

Sundram International Inc.

(Michigan, USA)

ANNUAL REPORT

**for the year ended
31st March 2016**

Sundram International Inc.

(Incorporated in USA)

BALANCE SHEET AS AT 31ST MARCH 2016

	Note	USD As at 31-3-2016		USD As at 31-3-2015	
I EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share capital	1	1,82,150	81,20,513	1,82,150	81,20,513
(b) Reserves and surplus	2	<u>(188,098)</u>	<u>(5,948)</u>	<u>(188,035)</u>	<u>(5,885)</u>
(2) Non-current liabilities					
(a) Long-term borrowings	3	40,000	2,650,400	40,000	2,499,600
Total		<u>34,052</u>	<u>2,256,275</u>	<u>34,115</u>	<u>2,131,857</u>
II ASSETS					
(1) Current Assets					
(a) Trade receivables	4	23,000	1,523,980	23,000	1,437,270
(b) Cash and cash equivalents	5	11,052	732,295	11,115	694,587
(c) Other Assets	6	-	34,052	-	34,115
Total		<u>34,052</u>	<u>2,256,275</u>	<u>34,115</u>	<u>2,131,857</u>

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2016

	Note	Discontinuing Operations USD		Discontinuing Operations USD	
		Year ended 31-3-2016	Year ended 31-3-2016	Year ended 31-3-2015	Year ended 31-3-2015
I Revenue from Operations		-	-	-	-
II Other Income	7	-	-	860	52,702
III Total Revenue		-	-	860	52,702
IV Expenses :					
Miscellaneous Expenses	8	63	4,158	12,740	780,556
Total Expenses		<u>63</u>	<u>4,158</u>	<u>12,740</u>	<u>780,556</u>
V Profit before exceptional and extraordinary items and tax (II-IV)		<u>(63)</u>	<u>(4,158)</u>	<u>(11,880)</u>	<u>(727,854)</u>
VI Exceptional Items		-	-	-	-
VII Profit before extraordinary items and tax (V-VI)		<u>(63)</u>	<u>(4,158)</u>	<u>(11,880)</u>	<u>(727,854)</u>
VIII Extraordinary Items		-	-	-	-
IX Profit before tax (VII-VIII)		<u>(63)</u>	<u>(4,158)</u>	<u>(11,880)</u>	<u>(727,854)</u>
X Tax Expense : Federal Tax		-	-	-	-
XI Profit / (Loss) for the period from Discontinuing / continuing operations (IX-X)		<u>(63)</u>	<u>(4,158)</u>	<u>(11,880)</u>	<u>(727,854)</u>
Exchange Loss / (Gain) arising on account of Foreign Currency Translation		-	22,224	-	(990)
XII Profit / (Loss) for the period		<u>(63)</u>	<u>(26,382)</u>	<u>(11,880)</u>	<u>(726,864)</u>
XIII Earnings per equity share :					
(1) Basic		(0.00)	(1.45)	(0.65)	(39.90)
(2) Diluted		-	-	-	-
(3) No. of Shares		18,215	18,215	18,215	18,215

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	USD		USD	
	Year ended 31-3-2016		Year ended 31-3-2015	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax	(63)	(4,158)	(11,880)	(727,854)
Adjustments for :				
Exchange variation on Application of AS 11	-	(22,224)	-	990
Operating Profit before Extraordinary Items & Working Capital changes	(63)	(26,382)	(11,880)	(726,864)
Adjustments For Changes in Working Capital :				
Trade and other receivables	-	(86,710)	20,602	1,174,913
NET CASH FROM OPERATING ACTIVITIES	(63)	(113,092)	8,722	448,049
B. CASH FLOW FROM INVESTING ACTIVITIES	-	-	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Exchange variation on application of AS 11	-	150,800	-	103,200
NET CASH USED IN FINANCING ACTIVITIES	-	150,800	-	103,200
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(63)	37,708	8,722	551,249
CASH AND CASH EQUIVALENTS - Opening Balance	11,115	694,587	2,393	143,338
CASH AND CASH EQUIVALENTS - Closing Balance	11,052	732,295	11,115	694,587
Notes:				
CASH AND CASH EQUIVALENTS include:				
With Scheduled Banks: Current Account	11,052	732,295	11,115	694,587
	11,052	732,295	11,115	694,587

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

	USD		USD	
	As at	As at	As at	As at
	31-3-2016	31-3-2016	31-3-2015	31-3-2015
1 SHARE CAPITAL				
a. Authorised				
60,000 Common Shares of USD 10 each				
b. Issued				
18,215 Common Shares of USD 10 each	1,82,150	81,20,513	1,82,150	81,20,513
c. Subscribed and paid-up				
18,215 Common Shares of USD 10 each fully paid up	1,82,150	81,20,513	1,82,150	81,20,513
d. Reconciliation of number of shares				
	As at 31-03-2016		As at 31-03-2015	
Equity Shares	No. of Shares		No. of Shares	
1. Balance at the beginning of the year	18,215	81,20,513	18,215	81,20,513
2. Add : Shares issued during the year	-	-	-	-
3. Bonus Shares issued during the year	-	-	-	-
4. Balance at the end of the year	18,215	81,20,513	18,215	81,20,513
e. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company				
	As at 31-03-2016		As at 31-03-2015	
Name of the Shareholder	No. of Shares	Shares as % of Total No. of Shares	No. of Shares	Shares as % of Total No. of Shares
1. Sundram Fasteners Limited, Chennai	18,215	100	18,215	100
2. Total No. of Shares of the Company	18,215	100	18,215	100
f. Bonus Shares / Buy Back / Shares for consideration other than cash issued during the period of five years immediately preceding the financial year ended March 31,2016:				
(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 FOR THE YEAR ENDED 31ST MARCH 2016

	USD As at 31-3-2016	USD As at 31-3-2016	USD As at 31-3-2015	USD As at 31-3-2015
2. RESERVES & SURPLUS				
Surplus in Statement of Profit and Loss				
1. Balance as at the beginning of the year	(188,035)	(8,488,256)	(176,155)	(7,761,392)
2. Profit / (Loss) for the year	(63)	(26,382)	(11,880)	(726,864)
3. Balance available for appropriation (1+2)	(188,098)	(8,514,638)	(188,035)	(8,488,256)
4. Amount appropriated during the year	-	-	-	-
5. Balance as at the end of the year (3-4)	(188,098)	(8,514,638)	(188,035)	(8,488,256)
Total Reserves and Surplus	(188,098)	(8,514,638)	(188,035)	(8,488,256)

	USD As at 31-3-2016	USD As at 31-3-2016	USD As at 31-3-2015	USD As at 31-3-2015
3. BORROWINGS				
Unsecured				
Term Loans				
Loan from Holding Company	40,000	2,650,400	40,000	2,499,600
Total	40,000	2,650,400	40,000	2,499,600

	USD As at 31-3-2016	USD As at 31-3-2016	USD As at 31-3-2015	USD As at 31-3-2015
4. TRADE RECEIVABLES (Unsecured, Considered Good unless stated otherwise)				
Outstanding for a period exceeding 6 months from the date they are due for payment	23,000	1,523,980	23,000	1,437,270
Total	23,000	1,523,980	23,000	1,437,270

	USD As at 31-3-2016	USD As at 31-3-2016	USD As at 31-3-2015	USD As at 31-3-2015
5. CASH AND BANK BALANCES				
Cash and Cash Equivalents				
Balances with Bank : Current Account	11,052	732,295	11,115	694,587
Total	11,052	732,295	11,115	694,587

	USD As at 31-3-2016	USD As at 31-3-2016	USD As at 31-3-2015	USD As at 31-3-2015
6. OTHER CURRENT ASSETS				
a. Deposits	-	-	-	-
b. Securities in lieu of receivables from General Motors (Shares)	-	-	-	-
Total	-	-	-	-

	Year ended 31-3-2016	Year ended 31-3-2016	Year ended 31-3-2015	Year ended 31-3-2015
7. OTHER INCOME				
Dividend Income	-	-	65	3,989
Profit on sale of Investments	-	-	795	48,713
Total	-	-	860	52,702

	USD As at 31-3-2016	USD As at 31-3-2016	USD As at 31-3-2015	USD As at 31-3-2015
8 MISCELLANEOUS EXPENSES				
a) Bad debts	-	-	12,720	779,331
b) Bank Charges	63	4,158	20	1,225
Total	63	4,158	12,740	780,556

9. Figures for the previous year have been re-classified / re-arranged / re-grouped, wherever necessary to conform to current year classification.

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NOTES TO THE FINANCIAL STATEMENTS (Contd.)

10. SIGNIFICANT ACCOUNTING POLICIES

1. Disclosure of Accounting Policies – AS 1

The operations were discontinued during the last year hence the annual accounts are maintained on accrual basis as a discontinuing operation.

2. Valuation of Inventories – AS 2

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 include all expenses incurred in bringing the materials to their present location and condition.

The Company has no inventory.

3. Cash Flow Statement – AS 3

Cash Flow statement has been attached to the Balance Sheet and Statement of Profit and Loss.

4. Net Profit or Loss for the period, Prior period items and change in Accounting policies – AS 5

All items of income and expense in the period are included in the determination of net loss for the period, unless specifically mentioned elsewhere in the financial statements or is required by an Accounting Standard.

5. Depreciation Accounting– AS 6

The Company has no fixed assets.

6. Revenue Recognition – AS 9

Revenue from the sale of goods is recognised upon delivery of goods to buyer when risks and ownership are transferred to the buyer.

The Company has no revenue to recognise.

7. Accounting for Fixed Assets – AS 10

The company has no fixed Assets.

8. Accounting for the effects of changes in Foreign Exchange Rates – AS 11

Assets and Liabilities:

Fixed Assets and Share Capital are translated at the market exchange rate prevailing on the date of transaction.

Other Assets and liabilities are translated at the market exchange rate prevailing on the date of balance sheet. (USD 1 = INR 66.26, previous year USD 1 = INR 62.49).

Income and Expenditure:

The earnings and expenditure of the company are translated in Indian Rupees at the average exchange rates for the period. (USD 1 = INR 65.66 Previous Year USD 1 = INR 61.27).

Exchange difference arising out of translation is dealt in accordance with AS 11.

9. Related Party Disclosures - AS 18

Related Parties:

(I) Where Control exists:

A) Holding Company

Sundram Fasteners Limited, Chennai

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

A) Fellow Subsidiaries

Sundram RBI Sdn. Bhd., Pandan Indah, Malaysia
TVS Upasana Ltd., Chennai

Sundram Fasteners (Zhejiang) Ltd., Peoples Republic of China

Cramlington Precision Forge Ltd., Northumberland, United Kingdom

Sundram Non Conventional Energy Systems Ltd., Chennai

Sundram Fasteners Investments Limited, Chennai

Peiner Umformtechnik GmbH, Peine, Germany

PUT Grundstücks GmbH, Peine, Germany

TVS Peiner Services GmbH, Peine, Germany

Sundram Precision Components Ltd., Chennai

TVS Infotech Ltd, Chennai

TVS Infotech Inc, USA

(III) Transactions with related parties:

Particulars	For the Year ended 31st March 2016	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2015
	USD	₹	USD	₹
A) Finance availed:				
- Holding Company	-	-	-	-
B) Outstanding Balances:				
Payable by the Company:				
- Holding Company	40,000	26,50,400	40,000	24,99,600
Receivable by the Company:				
- Holding Company	23,000	15,23,980	23,000	14,37,270

10. Earnings per share - AS 20

Basic earnings per share are disclosed in the profit and loss account. There is no diluted earnings per share as there are no dilutive potential equity shares.

11. Accounting for Taxes on Income - AS 22

Net Deferred Tax Asset will be recognised only when there is reasonable certainty that such deferred tax asset can be realised against future taxable income.

12. Discontinuing Operations - AS 24

The Management has approved a plan for the discontinuance of the operation of the company. Accordingly the revenue and expenses in respect of activities of the company for the financial year have been disclosed under discontinuing operations.

13. Sundram Fasteners Limited, Chennai, the holding company, holds the entire paid-up capital of the company.

14. All transactions have been translated by adopting Indian Accounting Standards 11 to ensure consistency with accounting policy of the holding company as required by Indian Accounting Standard 21.

The resulting exchange difference has been recognised as foreign currency translation loss/gain as per AS 11.