

Sundram Fasteners Investments Limited

ANNUAL REPORT

**for the year ended
31st March 2017**

Sundram Fasteners Investments Limited

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

The Directors have pleasure in presenting the Twenty Fifth Annual Report, together with the audited accounts for the year ended 31st March 2017.

FINANCIAL RESULTS

Particulars	2016-17	2015-16
Sales and other income	40,416	27,824
Gross Profit / (Loss) before interest & depreciation	(79,282)	(124,023)
Less: Interest	-	1,056,148
Less: Depreciation	-	-
Profit / (Loss) before tax	(79,282)	(1,180,171)
Add / (Less): Provision for Tax (including Deferred Tax)	(58,792)	-
Profit / (Loss) after tax	(20,490)	(1,180,171)
Add / (Less): Balance brought forward	26,599,701	27,779,872
Less: Transferred to General Reserve	-	-
Balance carried forward	26,579,211	26,599,701

OPERATIONS

The Sales and other income during the year under review was at ₹ 40,416/- as against ₹ 27,824/- in the previous year. The operating Loss for the year was at ₹ 79,282/- as against Loss of ₹ 1,24,023/- in the previous year and ended up with a net loss of (₹ 20,490)/- as against net loss of ₹ (1,180,171)/- in the previous year.

DIVIDEND

The Directors do not recommend any final dividend for the year under review.

TRANSFER TO RESERVES

The Company has not transferred any amounts to reserves during the year 2016-2017.

BOARD MEETINGS

During the financial year 2016-2017, there were 4 (Four) Board meetings, which were held on April 28, 2016, August 16, 2016, November 18, 2016 and February 1, 2017.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:-

- in the preparation of annual accounts, the applicable accounting standards had been followed and there were no material departures.
- 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 loss of the Company for 31st March 2017.
- 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.
- they had prepared the annual accounts on a going concern basis.

- they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

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

The Company being a Non-Banking Finance Company, Section 186 of the Companies Act, 2013 is not applicable to this Company.

DIRECTORS

Sri R Krishnan, Director retires from the Board by rotation and being eligible, offers himself for re-appointment.

The provision of Section 149 pertaining to the appointment of Independent Directors does not apply to our Company.

AUDIT COMMITTEE

As per Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board) Rules, 2014, there was no requirement for the company to have an Audit Committee.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure - I**.

RELATED PARTY TRANSACTIONS

All transactions with related parties were on arms' length basis and were in the ordinary course of business. There was no material related party contract during the year. Form AOC-2 as required under Section 134(3)(h) is enclosed as **Annexure - I** 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

The Company has no activity relating to conservation of energy and technology absorption.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company did not have any foreign exchange earnings or outgo.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL APPOINTED OR HAVE RESIGNED DURING THE YEAR

There were no changes during the year. The Company is not required to have any Key Managerial Personnel.

CHANGE IN THE NATURE OF BUSINESS

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

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

The Company does not have any subsidiary, joint venture or associate company.

Sundram Fasteners Investments Limited

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

The Company has no subsidiaries, associates or joint venture companies.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013.

REGULATORY / COURT ORDERS

During the year 2016-2017, 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 has internal control procedures and sufficient internal control checks considering the size and nature of its business and the Board of directors are of the view that those controls are adequate with reference to the financial statements. The Company follows risk management practices of the holding Company as may be relevant.

RISK MANAGEMENT

The Company had identified certain business risks and also the measures for dealing with such risks which it faces in day to day operations of the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Section 135 is not applicable to the company as the company has not met the specified turnover or net worth or profit criteria and hence there is no requirement for the company to undertake CSR activities.

STATEMENT UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION) OF MANAGERIAL PERSONNEL RULES, 2014

Statement under Rule 5(2) is not applicable to the Company, as the Company does not have any employee.

AUDITORS

Pursuant to Section 139 of the Companies Act, 2013, M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, (Registration No. 0042075 with the Institute of Chartered Accountants of India), were appointed as Auditors of the Company at the twenty second annual general meeting of the Company for a consecutive period of 5 years commencing from 27th September, 2014. The Company has received a certificate from the statutory auditors to the effect that if 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 of M/s Sundaram & Srinivasan, Chartered Accountants, Chennai as Auditors of the Company for the fourth consecutive year (in the term of five consecutive years approved at the Twenty second Annual General Meeting held on 27th September, 2014)

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

The Company has adopted the Anti-Sexual Harassment Policy laid down by the Holding Company (Sundram Fasteners Limited-SFL), which is in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) of SFL is entrusted to redress complaints regarding sexual harassment. No complaints were received during the year 2016.

ACKNOWLEDGMENT

Your Directors thank the holding company, Sundram Fasteners Limited for their continued support.

On behalf of the Board

Chennai
April 28, 2017

R KRISHNAN
Director

K PASUPATHY
Director

FORM NO.MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31st March, 2017

[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	U65991TN1992PLC022618
Registration Date	6 th May, 1992
Name of the Company	Sundram Fasteners Investments Limited
Category / Sub-Category of the Company	Public Company / Limited by Shares
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.91-44-28478510 Email: krishnan.r@sfl.co.in
Whether listed company	No
Name, Address and Contact details of the Registrar and Transfer Agent, if any.	Not Applicable

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	Financial Services	As per NIC 2008 64-649	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No.	Name and address of the company	CIN / GLN	Holding / Subsidiary / Associate	% of votes held	Applicable Section
1	Sundram Fasteners Limited 98-A, VII Floor, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004	L35999TN1962PLC004943	Holding Company	100	2(46)

Sundram Fasteners Investments Limited

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

(i) Category wise shareholding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1. Indian									
a) Individuals / HUF (Nominees of Bodies Corporate)	-	6	6	0.00	-	6	6	0.00	Nil
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	2489994	2489994	100.00	-	2489994	2489994	100.00	Nil
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	-	2490000	2490000	100.00	-	2490000	2490000	100.00	Nil
Foreign	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding (A) = (A) (1) + (A)(2)	-	2490000	2490000	100.00	-	2490000	2490000	100.00	Nil
B. Public Shareholding									
Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B) (1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
Grand Total = A + B + C	-	2490000	2490000	100.00	-	2490000	2490000	100.00	Nil

(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	Sundram Fasteners Ltd	2489994	100.00	0.00	2489994	100.00	0.00	Nil
2	Nominees of Sundram Fasteners Limited	6	0.00	0.00	6	0.00	0.00	
	Total	2490000	100.00	0.00	2490000	100.00	0.00	Nil

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

There have been no changes in the Promoters' shareholding during the year.

(iv) **Share holding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Not Applicable

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

For Each of the Directors and KMP	Name of the Director / KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning, during and end of the year	R. Krishnan * Director	1	0.00	1	0.00

Note: There have been no changes in the shareholding of Directors during the year / * Nominee of Sundram Fasteners Limited.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (as on 31st March, 2017) - NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year 2016-2017, no remuneration was paid to Directors. The company does not have any Key Managerial Personnel.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

During the year ended 31st March 2017, no penalties levied or punishment / compounding fee imposed by the Regional Director / Court on the Company / directors / officers in default.

On behalf of the Board

Chennai
April 28, 2017

R KRISHNAN
Director

K PASUPATHY
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 subsection (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 contract or arrangement or transaction during the year.

On behalf of the Board

Chennai
April 28, 2017

R KRISHNAN
Director

K PASUPATHY
Director

Sundram Fasteners Investments Limited

Sundaram & Srinivasan
Chartered Accountants

New No.4, (Old No.23), C P Ramaswamy Road
Alwarpet, Chennai 600 018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUNDARAM FASTENERS INVESTMENTS LIMITED, CHENNAI FOR THE YEAR ENDED 31ST MARCH 2017

To the Members of,
Sundram Fasteners Investments Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Sundram Fasteners Investments Limited ("the company"), which comprise the Balance Sheet as at 31st March 2017, 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 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 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 the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 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 there under.

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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by 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.

Opinion

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

- a) of the state of affairs of the Company as at March 31, 2017;
- b) of the Loss for the year ended on that date; and
- c) 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure – A" a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable .
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 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, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. AS29 Annexure to financial statements.
 - ii. The Company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.
 - iii. During the year, there was no requirement on the part of the company to transfer any amount to the Investors Education and Protection fund.
 - iv. The Company has not dealt with any cash transactions during the year. Hence, reporting and disclosure requirements relating to holdings as well as dealings in Specified Bank Notes from November 08, 2016 to December 30, 2016 are not applicable.

For SUNDARAM & SRINIVASAN
Chartered Accountants
(Firm Regn. No. 0042075)

M BALASUBRAMANIAM
Partner
Membership No. F 7945

Chennai
April 28, 2017

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUNDRAM FASTENERS INVESTMENTS LIMITED, CHENNAI FOR THE YEAR ENDED 31ST MARCH 2017

Annexure A referred to in our report under "Report on Other Legal and Regulatory requirements Para 1" of even date on the accounts for the year ended 31st March 2017.

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) Fixed assets consist of land and its titles are proper. Hence, the question of verification of asset does not arise.
- (c) The title deeds of immovable properties of the Company are not held in the name of the company. The title deeds are held in the name of the seller and the registration in the name of the company is still pending. However full consideration has been paid to the seller and possession and enjoyment is with the company.
2. The Company has no stock of inventory and hence reporting on physical verification does not arise.
3. During the year, the company has not granted any loan to a company, firm, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. During the year, the company has not granted any loan or has made any investments, furnished any guarantees or provided any security. Hence reporting on whether there is compliance with provisions of section 185 and 186 of the Companies Act, 2013 does not arise.
5. The company has not accepted any deposit within the meaning of sections 73 to 76 of the Companies Act, 2013, during the year.
6. According to the information and explanations furnished to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under Section 148 of the Companies Act, 2013 are not applicable to the Company for the year under audit.
7. (a) According to the records provided to us, the company is regular in depositing undisputed statutory dues viz., Income Tax deducted at Source with appropriate authority. Depositing sums under provident fund, employees' state insurance, service tax, duty of customs, duty of excise value added tax and cess are not applicable during the year.
- (b) 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 (₹)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	17,31,720	Commissioner of Income Tax (Appeals), Chennai

8. The company has not availed any term loan from banks or financial institutions. Hence the question of reporting on default in repayment thereof does not arise.
9. The company has not raised any money by the way of initial public offer or further public offers including debt instruments or by way of term loan during the year. Hence reporting on utilization of such money does not arise.
10. Based on the audit procedures adopted and information and explanations furnished to us by the management, no fraud on or by the company has been noticed or reported during the course of our audit.

11. No managerial remuneration has been paid or provided during the year.
12. The Company is not a Nidhi company and as such this clause of the Order is not applicable.
13. (a) In our opinion and according to the information and explanations furnished to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013.
- (b) The details of transactions during the year have been disclosed in the Financial Statements as required by the applicable accounting standards. Refer Note no.15 to Financial statements.
14. During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures under section 42 of the Companies Act, 2013.
15. In our opinion and according to the information and explanations furnished to us, the company has not entered into any non-cash transactions with directors or persons connected with them.
16. The company is required to register under section 45-IA of the Reserve Bank of India Act, 1934 and has valid Certificate of Registration issued by Reserve Bank of India.

For SUNDARAM & SRINIVASAN
Chartered Accountants
(Firm Regn. No. 0042075)

M BALASUBRAMANIAM
Partner
Membership No. F 7945

Chennai
April 28, 2017

ANNEXURE "B" TO INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUNDRAM FASTENERS INVESTMENTS LIMITED, CHENNAI FOR THE YEAR ENDED 31ST MARCH 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sundram Fasteners Investments Limited, Chennai ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (hereinafter "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls

Sundram Fasteners Investments Limited

over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on;

- i. existing policies and procedures adopted by the Company for ensuring orderly and efficient conduct of business.
- ii. continuous adherence to Company's policies.
- iii. existing procedures in relation to safeguarding of Company's fixed assets, receivables, loans and advances made and cash and bank balances.
- iv. existing system to prevent and detect fraud and errors.
- v. accuracy and completeness of Company's accounting records; and
- vi. existing capacity to prepare timely and reliable financial information.

BALANCE SHEET AS AT MARCH 31, 2017

Sl. No.	Particulars	Note No.	As at 31-03-2017	As at 31-03-2016
I. EQUITY AND LIABILITIES				
(1) Shareholders' funds				
(a)	Share capital	1	2,49,00,000	2,49,00,000
(b)	Reserves and surplus	2	3,60,60,407	3,60,80,897
			6,09,60,407	6,09,80,897
(2) Current liabilities				
	Other current liabilities	3	28,751	30,126
			28,751	30,126
TOTAL			6,09,89,158	6,10,11,023
II. ASSETS				
(1) Non-current assets				
(a) Fixed assets				
	Tangible assets	4	2,51,20,000	2,51,20,000
(b)	Non-current investments	5	3,45,12,150	3,45,12,150
(c)	Long-term loans and advances	6	10,20,706	9,52,879
(d)	Other non-current assets	7	-	-
			6,06,52,856	6,05,85,029
(2) Current assets				
(a)	Current investments	5	35,535	35,535
(b)	Cash and cash equivalents	8	2,99,784	3,90,459
(c)	Other current assets	7	983	-
			3,36,302	4,25,994
TOTAL			6,09,89,158	6,10,11,023

The notes form an integral part of the Financial Statements

		As per our report annexed For SUNDARAM & SRINIVASAN Chartered Accountants (Firm Regn. No. 0042075)
Chennai	R KRISHNAN B SHANMUGASUNDARAM K PASUPATHY Directors	M BALASUBRAMANIAM Partner Membership No. F.7945
April 28, 2017		

Statement of Profit and Loss for the year ended March 31, 2017

Sl No	Particulars	Note No	Year Ended 31-03-2017	Year Ended 31-03-2016
I	Revenue From Operations	9	40,416	27,824
II	Total Revenue		40,416	27,824
III	Expenses			
	Finance Cost	10	-	1,056,148
	Other Expenses	11	119,698	151,847
	Total Expenses		119,698	1,207,995
IV.	Profit before exceptional and extraordinary items and tax (II-III)		(79,282)	(1,180,171)
V.	Exceptional items		-	-
VI.	Profit before extraordinary items and tax (IV - V)		(79,282)	(1,180,171)
VII.	Extraordinary Items		-	-
VIII.	Profit before tax (VI - VII)		(79,282)	(1,180,171)
IX	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
	(3) Earlier years		(58,792)	-
X	Profit (Loss) for the year from continuing operations (VIII-IX)		(20,490)	(1,180,171)
XI	Profit(loss) from discontinuing operations		-	-
XII	Tax expense of discontinuing operations		-	-
XIII	Profit(loss) from Discontinuing operations (after tax) (XI-XII)		-	-
XIV	Profit (Loss) for the year (X + XIII)		(20,490)	(1,180,171)
XV	Earnings per equity share:			
	(1) Basic		(0.01)	(0.47)
	(2) Diluted		(0.01)	(0.47)
	No of Equity Shares of Rs.10 each		2,490,000	2,490,000

The notes form an integral part of the Financial Statements

For **SUNDARAM & SRINIVASAN**
Chartered Accountants
(Firm Regn. No. 0042075)

M BALASUBRAMANIAM
Partner
Membership No. F.7945

Chennai
April 28, 2017

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

R KRISHNAN
B SHANMUGASUNDARAM
K PASUPATHY
Directors
Chennai
April 28, 2017
M BALASUBRAMANIAM
Partner
Membership No. F.7945

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

	₹	
	Year ended 31-3-2017	Year ended 31-3-2016
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before Tax	(79,282)	(11,80,171)
Adjustments for:		
Operating Profit before Extra ordinary items & Working Capital changes:	(79,282)	(11,80,171)
Adjustments for Changes in Working Capital :		
Loans and Advances	(9,035)	-
Other Current Assets	(983)	-
Other Current liabilities	(1,375)	(4,90,709)
Cash Generated From Operations	(90,675)	(16,70,880)
Direct Taxes Paid	-	-
NET CASH FROM OPERATING ACTIVITIES (a)	(90,675)	(16,70,880)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Investments	-	(20,000)
Sale of Investments	-	12,50,00,000
NET CASH USED IN INVESTING ACTIVITIES (b)	-	12,49,80,000
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds From Short term Borrowings (net of repayments)	-	(12,29,34,389)
NET CASH USED IN FINANCING ACTIVITIES (c)	-	(12,29,34,389)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(90,675)	3,74,731
CASH AND CASH EQUIVALENTS -Opening Balance	3,90,459	15,728
CASH AND CASH EQUIVALENTS -Closing Balance	2,99,784	3,90,459
CASH AND CASH EQUIVALENTS include:		
With Scheduled Banks:		
(i) Current Account	2,99,784	3,90,459

As per our report annexed
For **SUNDARAM & SRINIVASAN**
Chartered Accountants
(Firm Registration No. 0042075)

Chennai
April 28, 2016

R KRISHNAN
B SHANMUGASUNDARAM
K PASUPATHY
Directors

M BALASUBRAMANIAM
Partner
Membership No. F 7945

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Sl. No.	Particulars	As at			
		March 31, 2017	March 31, 2016		
1 SHARE CAPITAL					
a. Authorised					
	1,000 Redeemable Preference Shares of ₹ 10 each	10,000	10,000		
	24,99,000 Equity Shares of ₹ 10 each	2,49,90,000	2,49,90,000		
		<u>2,50,00,000</u>	<u>2,50,00,000</u>		
b. Issued					
	24,90,000 Equity Shares of ₹ 10 each	2,49,00,000	2,49,00,000		
c. Subscribed and Paid-up					
	24,90,000 Equity Shares of ₹ 10 each fully paid-up	2,49,00,000	2,49,00,000		
d. Reconciliation of number of shares					
Sl. No.	Equity Shares	No. of Shares	Value ₹	No. of Shares	Value ₹
1.	Balance at the beginning of the year	24,90,000	2,49,00,000	24,90,000	2,49,00,000
2.	Add : Shares issued during the year	-	-	-	-
3.	Bonus Shares issued during the year	-	-	-	-
4.	Balance as at the end of the year	<u>24,90,000</u>	<u>2,49,00,000</u>	<u>24,90,000</u>	<u>2,49,00,000</u>
e. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company					
Sl. No.	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, the holding company and its nominees	24,90,000	100.00	24,90,000	100.00
2.	Total No. of Shares of the Company	<u>24,90,000</u>	<u>100.00</u>	<u>24,90,000</u>	<u>100.00</u>
f. Shares allotted as fully paid up by way of Bonus shares (during 5 years immediately preceding March 31, 2017)					
	Equity Shares allotted as fully paid up bonus shares by capitalisation of reserves		Nil		Nil
g. Terms/rights attached to shares:					
The Company has two class of shares viz., Redeemable Preference shares having a face value of ₹10/- each and Equity shares having a face value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. As and when, the company declares dividend it will be paid 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.					
The terms and conditions of redeemable preference shares will be determined at the time of issue of such shares.					
h. Shares held by holding company				Nos.	Nos.
1.	Sundram Fasteners Limited, Chennai and its six nominees	24,90,000		24,90,000	
2 RESERVES & SURPLUS				As at	As at
Sl. No.	Particulars	March 31, 2017		March 31, 2016	
a. General Reserve					
1.	Balance as at the beginning of the year	12,63,032		12,63,032	
2.	Add : Transfer from Statement of Profit and Loss	-		-	
	Sub Total	12,63,032		12,63,032	
3.	Less : Amount Utilized	-		-	
4.	Balance as at the end of the year	<u>12,63,032</u>		<u>12,63,032</u>	
b. Special Reserve u/s 451C of Reserve Bank of India Act, 1934					
1.	Balance as at the beginning of the year	82,18,164		82,18,164	
2.	Add : Transfer from Statement of Profit and Loss	-		-	
	Sub Total	82,18,164		82,18,164	
3.	Less : Amount utilized	-		-	
4.	Balance as at the end of the year	<u>82,18,164</u>		<u>82,18,164</u>	
c. Surplus in Statement of Profit and Loss					
1.	Balance as at the beginning of the year	2,65,99,701		2,77,79,872	
2.	Profit / (Loss) for the year	(20,490)		(11,80,171)	
3.	Balance available for appropriation (1 + 2)	<u>2,65,79,211</u>		<u>2,65,99,701</u>	
Appropriations :					
4.	Amount appropriated during the year to Special Reserve	-		-	
5.	Balance as at the end of the year (3-4)	<u>2,65,79,211</u>		<u>2,65,99,701</u>	
Total Reserves and Surplus (a+b+c)		<u>3,60,60,407</u>		<u>3,60,80,897</u>	

Sundram Fasteners Investments Limited

NOTES TO FINANCIAL STATEMENTS (Contd.)

	Non-current		Current	
	As at	As at	As at	As at
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
3. OTHER LIABILITIES				
1. Statutory Dues	-	-	2,875	1,500
2. Outstanding Liabilities	-	-	25,876	28,626
Total	-	-	28,751	30,126
4. ASSETS				
	Tangible		As at	As at
Non-Current Assets	Land - Free Hold*		31-03-2017	31-03-2016
Fixed Assets				
A Cost of Assets				
As at 01.04.2016	2,51,20,000	2,51,20,000	2,51,20,000	
Additions	-	-	-	-
Sales/Discards	-	-	-	-
As at 31-03-2017	2,51,20,000	2,51,20,000	2,51,20,000	
B Depreciation / Amortization				
As at 01.04.2016	-	-	-	-
Charges for the year	-	-	-	-
Deduction on sale or discards	-	-	-	-
Impairment for the year	-	-	-	-
As at 31-03-2017	-	-	-	-
C Written Down Value				
As at 31-03-2017	2,51,20,000	2,51,20,000		
As at 31-03-2016	2,51,20,000		2,51,20,000	

* Land Cost of ₹ 2,51,20,000 (Last Year ₹ 2,51,20,000) is pending Registration of title deeds.

5. INVESTMENTS

1. Non-Trade (Valued at Cost unless otherwise stated)					
Quoted equity instruments					
a.	300 Equity Shares of ₹ 10 each fully paid up in State Bank of Travancore, Tiruvananthapuram - Now 660 equity shares of ₹ 1/- of State Bank of India - Mumbai (SBI) was allotted to the Company as on 01/04/2017 pursuant to the acquisition of State bank of Travancore by SBI. (No. of Shares Last Year 300 Equity Shares of ₹ 10/- each)	-	-	35,000	35,000
b.	1 Equity Share of ₹ 5 each fully paid up in Maruti Suzuki India Limited, Delhi	-	-	535	535
c.	3,094 Equity Shares of ₹ 10 each fully paid up in India Nippon Electricals Limited, Chennai	94,345	94,345	-	-
d.	7,800 Equity Shares of ₹ 10/- each fully paid up in Sundaram Brake Linings Limited, Chennai	11,10,305	11,10,305	-	-
	Sub - Total (A)	12,04,650	12,04,650	35,535	15,535
Unquoted equity instruments					
e.	33,30,050 Equity Shares of ₹ 10 each fully paid up in TVS Infotech Limited, Chennai	3,33,07,500	3,33,07,500	-	-
	Sub - Total (B)	3,33,07,500	3,33,07,500	-	-
	Total (C) (A+B)	34,512,150	34,512,150	35,535	15,535
a.	Aggregate Value of Quoted Investments	12,40,185	12,40,185		
b.	Aggregate Value of Unquoted Investments	3,33,07,500	3,33,07,500		
	Total (a+b)	3,45,47,685	3,45,47,685		
c.	Aggregate provision for diminution in value of Investments	-	-		
d.	Market Value of Quoted Investments	50,97,319	32,77,932		

NOTES TO FINANCIAL STATEMENTS (Contd.)

	Non-current		Current	
	As at	As at	As at	As at
	31-3-2017	31-3-2016	31-3-2017	31-3-2016
6. LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS STATED OTHERWISE)				
Other Loans and Advances				
Advance Income-tax (net of provision for taxation)	-	51,063	-	-
Income Tax Refund Receivables	10,20,706	9,01,816	-	-
Total	10,20,706	9,52,879	-	-
7. OTHER ASSETS (UNSECURED, CONSIDERED GOOD UNLESS STATED OTHERWISE)				
a. Interest receivable	-	-	983	-
	-	-	983	-
8. CASH AND CASH EQUIVALENTS				
a. Balances with Banks in Current Account	-	-	3,48,767	3,90,459
b. Deposit Accounts-maturity less than 3 months	-	-	251,017	-
	-	-	2,99,784	3,90,459
			Year ended	Year ended
			31-3-2017	31-3-2016
9. REVENUE FROM OPERATIONS				
a. Interest on Term deposits with Bank			2,000	-
b. Interest on Income Tax Refund			9,035	-
c. Dividend			29,381	27,824
Total			40,416	27,824
10. FINANCE COST				
Interest expense			-	10,56,148
11. OTHER EXPENSES				
a) Rates & Taxes			7,834	8,030
b) Misc. Expenses (refer note no. 12)			1,11,864	1,43,817
Total			1,19,698	1,51,847
12. MISCELLANEOUS EXPENSES				
a) Remuneration to Auditors (refer Note No.13)			91,800	63,372
b) Professional fees			16,000	13,000
c) Expenses on survey & fencing of land			-	66,040
d) Demat Fee			1,431	1,405
e) IncomeTax Appeal fee			2,000	-
f) Bank Charges			633	-
Total			1,11,864	1,43,817
13. Remuneration to Auditors consist of:				
a) As Auditors			28,750	28,625
b) For Taxation Matters			40,150	-
c) For Other Services			-	17,100
d) Reimbursement of expenses			22,900	17,647
Total			91,800	63,372

NOTES TO FINANCIAL STATEMENTS (Contd.)

	Year ended 31-3-2017	Year ended 31-3-2016
14. Information furnished in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve bank) Directions, 1998		
Break-up of Loans availed		
Unsecured from Holding Company (Interest bearing)	-	44,51,674
Unsecured from Holding Company (Interest free)	-	-
Break-up of Investments		
Current Investments- other than related parties Quoted Equity Shares	35,535	35,535
Long Term other than related parties Quoted Equity Shares	12,04,650	12,04,650
Long Term - Unquoted Equity Shares	3,33,07,500	15,83,07,500
Break up value of Unquoted Equity Shares (unaudited)	17,559,938	14,762,136

15. Related Party Transactions

a) Holding Company - Sundram Fasteners Limited, Chennai		
Unsecured Loan availed	-	44,51,674
Interest paid/payable	-	10,56,148
Reimbursements made	10,378	5,57,294
Sale of 12,50,000 Equity Shares of TVS Infotech Limited, Chennai	-	1,25,00,000
b) Other related parties		
Fellow Subsidiaries (No Transactions)		
TVS Upasana Limited, Chennai (formerly Upasana Engineering Limited, Chennai)		
Sundram Non-conventional Energy Systems Limited, Chennai		

NOTES TO FINANCIAL STATEMENTS (Contd.)

	Year ended 31-3-2017	Year ended 31-3-2016
Sundram Precision Components Limited, Chennai (formerly Sundram Bleistahl Limited)		
Sundram Fasteners (Zhejiang) Limited, People Republic of China		
Cramlington Precision Forge Ltd, Northumberland, U.K.		
Sundram International Inc., Michigan, USA		
Sundram International Limited, United Kingdom		
TVS Infotech Limited, Chennai		
TVS Infotech Inc, Michigan USA		
TVS Next Private Limited, Chennai (formerly Blisslogix Technology Solutions Private Limited, Chennai) with effect from 11th April 2016.		

16. The Directors have waived their sitting fees.
17. Accounting Standards Annexure
18. Previous years figures have been regrouped to conform current years classification.

R KRISHNAN B SHANMUGASUNDARAM K PASUPATHY Directors	M BALASUBRAMANIAM Partner Membership No. F 7945
Chennai April 28, 2017	As per our report annexed For SUNDARAM & SRINIVASAN Chartered Accountants (Firm Regn. No. 0042075)

ANNEXURE TO NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Notes on Accounting Standards prescribed by The Institute of Chartered Accountants of India

- AS 1 Disclosure of accounting policies**
The accounts are maintained on accrual basis as a going concern.
- AS 2 Valuation of Inventories**
The Company has no Inventory. Hence this standard is not applicable.
- AS 3 Cash flow statements**
The Cash Flow Statement is attached to the Balance Sheet and Statement of Profit and Loss.
- AS 4 Contingencies and Events occurring after the balance sheet date**
There are no events occurring after the Balance Sheet Date that require adjustment or disclosure.
- AS 5 Net Profit or loss for the period, prior period items and changes in accounting policies**
All items of income and expense in the period are included in the determination of net profit/ (loss) for the period, unless specifically mentioned elsewhere in the financial statements or is required by an Accounting Standard.

There are no prior period items.

There are no changes in the accounting policies of the Company from the previous year.
- AS 6 Depreciation Accounting**
This standard has been omitted with effect from 30th March 2016.

ANNEXURE TO NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

- 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.
- AS 8 Accounting for Research and Development**
This standard has been withdrawn with effect from 1-4-2003.
- AS 9 Revenue Recognition**
The Revenue and expenditure are accounted on a going concern basis.

Interest income/expenditure is 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 10 Property, Plant and Equipment**
Land is valued at cost. The Company has no depreciable assets.
- AS 11 Accounting for effects of changes in foreign exchange rates**
There are no foreign exchange transactions during the year.
- AS 12 Accounting for Government Grants**
The Company has not received any grant from the Government
- AS 13 Accounting of Investments**
Investments are accounted at the cost of acquisition which includes stamp fees, etc. The diminution in the market value of quoted non current investments compared to cost of acquisition will be accounted only at the time sale of such investments. As regards diminution in value of unquoted shares viz. Investments in Equity instruments in

Sundram Fasteners Investments Limited

ANNEXURE TO NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

TVS Infotech Limited, Chennai, compared to the cost of acquisition, no provision is made as the investments are held on long term basis and will be accounted at the time of sale of such investments. Investments which are proposed to be sold are classified as Current Investments. The diminution in the market value of current investments will be provided for, if required. The investments have been held by the company in its own name.

AS 14 Accounting for Amalgamation

There was no Amalgamation during the year under review.

AS 15 Accounting for Employee Benefits

The Company has no employee.

AS 16 Borrowing Cost

The standard is not applicable since there are no qualifying assets.

AS 17 Segment Reporting

The Company is engaged in the business of financing and accordingly there are no separate reportable segments.

AS 18 Related party disclosures

Please refer to Note No.15 Notes to Financial statements

AS 19 Accounting for Leases

The Company has not entered into any lease contracts during the year.

AS 20 Earnings per share (EPS)

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.

Sl. No.	Particulars	2016-17	2015-16
a)	Basic/Diluted EPS before considering Extraordinary items (₹)	(0.01)	(0.47)
b)	Basic/Diluted EPS after considering Extraordinary items (₹)	(0.01)	(0.47)
c)	Weighted average number of shares	24,90,000	24,90,000
d)	Face Value per share (fully paid up)	₹ 10/-	₹ 10/-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

AS 21 Consolidated financial statements

This Standard is not applicable to the Company.

AS 22 Accounting for taxes on Income

The company has provided for the income tax liability under the provisions of Income Tax Act, 1961. The company has deferred tax Asset. But as a measure of prudence no deferred tax asset has been recognized during the year.

AS 23 Accounting for Investments in associates in Consolidated Financial Statements

This Standard is not applicable to the Company.

AS 24 Discontinuing Operations

The company has not discontinued any operations during the year.

AS 25 Interim financial Reporting

This Standard is not applicable to the Company

AS 26 Accounting for Intangible Assets

The Company has no intangible assets.

AS 27 Financial Reporting of Interests in Joint Ventures

The Company has no Joint Ventures.

AS 28 Impairment of Assets

The Company has no impaired asset.

AS 29 Provisions, Contingent Liabilities and Contingent Assets

Disputed Income tax Liabilities ₹ 18,31,110 Last Year ₹ 8,13,330

AS 30 Financial Instruments: Recognition and Measurement

a) This standard was withdrawn vide 360th meeting of the Institute of Chartered Accountants of India council held on November 7-9, 2016.

IND AS Applicability

As the Company is a Non-Banking Financial Company, the implementation of IND AS are not applicable for the current year.