



# **Sundram Fasteners Limited**

## **ANNUAL REPORT**

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

# Sundram Fasteners Limited

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

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# Sundram Fasteners Limited

## 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 <sup>@</sup>	1.70 <sup>@</sup>	1.40 <sup>@</sup>	1.40 <sup>@</sup>	1.25 <sup>@</sup>	0.90 <sup>@</sup>	0.50 <sup>@</sup>	0.90 <sup>@</sup>	1.75 <sup>@</sup>	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 <sup>@</sup>	62.80 <sup>@</sup>	40.50 <sup>@</sup>	55.35 <sup>@</sup>	51.05 <sup>@</sup>	51.60 <sup>@</sup>	14.85 <sup>@</sup>	32.35 <sup>@</sup>	63.75 <sup>@</sup>	169.30

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

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## 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

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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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- 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.

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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 the 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 Mylapore, Chennai - 600 004 Phone No. +91 - 44 - 28478500, Fax No. +91 - 44 - 284785108 / 28478510 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 Mr. Sriram, Assistant General Manager Integrated Enterprises (India) Private Limited Kences Towers, 2nd Floor, No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600 017 Telephone: +91 - 44 - 28140801-803 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 98A, VII Floor, Dr. Radhakrishnan Salai, Mylapore, Chennai-600 004	U65991TN1992PLC022618	Domestic Subsidiary	100%	2(87)(ii)
2	Upasana Engineering Ltd 98A, VII Floor, Dr. Radhakrishnan Salai, Mylapore, Chennai-600 004	U65991TN1992PLC022619	Domestic Subsidiary	100%	2(87)(ii)
3	Sundram Non-Conventional Energy Systems Ltd 98A, VII Floor, Dr. Radhakrishnan Salai, 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 98A, Dr.Radhakrishnan Salai, Mylapore, Chennai-600 004	U29130TN2004PLC054482	Domestic Subsidiary	76%	2(87)(ii)
5	TVS Infotech Ltd 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 7512, East Independence Blvd, Suite 102 Charlotte, NC 28227	–	Step down Subsidiary	100% through subsidiary	2(87) (ii)
7	Cramlington Precision Forge Ltd 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 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 No.1, Sundram Road, Wuyuan Town, Haiyan County, Jiaxin City, Zhejiang Province, China - 314300.	–	Foreign Subsidiary	100%	2(87) (ii)
10	Sundram International Inc 801, W.Big Beaver Road, Troy, Michigan, United States of America	–	Foreign Subsidiary	100%	2(87) (ii)
11	TVS Peiner Services GmbH Am Stahldorf 8, 31226 Peine, Germany	–	Foreign Subsidiary	100%	2(87) (ii)
12	Peiner Umformtechnik GmbH Woltorfer Straße 20-24 31224 Peine Germany	–	Foreign Subsidiary	100%	2(87) (ii)
13	PUT Grundstucks GmbH Woltorfer Straße 20-24 31224 Peine Germany	–	Foreign Subsidiary	100%	2(87) (ii)
14	Windbolt GmbH 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>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Nil</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<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 - CAOPPORTUNITIES 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 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
				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
	Closing Balance as on 31/03/2015	1628518	0.78	31/03/2015	0	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 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
<b>Independent Directors</b>		
Sri R Srinivasan		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 Chief Financial Officer & 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



# Sundram Fasteners Limited

## ANNEXURES TO DIRECTORS' REPORT (Contd.)

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### 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 ( <i>₹ in lakhs</i> )	91,691.59
Foreign exchange used ( <i>₹ in lakhs</i> )	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.)

Annexure							
₹ in Lakhs							
Manner in which the amount spent during the financial year							
(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 1. Local area or other 2. Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programwise	Amount spent on projects or programs Sub heads: 1. Direct expenditure on projects or programs 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 Tamil Nadu; Virudhunagar District	150.00	150.00		150.00* 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 Tamil Nadu	29.00	29.00		29.00 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		4.37 In association with Sri Annapoorani Public Charitable Trust
4	High quality education for children from poorest families through after school classes	Education	Various villages Tamil Nadu, Thiruvanamalai District, Krishnagiri District and Virudhnagar District	15.00	15.00	218.32	15.00 In association with Eureka Child Foundation
5	Training of farmers on farm productivity improvement and agriculture value chain enterprises	Education	Various surrounding villages Tamil Nadu; Kancheepuram District	10.00	10.00		10.00 In association with National Agro Foundation
6	Scholarship for bright but marginalized children for their higher studies	Education	Chennai Tamil Nadu	9.95	9.95		9.95 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.
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## 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	<b>24,16,862</b>	23,22,578	4.06
Utility Vehicles(UVs)	<b>6,29,255</b>	5,68,692	10.65
Vans	<b>1,74,055</b>	1,96,703	(11.51)
Total Passenger Vehicles ( PVs )	<b>32,20,172</b>	<b>30,87,973</b>	<b>4.28</b>
<b>II Commercial Vehicles (CVs)</b>			
<u>M &amp; HCVs</u>			
Passenger Carriers	<b>49,360</b>	41,175	19.88
Goods Carriers	<b>2,19,193</b>	1,80,381	21.52
Total M & HCVs	<b>2,68,553</b>	<b>2,21,556</b>	<b>21.21</b>
<u>LCVs</u>			
Passenger Carriers	<b>46,569</b>	45,136	3.17
Goods Carriers	<b>3,81,961</b>	4,32,343	(11.65)
Total LCVs	<b>4,28,530</b>	<b>4,77,479</b>	<b>(10.25)</b>
Total Commercial Vehicles	<b>6,97,083</b>	<b>6,99,035</b>	<b>(0.28)</b>
<b>III Three Wheelers</b>			
Passenger Carriers	<b>8,45,606</b>	7,33,244	15.32
Goods Carriers	<b>1,03,415</b>	96,864	6.76
Total Three Wheelers	<b>9,49,021</b>	<b>8,30,108</b>	<b>14.33</b>
<b>IV Two Wheelers</b>			
Scooter / Scooterette	<b>47,21,415</b>	36,76,213	28.43
Motor cycle / Step-Throughs	<b>1,30,23,210</b>	1,24,74,626	4.40
Mopeds	<b>7,55,345</b>	7,32,210	3.16
Total Two Wheelers	<b>1,84,99,970</b>	<b>1,68,83,049</b>	<b>9.58</b>
<b>V Tractors</b>	<b>6,12,994</b>	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

<b>Particulars</b>	<b>2014-15</b>	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**

<b>Particulars</b>	<b>2014-15</b>	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

<b>Particulars</b>	<b>2014-15</b>	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

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## 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 BALASUBRAMANIYAM**  
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 Chairman & Managing Director	00046919	4	Yes	4	-	2
Ms Arathi Krishna Joint Managing Director	00517456	4	Yes	1	-	-
Ms Arundathi Krishna 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, Director	00255676	2	Yes	1	-	-
Sri M Raghupathy IAS (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.

# Sundram Fasteners Limited

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- 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. 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 (ii) First Quarter Results – on or before 15-8-2015 (iii) Half-yearly Results – on or before 15-11-2015 (iv) Third Quarter Results – on or before 15-2-2016 (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 2nd Interim Dividend Final Dividend (if any) Payment Date	Paid on 27th November 2014 Payable on 19th June 2015 –
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 Telephone: 91 44 28140801 - 803 Fax : 91 44 28142479, 28143378 <b>Email : <a href="mailto:srirams@integratedindia.in">srirams@integratedindia.in</a></b> <i>Investor Contacts :</i> Mr. Suresh Babu, Senior Vice President Mr. S. Sriram, Assistant General Manager
7	Stock Code – Physical  The ISIN No. for Company's Equity Shares in Demat form Depository Connectivity	Code: 500 403 – Bombay Stock Exchange Ltd (BSE) SUNDRMFAST – National Stock Exchange of India Ltd INE387A01021  National Securities Depository Limited (NSDL) Central Depository Services (India) Limited (CDSL)



# Sundram Fasteners Limited

## 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	Share Price Vs BSE Index – Graph form - Enclosed Share Price Vs NSE Index – Graph form - Enclosed		

## 11. General Shareholder Information (Contd.)

13	Share Price Data – High / Low	BSE – Data in statement form - Enclosed NSE – Data in statement form – Enclosed
14	Dematerialization of shares  Details of public funding obtained in the last three years 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.  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.  Shares of the Company are actively traded in the Bombay Stock Exchange and National Stock Exchange, and hence have good liquidity.  No capital has been raised in the last three years.  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.  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> 1) Padi, Chennai 600 050, Chengleput District 2) Harita, Hosur 635 109, Krishnagiri District 3) Krishnapuram, Aviyur 626 160, Virudhunagar District 4) Mittamandagapet Village 605 106, Villupuram District 5) Velappanchavadi, Chennai 600 077 6) SIPCOT Industrial Complex, Gummidipoondi 601 021 7) Auto Ancillary SEZ, Mahindra World City, Natham Sub Post, Chengleput, Kancheepuram District 603 002  <u>Puducherry (Pondicherry)</u> 8) Korkadu, Nettapakkam Commune, Bahur Taluk Puducherry 605 110  <u>Andhra Pradesh</u> 9) Bonthapally Village 502 313, Medak District  <u>Uttarakhand</u> 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 98A, VII Floor, Dr Radhakrishnan Salai Mylapore, Chennai 600 004 Telephone: +91-44-28478500 Extn. : 236 / 213 Fax: +91-44-28478510 <b>Email: investorshelpdesk@sfl.co.in</b> 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 Chief Financial Officer & Company Secretary 98A, VII Floor, Dr Radhakrishnan Salai Mylapore, Chennai 600 004 Phone: 91 - 44 – 28478500 Fax: 91 - 44 – 28478510 <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 : <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

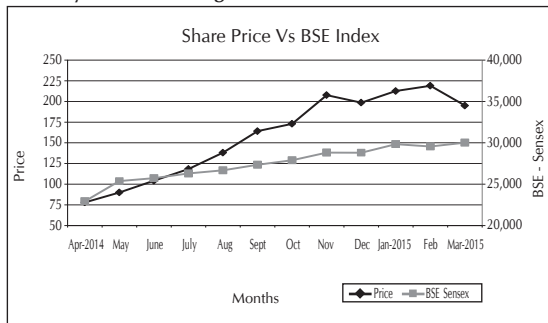
Number of Shares	Shareholders		No. of shares	
	Number	%	Number	%
Upto 100	13,127	33.87	6,52,497	0.31
101 - 250	5,633	14.53	10,17,662	0.49
251 - 500	5,617	14.49	22,33,439	1.06
501 - 1,000	4,429	11.43	35,02,119	1.67
1,001 - 5,000	8,420	21.72	1,99,27,850	9.48
5,001 - 10,000	889	2.29	63,90,097	3.04
10,001 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

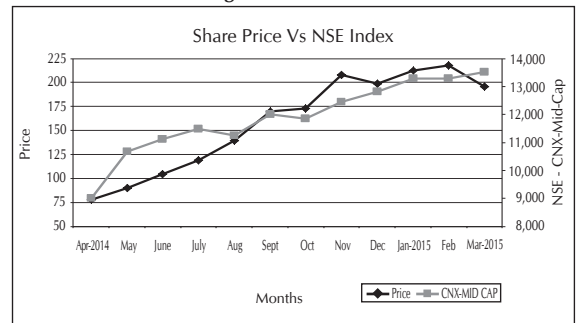
Month	Bombay Stock Exchange Ltd.				National Stock Exchange of India Ltd.			
	Price - ₹		Index - Sensex		Price - ₹		Index - CNX Mid Cap	
	High	Low	High	Low	High	Low	High	Low
April, 2014	78.00	60.60	22939.31	22197.51	77.90	60.70	9009.15	8541.55
May, 2014	90.00	71.30	25375.63	22277.04	89.95	71.25	10673.75	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, 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

**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 (₹ 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.

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

Chennai  
May 29, 2015



# Sundram Fasteners Limited

## BALANCE SHEET AS AT 31ST MARCH 2015

	Note	As at 31-3-2015	As at 31-3-2014	₹ lakhs
<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	<u>83,795.27</u>	<u>75,463.00</u>	77,564.28
		<b>85,896.55</b>		
<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	<u>337.96</u>	<u>283.00</u>	32,280.39
		<b>22,299.85</b>		
<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	<u>3,689.18</u>	<u>3,757.40</u>	75,169.81
		<b>95,622.42</b>		
Total		<u>203,818.82</u>		<u>185,014.48</u>
<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	<u>33.57</u>	<u>33.57</u>	106,321.35
		<b>108,721.36</b>		
<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	<u>538.22</u>	<u>447.62</u>	78,693.13
		<b>95,097.46</b>		
Total		<u>203,818.82</u>		<u>185,014.48</u>

**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

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

	Note	Year ended <b>31-3-2015</b>	Year ended 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		-	-
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. 0042075

**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 31-3-2015	₹ lakhs Year ended 31-3-2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	17,708.57	15,989.30
<b>Adjustments for:</b>		
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>
<b>Operating Profit before Extra-ordinary items &amp; Working Capital Changes :</b>	<b>33,470.25</b>	<b>29,288.29</b>
<b>Adjustments For Changes in Working Capital :</b>		
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	<u>14,383.46</u>	<u>42,406.01</u>
Less: Direct Taxes Paid	4,442.88	3,825.53
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b><u>9,940.58</u></b>	<b><u>38,580.48</u></b>
<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>	<b><u>(9,352.70)</u></b>	<b><u>(13,441.32)</u></b>

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

	Year ended 31-3-2015	₹ lakhs Year ended 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	–	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>	<b>(25,290.58)</b>
<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 31ST MARCH 2015

₹ lakhs

	As at 31-3-2015	As at 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) <b>Reconciliation of number of shares :</b>		

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	<b>210,128,370</b>	<b>2,101.28</b>	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	<b>210,128,370</b>	<b>2,101.28</b>	210,128,370	2101.28

**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	<b>53,312,000</b>	<b>25.37</b>	53,312,000	25.37
2. Southern Roadways Limited, Madurai	<b>50,773,280</b>	<b>24.16</b>	50,773,280	24.16
Sub Total	<b>104,085,280</b>	<b>49.53</b>	104,085,280	49.53
3. Total No. of Equity Shares of the Company	<b>210,128,370</b>	<b>100.00</b>	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 :**

(i) Aggregate number of equity shares allotted as fully paid up pursuant to contracts without payment being received in cash : Nil

(ii) Aggregate number of equity shares allotted as fully paid up by way of Bonus Shares : Nil

(iii) Aggregate number of equity shares bought back : Nil

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

		₹ lakhs	
		As at 31-3-2015	As at 31-3-2014
<b>2</b>	<b>RESERVES AND SURPLUS</b>		
	<b>a) 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	<u>66,447.22</u>	<u>67,474.96</u>
	4. Balance as at the end of the year	<u>66,447.22</u>	<u>67,474.96</u>
	<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]	<u>30.00</u>	<u>30.00</u>
	<b>c) 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)	<u>21,490.28</u>	<u>19,441.79</u>
	<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	<u>4,172.23</u>	<u>11,483.75</u>
	11. Balance at the end of the year(3-10)	<u>17,318.05</u>	<u>7,958.04</u>
	<b>d) Total Reserves and Surplus (a + b + c)</b>	<u>83,795.27</u>	<u>75,463.00</u>
		<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>		
	<b>a) Secured</b>		
	i) Term Loans	13,375.00	20,896.51
	ii) Working Capital Loans*	-	-
	(A)	<u>13,375.00</u>	<u>14,467.17</u>
		20,896.51	9,712.04
	<b>b) Unsecured</b>		
	i) Term Loans	-	2,000.00
	ii) Working Capital Loans	-	-
	(B)	<u>-</u>	<u>36,466.26</u>
		2,000.00	27,190.13
	Total (A + B)	<u>13,375.00</u>	<u>50,933.43</u>
		22,896.51	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 31-3-2015	As at 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 Statement of Profit & Loss)	<b>259.86</b>	296.79
Tax effect on depreciation as per Companies Act, 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 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 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 31-3-2015	As at 31-3-2014	As at 31-3-2015	As at 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
		<u>-</u>	<u>-</u>	<u><b>22,563.68</b></u>	<u>21,576.37</u>
	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	<u>-</u>	<u>-</u>	<u><b>22,563.68</b></u>	<u>21,576.37</u>
	** 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	<u>-</u>	<u>-</u>	<u><b>18,436.13</b></u>	<u>12,933.87</u>
<b>7</b>	<b>PROVISIONS</b>				
	<b>(i) 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
	<b>(ii) 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	<u><b>337.96</b></u>	<u>283.00</u>	<u><b>3,689.18</b></u>	<u>3,757.40</u>



# Sundram Fasteners Limited

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### 8 FIXED ASSETS

₹ lakhs

Particulars	Tangible								Intangible	Total	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		Total as at 31-03-2015
<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 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 [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 [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 [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>		As at	As at
		31-3-2015	31-3-2014
<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 31-3-2015	As at 31-3-2014	As at 31-3-2015	As at 31-3-2014
<b>10 LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS STATED 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 (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 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, CONSIDERED GOOD UNLESS 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 - 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 31-3-2015	₹ lakhs As at 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#</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>

#The details furnished above are current items and there are no non-current items.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	Year ended 31-3-2015	₹ lakhs Year ended 31-3-2014
<b>15 REVENUE FROM OPERATION</b>		
<b>a) 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	<u><b>250,272.52</b></u>	<u>213,590.04</u>
<b>b) Sales of Service</b>		
Sub Contract Receipts	<b>93.90</b>	120.58
<b>c) Other Operating Revenues</b> (Refer Note 15B)	<b>5,977.80</b>	4,333.35
Sub Total (a + b + c)	<u><b>256,344.22</b></u>	<u>218,043.97</u>
Less : Excise Duty	<b>17,767.64</b>	15,816.35
Total	<u><b>238,576.58</b></u>	<u>202,227.62</u>
<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	<u><b>250,272.52</b></u>	<u>213,590.04</u>
<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	<u><b>5,977.80</b></u>	<u>4,333.35</u>

# Sundram Fasteners Limited

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	Year ended 31-3-2015	₹ lakhs Year ended 31-3-2014
<b>18 CHANGES IN INVENTORIES OF FINISHED GOODS, 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>	876.29
Add / (Less) : Excise Duty on opening and closing of 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 / 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 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.)

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	Year ended 31-3-2015	₹ lakhs Year ended 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 31-3-2015	₹ lakhs Year ended 31-3-2014
<b>22 MISCELLANEOUS EXPENSES</b>		
a) Sub-contract expenses	<b>17,914.31</b>	13,445.19
b) Freight & Cartage Inward	<b>1,648.78</b>	1,383.70
c) Repairs & Maintenance - Other assets	<b>571.61</b>	499.01
d) Commission on sales	<b>579.94</b>	578.12
e) Directors' Sitting Fees	<b>8.20</b>	7.00
f) Remuneration to Auditors including Reimbursement of expenditure [Refer Note 23]	<b>68.66</b>	72.21
g) Loss on sale of assets	<b>74.19</b>	35.50
h) Research and development Expenditure [Refer Note 27A]	<b>1,137.61</b>	1,099.57
i) Corporate Social Responsibility Expenditure [Refer Note 27B]	<b>218.32</b>	-
j) Freight & Cartage Outward	<b>5,492.18</b>	4,378.90
k) Travel Expenses	<b>1,052.91</b>	984.77
l) Postage & Telecom Expenses	<b>320.52</b>	293.85
m) Customer claims - Warranty and Other claims	<b>2,795.47</b>	631.04
n) Consultancy	<b>1,814.65</b>	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]	<b>1,703.76</b>	1,752.58
Total	<b><u>35,401.11</u></b>	<u>26,873.50</u>
<b>23 REMUNERATION TO AUDITORS CONSIST OF</b>		
a) As Auditors	<b>32.50</b>	32.50
b) Taxation Matters	<b>4.25</b>	5.66
c) Company Law Matters	<b>0.01</b>	0.26
d) Other Services	<b>21.05</b>	16.10
e) Reimbursement of expenses	<b>10.85</b>	17.69
Total	<b><u>68.66</u></b>	<u>72.21</u>
<b>24 CIF VALUE OF IMPORTS</b>		
a) Raw Materials	<b>23,816.41</b>	18,150.53
b) Components & Spare Parts	<b>1,984.87</b>	1,525.82
c) Capital Goods	<b>4,216.70</b>	6,890.49
d) Tool Steel, Tools, Gauges etc.,	<b>1,214.44</b>	1,329.92
e) Others	<b>59.90</b>	12.96
Total	<b><u>31,292.32</u></b>	<u>27,909.72</u>

# Sundram Fasteners Limited

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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

\* 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 31-3-2015	Year ended 31-3-2014
<b>27</b>	<b>(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	<u><b>218.32</b></u>	<u>–</u>

\*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 ₹ in lakhs	% to total consumption	Value ₹ in lakhs	% to total 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
a) Provision for diminution in value of investment		1,000.00
	Total	1,000.00

(ii) **Prior period items:**

		2014-15	2013-14
	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	4.88	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	
	<u>31-03-2015</u>	<u>31-03-2014</u>
i) Sundram International Inc, Michigan, USA	<b>81.46</b>	81.46
ii) Sundram RBI Sdn. Bhd, Kuala Lumpur, Malaysia	<b>68.00</b>	68.00
iii) Peiner Umformtechnik, GmbH, Peine, Germany	<b>3,000.00</b>	2,000.00
Total	<b><u>3,149.46</u></b>	<u>2,149.46</u>

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.

	<u>2014-15</u>	<u>2013-14</u>
		₹ lakhs
<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.)

	<u>2014-15</u>	<u>2013-14</u>
		₹ lakhs
<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.)

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

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

\*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 [maximum outstanding during the year - ₹ 1,196.89 lakhs (₹ 1,064.54 lakhs) (includes interest free loan of ₹ 571.03 lakhs (₹ 572.04 lakhs))]	<b>1,190.30</b>	979.54
(ii) Upasana Engineering Limited, Chennai [maximum outstanding during the year ₹ 1,180.00 lakhs (₹ 1,850.00 lakhs)]	<b>825.00</b>	1,180.00
(iii) TVS Peiner Services GmbH, Peine, Germany [maximum outstanding during the year ₹ 436.35 lakhs (₹ 123.45 lakhs)]	<b>458.73</b>	658.40
(iv) Sundram International Inc. Michigan, USA [maximum outstanding during the year ₹ 25.00 lakhs (₹ 23.96 lakhs)]	<b>25.00</b>	23.96
(v) Peiner Umformtechnik GmbH, Peine, Germany [maximum outstanding during the year - ₹ 6,713.00 lakhs (₹ 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             | <b>122.61</b> | 141.03 |
- (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>2014-15</b>	<b>2013-14</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.)

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	<u>2014-15</u>	<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 Windbolt 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.)

	<u>2014-15</u>	<u>2013-14</u>
		₹ 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 SUNDARAM 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 SUNDARAM 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 (₹ 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	
I EQUITY AND LIABILITIES	Note	As at 31-3-2015		As at 31-3-2014	
<b>1. Shareholders' Funds</b>	No.				
(a) Share Capital	1	<b>2,101.28</b>		2,101.28	
(b) Reserves and Surplus	2	<b>85,776.25</b>	<b>87,877.53</b>	<u>78,038.15</u>	80,139.43
<b>2. Minority Interest</b>					
(a) Share Capital		<b>1,237.88</b>		219.05	
(b) Reserves and Surplus		<b>(192.82)</b>	<b>1,045.06</b>	<u>169.39</u>	388.44
<b>3. Non-current Liabilities</b>					
(a) Long-term Borrowings	3	<b>20,300.05</b>		24,656.31	
(b) Deferred Tax Liabilities (Net)	4	<b>9,009.58</b>		9,664.77	
(c) Trade Payables	5	<b>89.14</b>		54.13	
(d) Other Long-term Liabilities	6	<b>-</b>		8.65	
(e) Long-term Provisions	7	<b>493.04</b>	<b>29,891.81</b>	<u>345.22</u>	34,729.08
<b>4. Current Liabilities</b>					
(a) Short-term Borrowings	3	<b>54,233.81</b>		43,204.75	
(b) Trade Payables	5	<b>29,764.19</b>		33,938.07	
(c) Other Current Liabilities	6	<b>23,204.17</b>		15,160.87	
(d) Short-term Provisions	7	<b>8,095.08</b>	<b>115,297.25</b>	<u>8,799.48</u>	101,103.17
Total			<b>234,111.65</b>	<u>216,360.12</u>	
<b>II ASSETS</b>					
<b>1. Non-Current Assets</b>					
(a) Fixed Assets					
i) Tangible Assets	8	<b>101,489.43</b>		100,144.53	
ii) Intangible Assets	8	<b>392.75</b>		567.56	
iii) Capital work-in-progress	8	<b>2,174.79</b>		4,041.45	
(b) Non-current Investments		<b>336.70</b>		1,002.07	
(c) Long-term Loans and Advances	9	<b>6,909.94</b>		4,804.27	
(d) Other Non-current Assets	10	<b>34.35</b>	<b>111,337.96</b>	<u>33.82</u>	110,593.70
<b>2. Current Assets</b>					
(a) Current Investments		<b>337.66</b>		11.45	
(b) Inventories	11	<b>52,644.50</b>		44,095.28	
(c) Trade Receivables	12	<b>49,186.10</b>		48,392.01	
(d) Cash and Cash Equivalents	13	<b>2,484.49</b>		2,548.72	
(e) Short-term Loans and Advances	9	<b>16,950.10</b>		10,383.98	
(f) Other Current Assets	10	<b>1,170.84</b>	<b>122,773.69</b>	<u>334.98</u>	105,766.42
Total			<b>234,111.65</b>	<u>216,360.12</u>	

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

Chennai  
May 29, 2015

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

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

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

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)

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

	Year ended 31-3-2015	₹ lakhs Year ended 31-3-2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	18,237.35	16,859.97
Adjustments for :		
<u>Add :</u>		
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>
<u>(Less) :</u>		
(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>
<b>Adjustments For Changes in Working Capital :</b>		
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
	<u>(23,277.55)</u>	<u>18,121.60</u>
Cash Generated From Operations	16,955.71	47,415.79
Less: Direct Taxes Paid (Net)	(6,322.68)	(4,712.72)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>10,633.03</b>	<b>42,703.07</b>

## CONSOLIDATED CASH FLOW STATEMENT (Contd.)

	Year ended 31-3-2015	₹ lakhs Year ended 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 31-3-2015	As at 31-3-2014
		₹ lakhs
<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	<u>210,128,370</u>	<u>2,101.28</u>	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	<u>104,085,280</u>	<u>49.53</u>	104,085,280	49.53
3. Total No. of shares of the Company	<u>210,128,370</u>	<u>100.00</u>	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 :**

- (i) Aggregate number of equity shares allotted as fully paid up pursuant to contracts without payment being received in cash : Nil
- (ii) Aggregate number of equity shares allotted as fully paid up by way of Bonus Shares : Nil
- (ii) 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 31-3-2015	₹ lakhs As at 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 as per Schedule II of the Companies Act, 2013	<u>1,028.40</u>	—
Sub Total	66,619.43	67,641.61
4. Stock Reserve	16.58	6.22
5. Less: Pre-acquisition profit of Minority Interest - TVS Infotech Limited, TVS Infotech Inc.	<u>11.03</u>	—
6. Balance as at the end of the year	<u>66,624.98</u>	<u>67,647.83</u>
<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 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 losses	<u>(1,407.44)</u>	
5. Sub total (1 to 4)	2,268.06	
6. Add: Effect on consolidation of TVS Infotech Limited	<u>202.98</u>	
7. Adjusted Balance as at the beginning of the year (5 + 6)	2,471.04	2,155.27
8. Profit for the Year	<u>13,123.80</u>	<u>12,077.01</u>
9. Balance available for appropriation (7 + 8)	<u>15,594.84</u>	<u>14,232.28</u>
<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 Companies Act, 2013	<u>11.72</u>	—
17. Minority share in opening balance of p&L	<u>(472.84)</u>	—
18. Amount appropriated during the year	<u>3,808.69</u>	<u>11,557.33</u>
19. Balance as the end of the year (9-18)	<u>11,786.15</u>	<u>2,674.95</u>
<b>c) Capital Reserve</b>	<u>105.50</u>	<u>105.50</u>
<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
	<u>82.22</u>	<u>82.22</u>
<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)	<u>(350.25)</u>	<u>2,559.95</u>
	<u>7,177.40</u>	<u>7,527.65</u>
Total Reserves and Surplus	<u>85,776.25</u>	<u>78,038.15</u>

# Sundram Fasteners Limited (CONSOLIDATED)

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	Long-term / Non-current		Short-term / Current	
	As at	As at	As at	As at
	31-3-2015	31-3-2014	31-3-2015	31-3-2014
₹ lakhs				
<b>3 BORROWINGS</b>				
<b>a) Secured</b>				
i) Term Loans	<b>19,763.38</b>	22,656.31	–	1,274.24
ii) Working Capital Loans*	–	–	<b>16,691.30</b>	12,394.58
* Secured by hypothecation of current assets viz., stocks of raw materials, work-in-progress and finished goods				
iii) Hire Purchase Agreement	–	–	–	457.26
(A)	<b>19,763.38</b>	22,656.31	<b>16,691.30</b>	14,126.08
<b>b) Unsecured</b>				
i) Term Loans	–	2,000.00	–	–
ii) Working Capital Loans	<b>536.67</b>	–	<b>37,542.51</b>	29,078.67
(B)	<b>536.67</b>	2,000.00	<b>37,542.51</b>	29,078.67
Total (A+B)	<b>20,300.05</b>	24,656.31	<b>54,233.81</b>	43,204.75
<b>4 DEFERRED TAX LIABILITY / ASSETS</b>				
<b>a) Deferred Tax Liability</b>				
On Depreciation	<b>9,996.52</b>	10,085.38		
<b>b) Deferred Tax Asset :</b>				
i) On Provision for Leave Salary	<b>(175.25)</b>	118.09		
ii) On Provision for Gratuity	<b>(25.39)</b>	–		
iii) Others	<b>(786.30)</b>	(538.70)		
<b>Net Deferred Tax Liability (a + b)</b>	<b>9,009.58</b>	9,664.77		

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	₹ lakhs			
	Long-term / Non-current		Short-term / Current	
	As at 31-3-2015	As at 31-3-2014	As at 31-3-2015	As at 31-3-2014
<b>5 TRADE PAYABLES</b>				
Sundry Creditors for Goods purchased / 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 ASSETS

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

# 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>		
<b>a) 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
<b>c) 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>
<b>d) 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 31-3-2015	Year ended 31-3-2014
<b>14</b>	<b>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	<u>325,720.02</u>	<u>284,962.26</u>
	<b>b) Other Operating Revenues (Refer Note 14A)</b>	<u>8,782.01</u>	5,442.53
	Sub Total (a + b)	<u>334,502.03</u>	<u>290,404.79</u>
	Less : Excise Duty	<u>18,888.20</u>	16,784.69
	Total	<u>315,613.83</u>	<u>273,620.10</u>
<b>14A</b>	<b>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	<u>8,782.01</u>	<u>5,442.53</u>
<b>15</b>	<b>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	<u>1,665.72</u>	<u>4,878.70</u>
<b>16</b>	<b>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	<u>135,352.22</u>	<u>120,067.85</u>

# Sundram Fasteners Limited (CONSOLIDATED)

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	Year ended 31-3-2015	Year ended 31-3-2014
₹ lakhs		
<b>17 CHANGES IN INVENTORIES OF FINISHED GOODS, 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.)

	Year ended 31-3-2015	Year ended 31-3-2014
		₹ lakhs
<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 :

- 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.
- 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/ Year ended 31-3-2015	₹ lakhs As at/ Year ended 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 / Year ended 31-3-2014	₹ lakhs As at / Year ended 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	1.80	2.30
– Key Management Personnel	–	–
– Relatives of Key Management Personnel	–	–
<b>(B) Sale of Goods :</b>		
– Associate	8,346.18	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	412.95	226.67
– Key Management Personnel	–	–
– Relatives of Key Management Personnel	–	–
– Enterprise in which key management personnel have significant influence	43.51	39.38
<b>(E) Leasing or hire purchase arrangements</b>		
– Associate	–	0.96
– Key Management Personnel (Lease rent paid)	19.20	19.20
– Relatives of Key Management Personnel (Lease rent paid)	6.20	6.20
– Enterprise in which Key Management Personnel have significant influence	–	–

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## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	₹ lakhs	
	As at / Year ended 31-3-2014	As at / Year ended 31-3-2013
<b>(F) Finance*</b>		
– Associate		
– Loans	–	155.00
– Equity Shares	–	–
– Joint Venture		
– Loans	–	–
– Equity Shares	–	–
– Interest received	<b>157.08</b>	192.58
– Key Management Personnel	–	–
– Interest on loan to Associate	–	41.94
– Dividend Paid & Payable to Associate	<b>1,925.58</b>	1,655.40
– Dividend Paid & Payable to Key Management Personnel	<b>2.50</b>	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	<b>11.50</b>	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	<b>1,097.72</b>	1,180.54
– Relatives of Key Management Personnel	–	–

# Sundram Fasteners Limited (CONSOLIDATED)

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	₹ lakhs	
	As at / Year ended 31-3-2015	As at / Year ended 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
8) Information on Joint Venture		
A. Jointly Controlled Asset		
The Company has entered into joint venture agreement with TV 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 / Year ended 31-3-2015	As at / Year ended 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 :		
Name of the Joint Venturer	Country of Incorporation	Share of Ownership / 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 / Year ended 31-3-2015	As at / Year ended 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 discontinuing 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

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

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

Chennai  
May 29, 2015

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

**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 Conventional Energy Systems Limited	Sundram Fasteners Investments Limited	TVS Infoleach Limited '5	Cramlington Precision Forge Limited	TVS Infoleach 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	01/04/2014 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	01/01/2014 to 31/12/2014	01/01/2014 to 31/12/2014	01/01/2014 to 31/12/2014	01/01/2014 to 31/12/2014	01/01/2014 to 31/12/2014	01/01/2014 to 31/12/2014		
3	Reporting currency	INR	INR	INR	INR	INR	INR	INR	INR	GBP	USD	RMB	USD	USD	EUR	EUR	EUR	
	Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries																	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	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)	(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	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	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	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)	(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	-	-	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)	(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%	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	76.72	98.42	10.17

  
5. TVS Infoleach Limited and TVS Infoleach 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

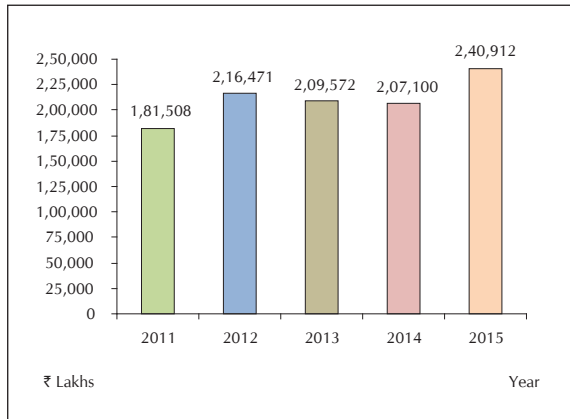
ARATHI KRISHNA  
Joint Managing Director

SURESH KRISHNA  
Chairman and Managing Director

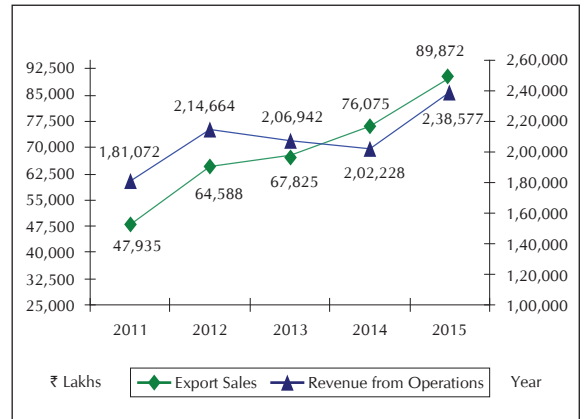
V G JAGANATHAN  
Chief Financial Officer & Company Secretary

Chennai  
May 29, 2015

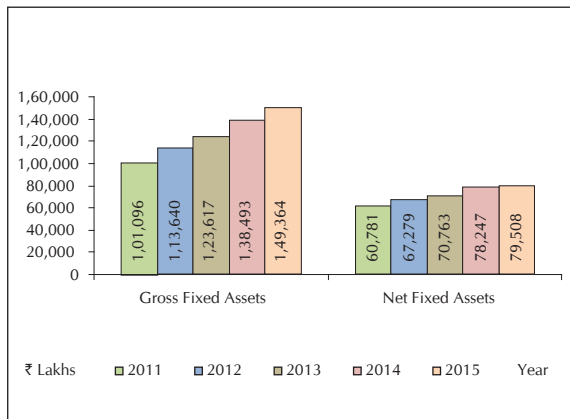
## Total Revenue



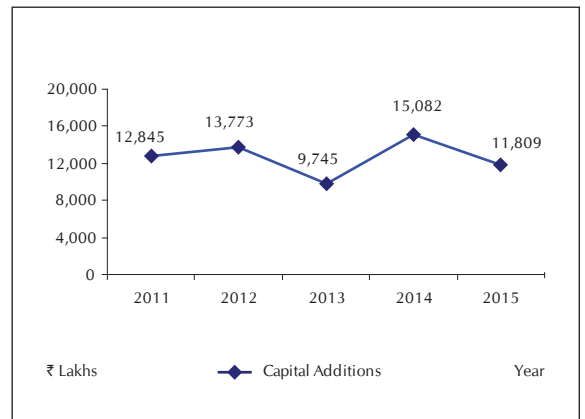
## Export Sales and Revenue from Operations



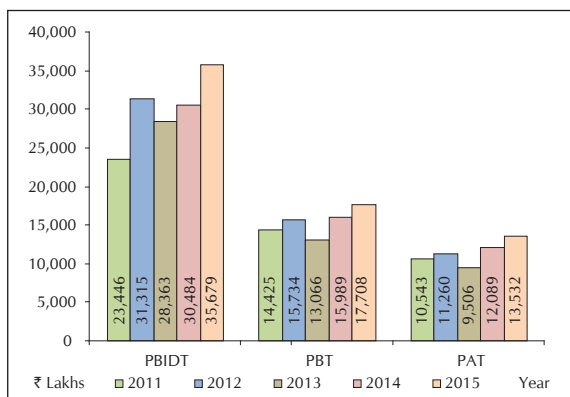
## Gross and Net Block of Fixed Assets



## Capital Expenditure



## Profits



## Funds Employed

