

# **Sundram International Inc.**

(Michigan, USA)

## **ANNUAL REPORT**

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



# Sundram International Inc.

## BALANCE SHEET AS AT 31 MARCH 2017

Particulars	Note	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
		USD	₹	USD	₹	USD	₹
<b>ASSETS</b>							
<b>Current assets</b>							
<u>Financial assets:</u>							
- Trade receivables	4	-	-	23,000	1,523,980	23,000	1,437,270
- Cash and cash equivalents	5	<u>3,242</u>	<u>210,287</u>	<u>11,052</u>	<u>732,295</u>	<u>11,115</u>	<u>694,587</u>
<b>Total assets</b>		<u>3,242</u>	<u>210,287</u>	<u>34,052</u>	<u>2,256,275</u>	<u>34,115</u>	<u>2,131,857</u>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Equity Share capital	6	<u>182,150</u>	<u>11,814,249</u>	182,150	12,069,260	182,150	11,382,554
Other equity		<u>(188,908)</u>	<u>(12,252,562)</u>	<u>(188,098)</u>	<u>(12,463,385)</u>	<u>(188,035)</u>	<u>(11,750,297)</u>
<b>Total equity</b>		<u>(6,758)</u>	<u>(438,313)</u>	<u>(5,948)</u>	<u>(394,125)</u>	<u>(5,885)</u>	<u>(367,743)</u>
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
<u>Financial liabilities:</u>							
- Borrowings	7	<u>10,000</u>	<u>648,600</u>	40,000	2,650,400	40,000	2,499,600
<b>Total liabilities</b>		<u>10,000</u>	<u>648,600</u>	<u>40,000</u>	<u>2,650,400</u>	<u>40,000</u>	<u>2,499,600</u>
<b>Total equity and liabilities</b>		<u>3,242</u>	<u>210,287</u>	<u>34,052</u>	<u>2,256,275</u>	<u>34,115</u>	<u>2,131,857</u>

Notes 1 to 11 form an integral part of these financial statements

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

	Note	Year ended 31 March 2017		Year ended 31 March 2016	
		USD	₹	USD	₹
Revenue from operations		-	-	-	-
<b>Total Income</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenses</b>					
Other expenses	8	<u>810</u>	<u>54,264</u>	63	4,158
<b>Total expenses</b>		<u>810</u>	<u>54,264</u>	<u>63</u>	<u>4,158</u>
<b>Profit before tax</b>		<u>(810)</u>	<u>(54,264)</u>	<u>(63)</u>	<u>(4,158)</u>
<b>Tax expense</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Profit/(loss) for the period</b>		<u>(810)</u>	<u>(54,264)</u>	<u>(63)</u>	<u>(4,158)</u>
<b>Total comprehensive income for the year</b>		<u>(810)</u>	<u>(54,264)</u>	<u>(63)</u>	<u>(4,158)</u>
<i>(Comprising Profit and Other Comprehensive Income for the year)</i>					
<b>Earnings per equity share</b>					
Basic (in ₹)		<u>(0.04)</u>	<u>(2.98)</u>	(0.00)	(0.23)
Diluted (in ₹)		<u>(0.04)</u>	<u>(2.98)</u>	(0.00)	(0.23)
No. of Shares		<u>18,215</u>	<u>18,215</u>	18,215	18,215

Notes 1 to 11 form an integral part of these financial statements

# Sundram International Inc.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

### A. Equity Share Capital

Particulars	Amount	
	USD	₹
<b>Balance at the 01 April 2015</b>	<b>182,150</b>	<b>11,382,554</b>
Changes in equity share capital during the year	-	686,706
<b>Balance at the 31 March 2016</b>	<b>182,150</b>	<b>12,069,260</b>
Changes in equity share capital during the year	-	(255,011)
<b>Balance at the 31 March 2017</b>	<b>182,150</b>	<b>11,814,249</b>

### B. Other Equity

Particulars	Reserves and Surplus		Accumulated other comprehensive income		Total	
	Retained Earnings		Foreign currency translation reserve			
	USD	₹	USD	₹	USD	₹
<b>Balances at 1 April 2015</b>	<b>(188,035)</b>	<b>(11,750,297)</b>	-	-	<b>(188,035)</b>	<b>(11,750,297)</b>
Foreign currency translation difference on opening balance	-	(708,891)	-	-	-	(708,891)
Profit for the year	(63)	(4,158)	-	-	(63)	(4,158)
Other comprehensive income	-	-	-	(39)	-	(39)
Transferred from Retained earnings to general reserves	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
<b>Balances at 31 March 2016</b>	<b>(188,098)</b>	<b>(12,463,346)</b>	-	<b>(39)</b>	<b>(188,098)</b>	<b>(12,463,385)</b>

Particulars	Reserves and Surplus		Accumulated other comprehensive income		Total	
	Retained Earnings		Foreign currency translation reserve			
	USD	₹	USD	₹	USD	₹
<b>Balances at 31 March 2016</b>	<b>(188,098)</b>	<b>(12,463,346)</b>	-	<b>(39)</b>	<b>(188,098)</b>	<b>(12,463,385)</b>
Foreign currency translation difference on opening balance	-	263,299	-	-	-	263,299
Profit for the year	(810)	(54,264)	-	-	(810)	(54,264)
Other comprehensive income	-	-	-	1,788	-	1,788
Transferred from Retained earnings to general reserves	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
<b>Balances at 31 March 2017</b>	<b>(188,908)</b>	<b>(12,254,311)</b>	-	<b>1,749</b>	<b>(188,908)</b>	<b>(12,252,562)</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

	Year ended 31 March 2017		Year ended 31 March 2016	
	USD	₹	USD	₹
<b>A. Cash flows from operating activities</b>				
Profit before tax	(810)	(54,264)	(63)	(4,158)
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>				
Foreign Currency Translation reserve	-	-	-	-
<b>Operating profit before working capital changes</b>	<u>(810)</u>	<u>(54,264)</u>	<u>(63)</u>	<u>(4,158)</u>
<b>Adjustments for:</b>				
Decrease/(Increase) in trade receivables	23,000	1,541,460	-	-
<b>Net cash from/ (used) in operating activities</b>	<u>22,190</u>	<u>1,487,196</u>	<u>(63)</u>	<u>(4,158)</u>
<b>B. Cash flow from investing activities</b>				
Net cash from/ (used) in investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>C. Cash flow from financing activities</b>				
Repayment of long-term borrowings	(30,000)	(2,010,600)	-	-
<b>Net cash used from financing activities</b>	<u>(30,000)</u>	<u>(2,010,600)</u>	<u>-</u>	<u>-</u>
<b>D. Net cash flows during the year</b>	<b>(7,810)</b>	<b>(523,404)</b>	<b>(63)</b>	<b>(4,158)</b>
<b>E. Foreign Currency Translation Impact on Cash Flows</b>	<b>-</b>	<b>1,396</b>	<b>-</b>	<b>41,866</b>
<b>F. Cash and cash equivalents at the beginning</b>	<b>11,052</b>	<b>732,295</b>	<b>11,115</b>	<b>694,587</b>
<b>G. Cash and cash equivalents at the end</b>	<b><u>3,242</u></b>	<b><u>210,287</u></b>	<b><u>11,052</u></b>	<b><u>732,295</u></b>
<b>Cash and cash equivalents comprise of:</b>				
Cash on hand	-	-	-	-
Balances with banks in current accounts	3,242	210,287	11,052	732,295
<b>Cash and cash equivalents as per note 5</b>	<b><u>3,242</u></b>	<b><u>210,287</u></b>	<b><u>11,052</u></b>	<b><u>732,295</u></b>

## Notes to financial statements for the year ended 31st March 2017

### 1 Corporate Information

Sundram International Inc. ("SII" or "the Company") was incorporated in USA and is a subsidiary of Sundram Fasteners Limited (SFL), Chennai.

SII was set up on 6 April 2005 and the registered office of the Company is situated at 801, W.Big Beaver Road, 5th Floor, Troy, Michigan - 48084

### 2 Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed by Ministry of Corporate Affairs under Companies (Indian Accounting Standards) Rules, 2015, provisions of the Companies Act 2013, to the extent notified, pronouncements of the Institute of Chartered Accountants of India.

The financial statements for the year ended 31 March 2017 (including comparatives) are duly adopted by the Board on May 24, 2017 for consideration of approval by the shareholder.

### 3 Summary of accounting policies

#### 3.1 Overall considerations

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

#### 3.2 Classification, subsequent measurement and derecognition of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost. The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

##### *Subsequent measurement*

Financial liabilities are measured subsequently at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

#### 3.3 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 3 months from the date of acquisition and that are readily convertible into known amounts of cash and which are subject to only an insignificant risk of changes in value.

#### 3.4 Equity, reserves and dividend payments

Share capital represents the nominal (par) value of shares that have been issued and fully paid up.

## Notes to financial statements (Contd.)

Other Comprehensive Income (OCI) include the following:

- measurement of net defined benefit liability – comprises the actuarial losses from changes in demographic and financial assumptions and the return on plan assets
- reserves for financial assets at fair value through other comprehensive income – comprises gains and losses relating to these types of financial instruments.

Retained Earnings represents the accumulated loss transferred from the Statement of Profit and Loss

### 3.5 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are considered for the effects of all dilutive potential equity shares.

### 3.6 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is appropriately classifying for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of 3 months or less, as applicable.

### 3.7 Accounting for effect of change in foreign exchange rates

The Assets and Liabilities as at 31st March 2017 has been translated from US Dollars to Indian Rupees by applying the year end interbank exchange rate of 1 USD = ₹ 64.86 (31.3.16 -66.26). The incomes and expenses for the year ended 31st March 2017 has been translated from US Dollars to Indian Rupees by applying Average interbank exchange rate 1 USD = ₹ 67.02 (31.3.16 - 65.66). Exchange differences arising out of the translation have been dealt with in accordance with Ind AS 21

SII's Functional Currency is US Dollars. But these financial statements are presented in Indian Rupees in order to facilitate the preparation of consolidated financial statements by Sundram Fasteners Limited, which is the holding company of SII.

Notes to financial statements (Contd.)

	As at 31 March 2017				As at 31 March 2016				As at 1 April 2015			
	Long-term		Short-term		Long-term		Short-term		Long-term		Short-term	
	USD	₹	USD	₹	USD	₹	USD	₹	USD	₹	USD	₹
<b>4 TRADE RECEIVABLES</b>												
(Unsecured, considered good unless otherwise stated)												
Trade receivables												
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
	-	-	-	-	-	-	<b>23,000</b>	<b>1,523,980</b>	-	-	<b>23,000</b>	<b>1,437,270</b>
<b>5 CASH AND BANK BALANCES</b>												
Cash and cash equivalents												
Balances with banks in current accounts	-	-	3,242	210,287	-	-	11,052	732,295	-	-	11,115	694,587
	-	-	<b>3,242</b>	<b>210,287</b>	-	-	<b>11,052</b>	<b>732,295</b>	-	-	<b>11,115</b>	<b>694,587</b>

	As at 31 March 2017			As at 31 March 2016			As at 01 April 2015		
	Number	USD	₹	Number	USD	₹	Number	USD	₹
<b>6 SHARE CAPITAL</b>									
Issued, subscribed and fully paid up									
18,215 common shares of USD 10 each	18,215	182,150	11,814,249	18,215	182,150	12,069,259	18,215	182,150	11,382,554
	<b>18,215</b>	<b>182,150</b>	<b>11,814,249</b>	<b>18,215</b>	<b>182,150</b>	<b>12,069,259</b>	<b>18,215</b>	<b>182,150</b>	<b>11,382,554</b>

- a) There were no movement in the share capital during the current and previous year.  
b) Shareholders holding more than 5% of the aggregate shares in the Company

	Nos.	% holding	Nos.	% holding	Nos.	% holding
Sundam Fasteners Limited, Chennai	18,215	100.00%	18,215	100.00%	18,215	100.00%
	<b>18,215</b>	<b>100.00%</b>	<b>18,215</b>	<b>100.00%</b>	<b>18,215</b>	<b>100.00%</b>

c) Equity shares

The Company has only one class of equity shares having a par value of USD 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in USD.

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.

# Sundram International Inc.

## Notes to financial statements (Contd.)

	As at 31 March 2017				As at 31 March 2016				As at 1 April 2015			
	Long-term		Short-term		Long-term		Short-term		Long-term		Short-term	
	USD	₹	USD	₹	USD	₹	USD	₹	USD	₹	USD	₹
<b>7 BORROWINGS</b>												
<b>Unsecured</b>												
Working Capital Loans - from related parties	10,000	648,600	-	-	40,000	2,650,400	-	-	40,000	2,499,600	-	-
	<b>10,000</b>	<b>648,600</b>	-	-	40,000	2,650,400	-	-	40,000	2,499,600	-	-

	Year ended 31 March 2017		Year ended 31 March 2016	
	USD	₹	USD	₹
<b>8 OTHER EXPENSES</b>				
Miscellaneous expenses	810	54,264	63	4,158
	<b>810</b>	<b>54,264</b>	63	4,158

## 9 RELATED PARTY DISCLOSURES

### Related Parties :

#### (I) Where Control exists:

##### (A) Holding Company

Sundram Fasteners Ltd

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

##### (A) Fellow Subsidiaries

Sundram International Limited, UK

Cramlington Precision Forge Limited, Northumberland, UK

Sundram Fasteners (Zhejiang) Limited, People's Republic of China

TVS Upasana Limited, Chennai

Sundram Non Conventional Energy Systems Limited, Chennai

Sundram Precision Components Limited, Chennai

Sundram Fasteners Investments Limited, Chennai.

TVS Infotech Limited, Chennai (from 18-06-2014)

TVS Next Private Limited, Chennai (from 10-04-2016)

TVS Infotech Inc., Michigan, USA (Subsidiary of TVS Infotech Limited) (from 18-06-2014)

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

Nature of transaction	Holding Company	
	USD	₹
<b>Outstanding balances</b>		
Due to the Company	10,000	648,600
	(40,000)	(2,650,400)
Due by the Company	-	-
	(23,000)	(1,523,980)

(Previous year figures are in brackets)



Notes to financial statements (Contd.)

Particulars		31-Mar-17						31-Mar-16						01-Apr-15											
		FVTPL		FVOCI		Amortised Cost		Total		FVTPL		FVOCI		Amortised Cost		Total		FVTPL		FVOCI		Amortised Cost		Total	
		USD	₹	USD	₹	USD	₹	USD	₹	USD	₹	USD	₹	USD	₹	USD	₹	USD	₹	USD	₹	USD	₹	USD	₹
<b>Financial Assets</b>																									
Trade receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and Cash equivalents		-	-	-	-	3,242	210,287	3,242	210,287	-	-	-	-	11,052	732,295	11,052	732,295	-	-	-	-	-	-	-	-
<b>Total Financial Assets</b>		-	-	-	-	3,242	210,287	3,242	210,287	-	-	-	-	34,052	2,256,275	34,052	2,256,275	-	-	-	-	-	-	-	-
<b>Financial Liabilities</b>																									
Borrowings		-	-	-	-	10,000	648,600	10,000	648,600	-	-	-	-	40,000	2,650,400	40,000	2,650,400	-	-	-	-	-	-	-	-
<b>Total Financial Liabilities</b>		-	-	-	-	10,000	648,600	10,000	648,600	-	-	-	-	40,000	2,650,400	40,000	2,650,400	-	-	-	-	-	-	-	-
<b>Total</b>																									

# Sundram International Inc.

## Notes to financial statements (Contd.)

### 11 DISCLOSURE ON FIRST TIME ADOPTION OF IND AS

#### Reconciliation of Balance sheet

Particulars	Foot note	As at 31st March 2016						As at 1st April 2015					
		IGAAP		Adjustments		Ind AS		IGAAP		Adjustments		Ind AS	
		USD	₹	USD	₹	USD	₹	USD	₹	USD	₹	USD	₹
<b>ASSETS</b>													
<b>Current assets</b>													
<u>Financial assets</u>													
- Trade receivables		23,000	1,523,980	-	-	23,000	1,523,980	23,000	1,437,270	-	-	23,000	1,437,270
- Cash and cash equivalents		11,052	732,295	-	-	11,052	732,295	11,115	694,587	-	-	11,115	694,587
<b>Total assets</b>		<b>34,052</b>	<b>2,256,275</b>	<b>-</b>	<b>-</b>	<b>34,052</b>	<b>2,256,275</b>	<b>34,115</b>	<b>2,131,857</b>	<b>-</b>	<b>-</b>	<b>34,115</b>	<b>2,131,857</b>
<b>EQUITY AND LIABILITIES</b>													
<b>Equity</b>													
Equity Share capital	i)	182,150	8,120,513	-	3,948,746	182,150	12,069,259	182,150	8,120,513	-	3,262,041	182,150	11,382,554
Other equity	i)	(188,098)	(8,514,638)	-	(3,948,746)	(188,098)	(12,463,384)	(188,035)	(8,488,256)	-	(3,262,041)	(188,035)	(11,750,297)
<b>Total equity</b>		<b>(5,948)</b>	<b>(394,125)</b>	<b>-</b>	<b>-</b>	<b>(5,948)</b>	<b>(394,125)</b>	<b>(5,885)</b>	<b>(367,743)</b>	<b>-</b>	<b>-</b>	<b>(5,885)</b>	<b>(367,743)</b>
<b>Liabilities</b>													
<b>Non-current liabilities</b>													
<u>Financial liabilities</u>													
- Borrowings		40,000	2,650,400	-	-	40,000	2,650,400	40,000	2,499,600	-	-	40,000	2,499,600
<b>Total liabilities</b>		<b>40,000</b>	<b>2,650,400</b>	<b>-</b>	<b>-</b>	<b>40,000</b>	<b>2,650,400</b>	<b>40,000</b>	<b>2,499,600</b>	<b>-</b>	<b>-</b>	<b>40,000</b>	<b>2,499,600</b>
<b>Total equity and liabilities</b>		<b>34,052</b>	<b>2,256,275</b>	<b>-</b>	<b>-</b>	<b>34,052</b>	<b>2,256,275</b>	<b>34,115</b>	<b>2,131,857</b>	<b>-</b>	<b>-</b>	<b>34,115</b>	<b>2,131,857</b>

Notes to financial statements (Contd.)

**11 DISCLOSURE ON FIRST TIME ADOPTION OF IND AS**

Reconciliation of profit or loss for the year ended 31 March 2016

Particulars	Foot note	As at 31st March 2016					
		IGAAP		Adjustments		Ind AS	
		USD	₹	USD	₹	USD	₹
Revenue from operations		-	-	-	-	-	-
<b>Total Income</b>		-	-	-	-	-	-
<b>Expenses</b>							
Other expenses		63	4,158	-	-	63	4,158
<b>Total expenses</b>		<b>63</b>	<b>4,158</b>	<b>-</b>	<b>-</b>	<b>63</b>	<b>4,158</b>
<b>Profit before tax</b>		<b>(63)</b>	<b>(4,158)</b>	<b>-</b>	<b>-</b>	<b>(63)</b>	<b>(4,158)</b>
Tax expense		-	-	-	-	-	-
<b>Profit for the year</b>		<b>(63)</b>	<b>(4,158)</b>	<b>-</b>	<b>-</b>	<b>(63)</b>	<b>(4,158)</b>
<b>Total comprehensive income for the year</b>		<b>(63)</b>	<b>(4,158)</b>	<b>-</b>	<b>-</b>	<b>(63)</b>	<b>(4,158)</b>

*(Comprising Profit and Other Comprehensive Income for the year)*

**11 Disclosure on First Time Adoption of Ind AS**

**Footnotes to the reconciliations**

**i) Equity Share Capital and Other Equity**

Under the previous GAAP, Share Capital and Retained Earnings was translated at historical cost as Sundram International Inc. was an integral operation. However under Ind AS, there is no concept of Integral and non-integral operation. All assets and liabilities are restated at closing rate of the current year.

