,507.10</u>    |
| Loans/Advances to employees   | <u>395.04</u>      | <u>38.87</u>       | <u>37.60</u>       | <u>255.43</u>      |
| Balance with statutory/government authorities   | <u>4.82</u>        | <u>24.58</u>       | <u>5,920.72</u>    | <u>643.41</u>      |
| Advances to suppliers   | <u>—</u>           | <u>—</u>           | <u>636.03</u>      | <u>952.43</u>      |
| Advances recoverable in Cash or in kind   | <u>136.55</u>      | <u>0.05</u>        | <u>8,527.38</u>    | <u>4,798.51</u>    |
| Minimum Alternate Tax Credit Entitlement  | <u>—</u>           | <u>—</u>           | <u>77.32</u>       | <u>136.44</u>      |
| (D)   | <u>3,210.10</u>    | <u>1,103.20</u>    | <u>16,950.10</u>   | <u>9,726.13</u>    |
| Total (A + B + C + D)   | <u>6,909.94</u>    | <u>4,804.27</u>    | <u>16,950.10</u>   | <u>10,383.98</u>   |
| <b>10 OTHER ASSETS (UNSECURED,<br/>CONSIDERED GOOD UNLESS<br/>STATED OTHERWISE)</b>       |                    |                    |                    |                    |
| a) Non-Current Bank Balance(Refer note 13 a)  | <u>33.57</u>       | <u>33.57</u>       | <u>—</u>           | <u>—</u>           |
| b) Other Assets   | <u>0.53</u>        | <u>—</u>           | <u>263.93</u>      | <u>99.21</u>       |
| c) Prepaid expenses   | <u>—</u>           | <u>—</u>           | <u>27.20</u>       | <u>—</u>           |
| d) Claim receivable   | <u>—</u>           | <u>—</u>           | <u>340.03</u>      | <u>—</u>           |
| e) Interest receivable  | <u>0.25</u>        | <u>0.25</u>        | <u>539.68</u>      | <u>235.77</u>      |
|   | <u>34.35</u>       | <u>33.82</u>       | <u>1,170.84</u>    | <u>334.98</u>      |

# Sundram Fasteners Limited (CONSOLIDATED)

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|   | ₹ lakhs          |                  |
|---|------------------|------------------|
|   | As at            | As at            |
|   | 31-3-2015        | 31-3-2014        |
| <b>11 INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE) - CURRENT</b>   |                  |                  |
| a) Stores & Spares  | 1,146.75         | 1,346.69         |
| b) Stores & Spares in Transit   | 35.99            | –                |
| c) Loose tools  | 2,831.10         | 2,388.90         |
| d) Loose tools in Transit   | 7.08             | –                |
| e) Raw Materials and components   | 12,265.14        | 9,964.29         |
| f) Raw Materials and Components in Transit  | 1,377.83         | 1,141.20         |
| g) Work-in-progress   | 12,122.57        | 12,389.02        |
| h) Work-in-progress in Transit  | 20.03            | 30.49            |
| i) Finished Goods   | 22,799.99        | 16,834.69        |
| j) Finished Goods in Transit  | 21.72            | –                |
| k) Packing Materials  | 16.30            | –                |
| Total   | <u>52,644.50</u> | <u>44,095.28</u> |
| <b>12 TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD UNLESS STATED OTHERWISE) - CURRENT</b>  |                  |                  |
| a) Outstanding for a period exceeding 6 months from the date they are due for payment   | 1,651.81         | 5,927.03         |
| b) Other Receivables  | 47,575.02        | 42,591.56        |
| Sub Total (a + b)   | <u>49,226.83</u> | <u>48,518.59</u> |
| c) Provision for Doubtful Debts   | (40.73)          | (126.58)         |
| Total   | <u>49,186.10</u> | <u>48,392.01</u> |
| <b>13 CASH AND CASH EQUIVALENTS</b>   |                  |                  |
| a) <b>Balances with Bank</b>  |                  |                  |
| i) Current Account  | 1,361.13         | 1,062.90         |
| ii) Deposit Accounts*   | 507.59           | 573.34           |
| iii) Deposits with maturity less than 3 months  | –                | –                |
| iv) Earmarked Balances with Banks – Dividend Warrant  | 171.05           | 149.40           |
| b) <b>Cheques / Drafts on hand</b>  | 370.32           | 651.99           |
| c) <b>Cash on hand</b>  | 32.20            | 29.75            |
| Sub Total   | <u>2,442.29</u>  | <u>2,467.38</u>  |
| <i>*Deposits have been lodged with electricity board to meet the security deposit requirements, hence classified under other Non-current Bank Balance</i> | (33.57)          | (33.57)          |
| Sub Total   | <u>2,408.72</u>  | <u>2,433.81</u>  |
| d) <b>Other Bank Balances</b>   |                  |                  |
| Deposits with maturity for more than 12 months  | –                | –                |
| Deposits with maturity for more than 3 months but less than 12 months   | 75.77            | 114.91           |
| Deposits with maturity for more than 12 months shown under other current assets   | –                | –                |
| Sub Total   | <u>75.77</u>     | <u>114.91</u>    |
| Actual Balances with Bank   | <u>2,484.49</u>  | <u>2,548.72</u>  |



## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|  |                         | ₹ lakhs                 |
|--|-------------------------|-------------------------|
|  | Year ended<br>31-3-2015 | Year ended<br>31-3-2014 |
| <b>14 REVENUE FROM OPERATION</b>                                 |                         |                         |
| <b>a) Sale of Products</b>                                       |                         |                         |
| Domestic Sales   | 208,015.68              | 181,297.84              |
| Export Sales   | 117,704.34              | 103,664.42              |
| Sub Total  | 325,720.02              | 284,962.26              |
| <b>b) Other Operating Revenues (Refer Note 14A)</b>              | 8,782.01                | 5,442.53                |
| Sub Total (a + b)  | 334,502.03              | 290,404.79              |
| Less : Excise Duty   | 18,888.20               | 16,784.69               |
| Total  | 315,613.83              | 273,620.10              |
| <br><b>14A OTHER OPERATING REVENUE</b>                           |                         |                         |
| Scrap Sales  | 5,854.09                | 4,857.08                |
| Export Incentives  | 988.43                  | 305.91                  |
| Others   | 1,939.49                | 279.54                  |
| Total  | 8,782.01                | 5,442.53                |
| <br><b>15 OTHER INCOME</b>                                       |                         |                         |
| Interest Income  | 970.09                  | 322.20                  |
| Net Foreign exchange gain(net off loss)                          | 264.53                  | 3,241.58                |
| Dividends - From Other Companies                                 | 13.06                   | 10.87                   |
| Miscellaneous Income   | 312.76                  | 1,195.81                |
| Profit on Sale of Assets   | 63.68                   | 24.18                   |
| Profit on Sale of Investment                                     | 41.60                   | 84.06                   |
| Total  | 1,665.72                | 4,878.70                |
| <br><b>16 RAW MATERIALS INCLUDING PACKING MATERIALS CONSUMED</b> |                         |                         |
| Opening Stock of Raw Materials                                   | 10,089.95               | 12,259.65               |
| Add : Purchase of Materials                                      | 137,527.40              | 118,084.91              |
| Less : Closing Stock of Raw Material                             | 12,265.13               | 10,276.71               |
| Total  | 135,352.22              | 120,067.85              |

**Sundram Fasteners Limited (CONSOLIDATED)****NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

|   |                          | ₹ lakhs                 |
|---|--------------------------|-------------------------|
|   | Year ended<br>31-3-2015  | Year ended<br>31-3-2014 |
| <b>17 CHANGES IN INVENTORIES OF FINISHED GOODS,<br/>WORK-IN-PROGRESS AND STOCK-IN-TRADE</b> |                          |                         |
| Opening Stock :   |                          |                         |
| Work-in-Progress  | <b>12,036.99</b>         | 13,946.07               |
| Finished Goods  | <b>16,368.28</b>         | 14,723.55               |
| Sub Total (a)   | <u><b>28,405.27</b></u>  | <u>28,669.62</u>        |
| Less : Closing Stock  |                          |                         |
| Work-in-Progress  | <b>12,122.57</b>         | 12,393.35               |
| Finished Goods  | <b>22,816.14</b>         | 16,837.22               |
| Sub Total (b)   | <u><b>34,938.71</b></u>  | <u>29,230.57</u>        |
| Total (a-b)   | <u><b>(6,533.44)</b></u> | <u>(560.95)</u>         |
| <b>18 EMPLOYEE BENEFIT EXPENSES</b>   |                          |                         |
| Salaries, Wages, Bonus and Allowances   | <b>36,448.19</b>         | 32,102.68               |
| Provident and Other Funds   | <b>4,476.53</b>          | 3,979.23                |
| Welfare expenses  | <b>3,188.68</b>          | 2,765.53                |
| Total   | <u><b>44,113.40</b></u>  | <u>38,847.44</u>        |
| <b>19 FINANCE COST</b>  |                          |                         |
| a) Interest expense   | <b>3,326.04</b>          | 3,889.85                |
| b) Other borrowing costs  | <b>52.50</b>             | 48.58                   |
| c) Net (gain)/loss on foreign currency loans  | <b>6,068.02</b>          | 2,821.20                |
| Total   | <u><b>9,446.56</b></u>   | <u>6,759.63</u>         |
| <b>20 OTHER EXPENSES</b>  |                          |                         |
| a) Stores and Tools consumed  | <b>32,298.43</b>         | 26,078.64               |
| b) Power & Fuel   | <b>16,338.11</b>         | 14,528.77               |
| c) Rent   | <b>2,338.15</b>          | 1,630.98                |
| d) Rates & Taxes  | <b>1,453.67</b>          | 759.60                  |
| e) Insurance  | <b>1,062.28</b>          | 899.07                  |
| f) Repairs & Maintenance - Building   | <b>2,468.71</b>          | 1,978.04                |
| g) Repairs & Maintenance - Plant & Equipment  | <b>4,407.63</b>          | 3,766.55                |
| h) Miscellaneous Expenses (Refer note 21)   | <b>44,740.64</b>         | 36,657.67               |
| Total   | <u><b>105,107.62</b></u> | <u>86,299.32</u>        |

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|  |                         | ₹ lakhs                 |
|--|-------------------------|-------------------------|
|  | Year ended<br>31-3-2015 | Year ended<br>31-3-2014 |
| <b>21 MISCELLANEOUS EXPENSES</b>               |                         |                         |
| a) Sub-contract expenses                       | 22,754.35               | 17,931.56               |
| b) Freight & Cartage Inward                    | 2,279.51                | 1,703.99                |
| c) Repairs & Maintenance - Other assets        | 1,504.54                | 1,420.56                |
| d) Commission on sales                         | 1,636.44                | 1,652.61                |
| e) Directors' Sitting Fees                     | 13.02                   | 11.43                   |
| f) Remuneration to Auditors (Refer Note 22)    | 136.26                  | 134.26                  |
| g) Loss on sale of assets                      | 75.21                   | 46.84                   |
| h) Corporate social responsibility expenditure | 224.67                  | –                       |
| i) Research and development Expenditure        | 1,137.61                | 1,099.57                |
| j) Freight & Cartage Outward                   | 6,052.60                | 5,321.72                |
| k) Travel Expenses                             | 1,380.75                | 1,156.59                |
| l) Postage & Telecom Expenses                  | 475.63                  | 380.91                  |
| m) Warranty Claims                             | 2,795.47                | 631.04                  |
| n) Consultancy                                 | 2,046.45                | 1,778.50                |
| o) Bad Debts                                   | 37.94                   | (17.42)                 |
| p) Net Foreign exchange loss(net off gain)     | 67.10                   | –                       |
| q) Export Expenses                             | 81.39                   | 43.69                   |
| r) Sundry Expenses                             | 2,041.70                | 3,361.82                |
| Total  | <u>44,740.64</u>        | <u>36,657.67</u>        |
| <b>22 REMUNERATION TO AUDITORS CONSIST OF</b>  |                         |                         |
| a) As Auditor                                  | 92.60                   | 86.23                   |
| b) Taxation Matters                            | 5.63                    | 6.99                    |
| c) Company Law Matters                         | 0.61                    | 0.61                    |
| d) Other Services                              | 25.21                   | 20.34                   |
| e) Reimbursement of expenses                   | 12.21                   | 20.09                   |
| Total  | <u>136.26</u>           | <u>134.26</u>           |

# **Sundram Fasteners Limited (CONSOLIDATED)**

## **NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

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### **23 SIGNIFICANT ACCOUNTING POLICIES & OTHER INFORMATION**

#### **1) CONSOLIDATION OF ACCOUNTS:**

##### **A. Basis of Accounting :**

The Financial statements are prepared under the historical cost convention and comply with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013.

##### **B. Translation of Foreign Currency Statements:**

The translation of foreign operations is done in accordance with Accounting Standard 11 (Revised) "The Effects of Changes in Foreign Exchange Rates". Accordingly, all assets and liabilities of non-integral operations have been translated at the rates prevailing on the date of the balance sheet and income and expenditure at average rates. The resulting exchange difference has been accumulated in Foreign Currency Translation Reserve.

As regards integral foreign operations, the balance sheet items have been translated at the closing rate except share capital and fixed assets, which have been translated at the transaction date. All income and expenditure of integral foreign operations have been translated at the average rates for the year. Exchange gain/loss is recognised in the Profit & Loss account.

##### **C. Principles of Consolidation:**

(i) Consolidated Financial Statements relate to Sundram Fasteners Limited, Chennai and its Subsidiaries. (THE COMPANY)

(ii) The Consolidated Financial Statements have been prepared on the following basis:

- The Financial statements of the Company and its Subsidiaries have been prepared on a line by line consolidation by adding the book values of like items of assets, liabilities, income and expenses as per the respective audited financial statements of the respective Companies.
- The accounts of Sundram Fasteners (Zhejiang) Limited, China, Cramlington Precision Forge Limited, United Kingdom, Peiner Umformtechnik GmbH, Germany, TVS Peiner Services GmbH, Germany and PUT Grundstücks GmbH, Germany, have been/are being audited by auditors qualified to conduct audit in accordance with the laws of the respective countries.
- Sundram RBI Sdn.Bhd (SRBI) has not been in operation during the year. Further, the shares of SRBI have been divested after the year end. Hence consolidation has not been done for the year 2014-15.
- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's individual financial statement.
- Minority Interest consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in equity subsequent to the dates of investments.
- Equity method of AS-23 has been followed in Accounting for Investments of Associate companies viz., TVS Infotech Limited, Chennai and TVS Infotech Inc., USA till it became subsidiary from 18.06.2014.
- Intra-group balances, Intra-group transactions and resulting unrealised profits have been eliminated.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(iii) The Companies considered in the Consolidated Financial Statements are :

| Name of the Company                                      | Country of Incorporation | Proportion of ownership interest/voting power | Reporting date | Difference in Reporting date |
|--|--------------------------|---|----------------|------------------------------|
| <b>Subsidiary Companies</b>                              |                          |   |                |                              |
| Sundram Fasteners Investments Limited, Chennai           | India                    | 100%  | 31.03.2015     | --                           |
| Sundram Fasteners (Zhejiang) Limited, China              | China                    | 100%  | 31.12.2014     | 3 Months                     |
| Upasana Engineering Limited, Chennai                     | India                    | 100%  | 31.03.2015     | --                           |
| Cramlington Precision Forge Limited, United Kingdom      | UK                       | 100%  | 31.12.2014     | 3 Months                     |
| Peiner Umformtechnik GmbH, Germany                       | Germany                  | 100%  | 31.12.2014     | 3 Months                     |
| PUT Grundstücks GmbH, Germany                            | Germany                  | 100%  | 31.12.2014     | 3 Months                     |
| TVS Peiner Services GmbH, Piene, Germany                 | Germany                  | 100%  | 31.12.2014     | 3 months                     |
| Sundram Non-Conventional Energy Systems Limited, Chennai | India                    | 52.94%  | 31.03.2015     | --                           |
| Sundram International Inc, USA                           | USA                      | 100.00%                                       | 31.03.2015     | --                           |
| Sundram Bleistahl Limited, Chennai                       | India                    | 76.00%  | 31.03.2015     | --                           |
| TVS Infotech Limited, Chennai (TVSI)                     | India                    | 62.26%  | 31.03.2015     | --                           |
| TVS Infotech Inc. USA (TVSI Inc)                         | USA                      | 62.26%  | 31.03.2015     | --                           |
| <b>Joint Venture</b>                                     |                          |   |                |                              |
| WindBolt GmbH, Germany                                   | Germany                  | 50%   | 31.12.2014     | 3 months                     |

D. Depreciation is provided under Straight Line Method as per the amended Schedule II of the Companies Act, 2013 or based on the management's estimate of the useful lives of the assets, except in the case of Sundram Fasteners Investments Limited, Chennai; PUT Grundstücks GmbH, Germany, TVS Peiner Services GmbH, Peine, Germany and Peiner Umformtechnik GmbH, Germany, where depreciation is provided under the Written Down Value Method. In the case of Peiner Umformtechnik GmbH, Germany and PUT Grundstücks GmbH, Germany depreciation is provided at the rates specified in the German Tax Laws.

Leasehold land is amortised over the period of lease.

E. Other Significant Accounting Policies :

These are set out in the Notes to the Accounts of the financial statements of the Company and its Subsidiaries.

## Sundram Fasteners Limited (CONSOLIDATED)

### F Additional Information, as required under Schedule III to be Companies Act, 2013 of entities consolidated Subsidiaries, Joint Ventures and Associates

| Sl. No. | Name of the Company                                      | Net Assets                       |                     | Share in Profit or Loss               |                     |
|---------|--|----------------------------------|---------------------|---------------------------------------|---------------------|
|         |  | As a % of Consolidated Net Assts | Amount (₹ in lakhs) | As a % of Consolidated Profit or Loss | Amount (₹ in lakhs) |
|         | <b>Parent Company</b>                                    |                                  |                     |                                       |                     |
| 1       | Sundram Fasteners Limited                                | 97.75                            | 85,896.55           | 103.11                                | 13,532.24           |
|         | <b>Indian Subsidiaries</b>                               |                                  |                     |                                       |                     |
| 2       | Sundram Fasteners Investments Limited, Chennai           | 0.71                             | 621.61              | (0.34)                                | (44.52)             |
| 3       | Upasana Engineering Limited, Chennai                     | 3.76                             | 3,304.55            | 5.06                                  | 663.59              |
| 4       | Sundram Non-Conventional Energy Systems Limited, Chennai | 0.37                             | 324.72              | 1.14                                  | 149.65              |
| 5       | Sundram Bleistahl Limited, Chennai                       | 1.56                             | 1,368.62            | 1.48                                  | 193.74              |
| 6       | TVS Infotech Limited, Chennai                            | 1.46                             | 1,280.95            | 0.40                                  | 52.52               |
|         | <b>Foreign Subsidiaries</b>                              |                                  |                     |                                       |                     |
| 7       | Sundram Fasteners (Zhejiang) Limited, China              | 13.03                            | 11,452.76           | 6.99                                  | 916.94              |
| 8       | Cramlington Precision Forge Limited, United Kingdom      | 3.28                             | 2,882.60            | 4.53                                  | 593.90              |
| 9       | Peiner Umformtechnik GmbH, Germany                       | (6.23)                           | (5,471.01)          | (19.27)                               | (2,529.47)          |
| 10      | PUT Grundstücks GmbH, Germany                            | 1.18                             | 1,036.20            | 1.06                                  | 139.49              |
| 11      | TVS Peiner Services GmbH, Peine, Germany                 | (0.53)                           | (464.87)            | 0.06                                  | 8.14                |
| 12      | Sundram International Inc., USA                          | –                                | (3.68)              | (0.06)                                | (7.27)              |
| 13      | TVS Infotech Inc., USA                                   | 0.24                             | 212.89              | 0.42                                  | 55.01               |
|         | Minority Interest in all subsidiaries                    | (1.19)                           | (1,045.06)          | (0.54)                                | (70.37)             |
|         | <b>Joint Venture</b>                                     |                                  |                     |                                       |                     |
| 14      | WindBolt GmbH, Germany                                   | (0.04)                           | (32.41)             | (2.51)                                | (329.24)            |
|         | <b>Sub Total</b>   | <b>115.35</b>                    | <b>101,364.42</b>   | <b>101.53</b>                         | <b>13,324.35</b>    |
|         | Less : Effect of Inter Company eliminations              | 15.35                            | 13,486.89           | 1.53                                  | 200.55              |
|         | <b>Total</b>   | <b>100.00</b>                    | <b>87,877.53</b>    | <b>100.00</b>                         | <b>13,123.80</b>    |

#### Notes :

1. Sundram RBI Sdn. Bhd. (SRBI) has not been in operation during the year. Further, the shares of SRBI have been divested after the year end. Hence consolidation has not been done for the year 2014-15.
2. Net Assets and Share in Profit or Loss for Parent Company, Subsidiaries and Joint Ventures are as per the Standalone Financial Statements of the respective entities.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|   | As at/<br>Year ended<br>31-3-2015 | ₹ lakhs<br>As at/<br>Year ended<br>31-3-2014 |
|---|-----------------------------------|--|
| 2) Contingent Liabilities :   |                                   |  |
| a) On Letters of Guarantee  | 3,563.59                          | 946.65                                       |
| b) On Letters of Credit   | 472.19                            | 65.87  |
| c) On Guarantee issued to HDFC on behalf of employees   | —                                 | —  |
| d) On partly paid shares of The Adyar Property Holding Co. Ltd.   | 0.01                              | 0.01   |
| e) Claims not acknowledged as debt  | 24.57                             | —  |
| 3) Liability disputed and not provided for :  |                                   |  |
| a) Sales Tax – under appeal   | 3,353.50                          | 1,023.42                                     |
| b) Excise Duty – under appeal   | 633.89                            | 504.19                                       |
| c) Income-tax – under appeal  | 125.12                            | 74.79  |
| d) Others   | 244.72                            | 1.56   |
| 4) Estimated amount of contracts remaining to be executed on capital account and not provided for   | 5,032.98                          | 4,871.28                                     |
| 5) Contingent Assets  |                                   |  |
| Claim of additional compensation against land acquisition   | 23.29                             | 23.29  |
| 6) The Company and its Subsidiaries operate in only one Segment as the entire operations are subject to similar risks and returns. Hence there are no reportable segments.        |                                   |  |
| 7) As required by Accounting Standard - AS 18 "Related Parties Disclosures" issued by the Institute of Chartered Accountants of India, related party disclosures are as follows : |                                   |  |
| (I) <b>Where Control exists:</b>  |                                   |  |
| (A) <b>Associate</b>  |                                   |  |
| TV Sundram Iyengar & Sons Private Ltd., Madurai   |                                   |  |
| Southern Roadways Limited, Madurai  |                                   |  |
| (B) <b>Joint Venture</b>  |                                   |  |
| Windbolt GmbH, Germany  |                                   |  |
| (II) <b>Other related Parties with whom transactions have been entered into during the year:</b>  |                                   |  |
| (A) <b>Key Management Personnel (KMP)</b>   |                                   |  |
| – Mr Suresh Krishna   |                                   |  |
| – Ms Arathi Krishna   |                                   |  |
| – Ms Arundathi Krishna  |                                   |  |
| – Mr. VG Jaganathan (KMP as per Companies Act, 2013)  |                                   |  |
| (B) <b>Relatives of Key Management Personnel</b>  |                                   |  |
| – Ms Usha Krishna   |                                   |  |
| – Ms Preethi Krishna  |                                   |  |

# **Sundram Fasteners Limited (CONSOLIDATED)**

## **NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

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|  | As at /<br>Year ended<br>31-3-2014 | ₹ lakhs<br>As at /<br>Year ended<br>31-3-2013 |
|--|------------------------------------|---|
| <b>(C) Enterprises in which Key Management Personnel have significant influence:</b> |                                    |   |
| – Upasana Finance Limited, Chennai   |                                    |   |
| <b>(III) Transactions with related parties</b>                                       |                                    |   |
| <b>(A) Purchase of Goods :</b>   |                                    |   |
| – Associate  | <b>1.80</b>                        | 2.30  |
| – Key Management Personnel   | –                                  | –   |
| – Relatives of Key Management Personnel  | –                                  | –   |
| <b>(B) Sale of Goods :</b>   |                                    |   |
| – Associate  | <b>8,346.18</b>                    | 8,642.27                                      |
| – Key Management Personnel   | –                                  | –   |
| – Relatives of Key Management Personnel  | –                                  | –   |
| <b>(C) Services rendered :</b>   |                                    |   |
| – Associate - Share of expenses  | –                                  | –   |
| – Key Management Personnel   | –                                  | –   |
| – Relatives of Key Management Personnel  | –                                  | –   |
| <b>(D) Services received:</b>  |                                    |   |
| – Associate  | <b>412.95</b>                      | 226.67  |
| – Key Management Personnel   | –                                  | –   |
| – Relatives of Key Management Personnel  | –                                  | –   |
| – Enterprise in which key management personnel have significant influence            | <b>43.51</b>                       | 39.38   |
| <b>(E) Leasing or hire purchase arrangements</b>                                     |                                    |   |
| – Associate  | –                                  | 0.96  |
| – Key Management Personnel (Lease rent paid)   | <b>19.20</b>                       | 19.20   |
| – Relatives of Key Management Personnel (Lease rent paid)                            | <b>6.20</b>                        | 6.20  |
| – Enterprise in which Key Management Personnel have significant influence            | –                                  | –   |



## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|   | ₹ lakhs                            |                                    |
|---|------------------------------------|------------------------------------|
|   | As at /<br>Year ended<br>31-3-2014 | As at /<br>Year ended<br>31-3-2013 |
| <b>(F) Finance*</b>   |                                    |                                    |
| – Associate   |                                    |                                    |
| – Loans   | –                                  | 155.00                             |
| – Equity Shares   | –                                  | –                                  |
| – Joint Venture   |                                    |                                    |
| – Loans   | –                                  | –                                  |
| – Equity Shares   | –                                  | –                                  |
| – Interest received   | 157.08                             | 192.58                             |
| – Key Management Personnel  | –                                  | –                                  |
| – Interest on loan to Associate   | –                                  | 41.94                              |
| – Dividend Paid & Payable to Associate  | 1,925.58                           | 1,655.40                           |
| – Dividend Paid & Payable to Key Management Personnel   | 2.50                               | 2.02                               |
| – Loan due to Key Management Personnel  | –                                  | –                                  |
| – Interest on loan to Key Management Personnel  | –                                  | –                                  |
| – Relatives of Key Management Personnel   | –                                  | –                                  |
| – ICD received from enterprise in which Key Management have a significant influence             | –                                  | –                                  |
| – Interest on loan from enterprises in which Key Management Personnel has significant influence | 11.50                              | 11.50                              |
| * Finance includes loans  |                                    |                                    |
| <b>(G) Guarantees &amp; Collaterals</b>   |                                    |                                    |
| – Associate   | –                                  | –                                  |
| – Key Management Personnel  | –                                  | –                                  |
| – Relatives of Key Management Personnel   | –                                  | –                                  |
| – Enterprise in which Key Management Personnel have significant influence                       | –                                  | –                                  |
| <b>(H) Management contracts, including deputation of employees</b>                              |                                    |                                    |
| – Associate   | –                                  | –                                  |
| – Key Management Personnel  | 1,097.72                           | 1,180.54                           |
| – Relatives of Key Management Personnel   | –                                  | –                                  |

# Sundram Fasteners Limited (CONSOLIDATED)

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|  |                                    | ₹ lakhs                            |
|--|------------------------------------|------------------------------------|
|  | As at /<br>Year ended<br>31-3-2015 | As at /<br>Year ended<br>31-3-2014 |
| <b>(I) Outstanding balances</b>  |                                    |                                    |
| <b>Due to the Company :</b>  |                                    |                                    |
| – Associate  | <b>1,026.19</b>                    | 1,117.13                           |
| – Joint Venture  | <b>1,991.52</b>                    | 2,839.83                           |
| – Key Management Personnel   | –                                  | –                                  |
| – Relatives of Key Management Personnel  | –                                  | –                                  |
| <b>Payable by the Company</b>  |                                    |                                    |
| – Associate  | <b>15.33</b>                       | 12.32                              |
| – Key Management Personnel   | <b>800.00</b>                      | 900.00                             |
| – Loan from Key Management Personnel   | –                                  | –                                  |
| – Relatives of Key Management Personnel  | –                                  | –                                  |
| – Enterprises in which Key Management Personnel has significant influence  | <b>115.00</b>                      | 115.00                             |
| <br>8) Information on Joint Venture  |                                    |                                    |
| A. Jointly Controlled Asset  |                                    |                                    |
| The Company has entered into joint venture agreement with T V Sundram Iyengar and Sons Private Limited, Madurai and The Ramco Cements Limited, Chennai (Formerly known as Madras Cements Limited, Chennai) for utilisation of Aircraft for business purposes. The agreement involves joint control and ownership of the aircraft by the venturers. |                                    |                                    |
| During the year the company sold the share in the Joint venture and the Company's share of expenditure and loss on sale of shares have been recognised in the books of accounts as detailed below :  |                                    |                                    |
| <b>a) Assets</b>   |                                    |                                    |
| WDV of Aircraft  | –                                  | 586.37                             |
| Current Assets - Advances  | –                                  | –                                  |
| Current Assets - Deposits  | <b>125.58</b>                      | 125.58                             |
| Current Assets - Prepaid Insurance   | <b>0.92</b>                        | –                                  |
| <b>b) Liabilities</b>  |                                    |                                    |
| Current liabilities and Provisions:  |                                    |                                    |
| Current liabilities  | –                                  | 36.13                              |
| <b>c) Income</b>   | –                                  | –                                  |

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|   | ₹ lakhs                            |                                     |
|---|------------------------------------|-------------------------------------|
|   | As at /<br>Year ended<br>31-3-2015 | As at /<br>Year ended<br>31-3-2014  |
| <b>d) Expenditure</b>   |                                    |                                     |
| Subscription  | —                                  | —                                   |
| Consultancy fees  | 34.10                              | 123.22                              |
| Travelling Expenses   | 4.11                               | 9.97                                |
| Postage, Courier and Telephone charges  | 1.99                               | 0.66                                |
| Insurance   | 3.40                               | 6.38                                |
| Lease Rent  | 187.87                             | 230.50                              |
| Aircraft Maintenance  | 180.76                             | 175.68                              |
| Bank Charges  | 0.08                               | 0.40                                |
| Legal Expenses  | 3.98                               | —                                   |
| Sundry Expenses   | 3.42                               | 1.85                                |
| Depreciation  | 32.84                              | 40.38                               |
| <b>e) Expenditure</b>   |                                    |                                     |
| Loss on sale of share in Joint Venture  |                                    |                                     |
| WDV of Aircraft   | 553.53                             | —                                   |
| Sale value  | 531.68                             | —                                   |
| Loss on sale  | 21.85                              | —                                   |
| <b>(B) Jointly Controlled Entity</b>  |                                    |                                     |
| The company has invested in Windbolt GmbH, Hohenstein-Ernstthal, Germany for manufacture of special bolts for wind energy applications under Joint Venture agreement as per details given below : |                                    |                                     |
|   | Country of<br>Incorporation        | Share of<br>Ownership /<br>Interest |
| Mr. Wolfgang Walter Naumann   | Germany                            | 50%                                 |
| <b>A) Assets</b>  |                                    |                                     |
| WDV of Tangible Assets  | 2,458.75                           | 2,882.15                            |
| Current Assets - Others   | 31.30                              | 113.43                              |
| Inventory   | 23.71                              | 60.04                               |
| Cash & Cash Equivalents   | 15.29                              | 3.12                                |
| <b>B) Liabilities</b>   |                                    |                                     |
| Borrowings  | 2,298.28                           | 2,468.21                            |
| <b>Current Liabilities and Provisions :</b>   |                                    |                                     |
| Trade Payables  | 209.31                             | 274.13                              |
| Current Liabilities   | 50.72                              | —                                   |
| Provisions  | 3.15                               | 3.91                                |
| <b>C) Income</b>  | 238.42                             | 409.50                              |

# Sundram Fasteners Limited (CONSOLIDATED)

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

|  |  | ₹ lakhs                            |                                    |
|--|--|------------------------------------|------------------------------------|
|  |  | As at /<br>Year ended<br>31-3-2015 | As at /<br>Year ended<br>31-3-2014 |
| <b>D) Expenditure</b>  |  |                                    |                                    |
| Cost of materials & components consumed  |  | <b>54.58</b>                       | 186.03                             |
| Increase / (Decrease) in inventories Finished Goods, Work-in-Process and stock in trade  |  | <b>18.69</b>                       | 17.16                              |
| Employee Benefit Expenses  |  | <b>61.57</b>                       | 45.56                              |
| Finance Cost   |  | <b>166.14</b>                      | 162.57                             |
| Depreciation   |  | <b>152.67</b>                      | 143.15                             |
| Other Expenses   |  | <b>114.01</b>                      | 306.72                             |
| Tax  |  | —                                  | (91.21)                            |
| 9) Discontinuing Operations :  |  |                                    |                                    |
| A. SUNDRAM RBI SDN. BHD, MALAYSIA  |  |                                    |                                    |
| The Company has not been in operation during the year. Further, the shares of SRBI have been divested after the year end. Hence, consolidation has not been made for the year 2014-15.   |  |                                    |                                    |
| B. SUNDRAM INTERNATIONAL INC.  |  |                                    |                                    |
| The Board of the Directors of one of the Subsidiary of the Company viz. SUNDRAM INTERNATIONAL INC. USA has approved a plan for the discontinuance of its operations. As at 31st March 2015, the carrying amount of the assets of the subsidiary company was ₹ 21.32 lakhs and liabilities were ₹ 25 lakhs. The revenue and expenses of the dscontinuing operations which has been included in the Statement of Profit and Loss : |  |                                    |                                    |
| Revenue from operation   |  | <b>0.53</b>                        | —                                  |
| Cost of material consumed  |  | —                                  | —                                  |
| Other expenses   |  | <b>7.79</b>                        | 6.58                               |
| Exchange gain  |  | <b>0.01</b>                        | 0.96                               |
| Profit / (Loss) before tax from discontinued operations  |  | <b>(7.27)</b>                      | (5.62)                             |
| Income Tax - Deferred Tax  |  | —                                  | —                                  |
| Profit/(Loss) from discontinuing operations after tax  |  | <b>(7.27)</b>                      | (5.62)                             |
| 10) Figures for the previous year have been re-classified / re-arranged/ re-grouped, wherever necessary to conform to current year classification.   |  |                                    |                                    |

**ARUNDATHI KRISHNA**  
Deputy Managing Director

**ARATHI KRISHNA**  
Joint Managing Director

**SURESH KRISHNA**  
Chairman & Managing Director  
As per our report annexed  
For **SUNDARAM & SRINIVASAN**  
Chartered Accountants  
Regn. No. 004207S

**V G JAGANATHAN**  
Chief Financial Officer & Company Secretary

**M BALASUBRAMANIAM**  
Partner  
Membership No. F 7945

Chennai  
May 29, 2015

# Form-AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

## Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

### Part 'A' - Subsidiaries

₹ in Lakhs

| S. No.             | Particulars   | Domestic Subsidiaries       |                           |   |                                       |                          | Foreign Subsidiaries                |                          |                                      |                           |                          |                           |                      |
|--------------------|---|-----------------------------|---------------------------|---|---------------------------------------|--------------------------|-------------------------------------|--------------------------|--------------------------------------|---------------------------|--------------------------|---------------------------|----------------------|
|                    |   | Upasana Engineering Limited | Sundram Bleistahl Limited | Sundram Non-Conventional Energy Systems Limited | Sundram Fasteners Investments Limited | TVS InfoTech Limited *5  | Cramlington Precision Forge Limited | TVS InfoTech Inc. *5     | Sundram Fasteners (Zhejiang) Limited | Sundram International Inc | TVS Peiner Services GmbH | Peiner Umformtechnik GmbH | PUT Grundstücks GmbH |
| 1                  | Name of the Subsidiary  |                             |                           |   |                                       |                          |                                     |                          |                                      |                           |                          |                           |                      |
| 2                  | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 01/04/2014 to 31/03/2015    | 01/04/2014 to 31/03/2015  | 01/04/2014 to 31/03/2015                        | 01/04/2014 to 31/03/2015              | 01/04/2014 to 31/03/2015 | 01/01/2014 to 31/12/2014            | 01/04/2014 to 31/03/2015 | 01/01/2014 to 31/12/2014             | 01/04/2014 to 31/03/2015  | 01/01/2014 to 31/12/2014 | 01/01/2014 to 31/12/2014  |                      |
| 3                  | Reporting currency  | INR                         | INR                       | INR   | INR                                   | INR                      | GBP                                 | USD                      | RMB                                  | USD                       | EUR                      | EUR                       | EUR                  |
| Refer Note 4 below |   |                             |                           |   |                                       |                          |                                     |                          |                                      |                           |                          |                           |                      |
| 4                  | Share capital   | 1,189.97                    | 700.00                    | 50.00   | 249.00                                | 2,542.40                 | 1,869.98                            | 230.11                   | 10,218.61                            | 81.21                     | 19.18                    | 5,197.49                  | 19.18                |
| 5                  | Reserves & surplus  | 2,114.57                    | 668.62                    | 274.71  | 372.61                                | (1,261.45)               | 1,012.62                            | (17.23)                  | 1,234.14                             | (84.88)                   | (484.05)                 | (10,668.51)               | 1,017.02             |
| 6                  | Total assets  | 8,089.53                    | 1,683.82                  | 368.32  | 1,856.16                              | 1,968.91                 | 4,290.83                            | 432.88                   | 14,972.31                            | 21.32                     | 652.06                   | 17,075.76                 | 2,962.95             |
| 7                  | Total Liabilities   | 4,784.99                    | 315.20                    | 43.61   | 1,234.55                              | 687.96                   | 1,408.23                            | 220.00                   | 3,519.56                             | 24.99                     | 1,116.93                 | 22,546.78                 | 1,926.75             |
| 8                  | Investments   | 35.31                       | -                         | -   | 1,595.28                              | 168.73                   | -                                   | -                        | -                                    | -                         | -                        | -                         | -                    |
| 9                  | Turnover  | 10,256.36                   | 2,598.09                  | 299.01  | 9.49                                  | 2,743.82                 | 9,568.17                            | 1,244.64                 | 14,297.79                            | 0.53                      | 4,222.35                 | 42,020.95                 | 569.33               |
| 10                 | Profit / (Loss) before taxation   | 941.02                      | 259.42                    | 221.12  | (44.55)                               | 67.31                    | 699.85                              | 69.96                    | 1,227.02                             | (7.27)                    | 8.14                     | (2,527.19)                | 165.79               |
| 11                 | Provision for taxation  | 277.44                      | 65.68                     | 71.48   | (0.03)                                | 0.51                     | 105.95                              | -                        | 310.09                               | -                         | -                        | 2.28                      | 26.30                |
| 12                 | Profit / (Loss) after taxation  | 663.58                      | 193.74                    | 149.64  | (44.52)                               | 66.80                    | 593.90                              | 69.96                    | 916.93                               | (7.27)                    | 8.14                     | (2,529.47)                | 139.49               |
| 13                 | Proposed dividend   | -                           | -                         | -   | -                                     | -                        | -                                   | -                        | -                                    | -                         | -                        | -                         | -                    |
| 14                 | % of shareholding   | 100.00%                     | 76.00%                    | 52.94%  | 100.00%                               | 62.26%                   | 100.00%                             | 62.26%                   | 100.00%                              | 100.00%                   | 100.00%                  | 100.00%                   | 100.00%              |

Notes: 1. Names of subsidiaries which are yet to commence operations: Nil

2. Names of subsidiaries which have been liquidated or sold during the year: Nil

3. Sundram RBI Sdn. Bhd. (SRBI), a subsidiary has not been in operation during the year. Further, the shares of SRBI have been divested after the year end. Hence consolidation has not been done for the year 2014-15.

|              |       |       |       |       |
|--------------|-------|-------|-------|-------|
| 4. Currency  | USD   | EURO  | GBP   | RMB   |
| Closing Rate | 62.49 | 76.72 | 98.42 | 10.17 |

5. TVS InfoTech Limited and TVS InfoTech Inc. who were associates have become subsidiary from 18-06-2014.

# Sundram Fasteners Limited

## Part 'B' - Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| Name of Associate / Joint Ventures  | Windbolt GmbH  |
|---|--|
| 1. Latest Audited Balance Sheet date  | 31st December 2014 (Unaudited)                                     |
| 2. Shares of Associate / Joint Ventures held by the Company on the year end   |  |
| No.   | —  |
| Amount of investment in Associates / Joint Venture                            | ₹ 22.22 lakhs  |
| Extent of holding %   | 24.99%   |
|   |  |
| 3. Description of how there is a significant influence                        | There is a significant influence due to the extent of shareholding |
| 4. Reason why the associate / Joint venture is not consolidated               | Not Applicable   |
| 5. Net worth attributable to shareholding as per latest audited balance sheet | (₹ 32.41 lakhs)  |
| 6. Profit / (Loss) for the year   |  |
| i. Considered in Consolidation  | (₹ 329.23 lakhs) <sup>#3</sup>                                     |
| ii. Not considered in Consolidation   | (₹ 329.23 lakhs)   |

1. No associate or joint venture is yet to commence operations.
2. No associate or joint venture have been liquidated or sold during the year.
3. The Company has 50% interest in the joint venture.

ARUNDATHI KRISHNA  
Deputy Managing Director

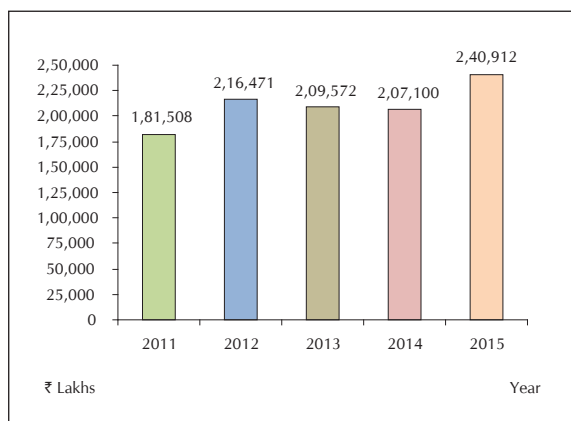
ARATHI KRISHNA  
Joint Managing Director

SURESH KRISHNA  
Chairman and Managing Director

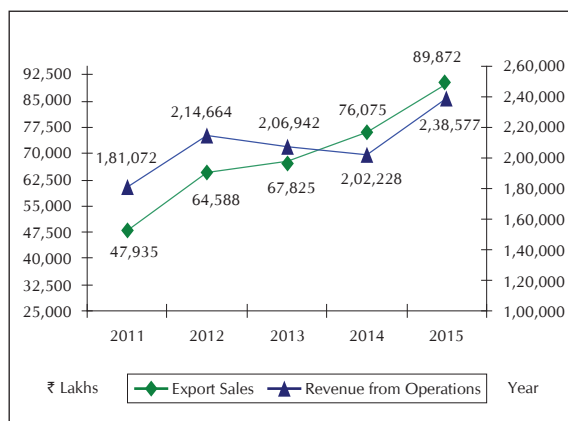
V G JAGANATHAN  
Chief Financial Officer & Company Secretary

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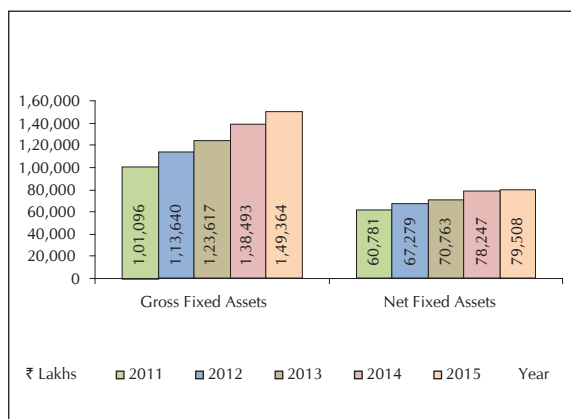
## Total Revenue



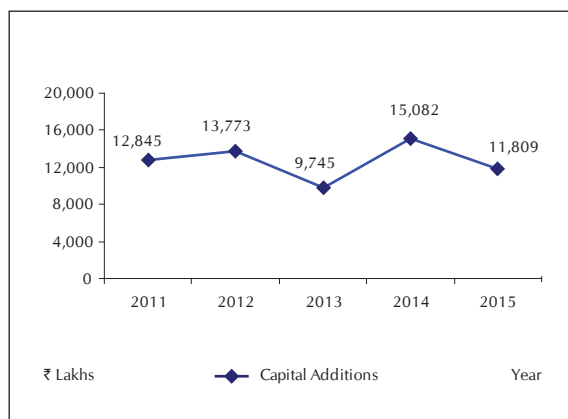
## Export Sales and Revenue from Operations



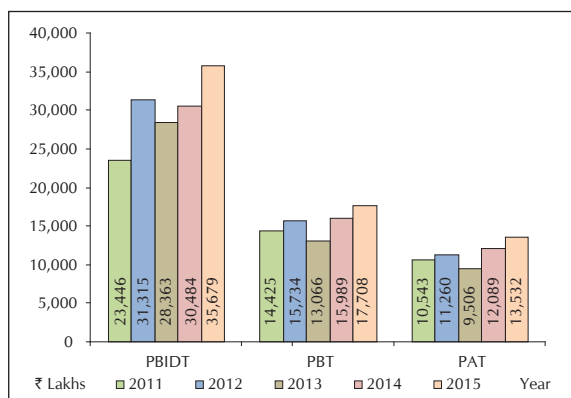
## Gross and Net Block of Fixed Assets



## Capital Expenditure



## Profits



## Funds Employed

