



Sundram Fasteners Limited

ANNUAL REPORT

**for the year ended
March 31, 2018**

Sundram Fasteners Limited

BOARD OF DIRECTORS

Sri SURESH KRISHNA
Chairman

Ms ARATHI KRISHNA
Managing Director

Ms ARUNDATHI KRISHNA
Joint Managing Director

Sri K RAMESH

Ms PREETHI KRISHNA (w.e.f. July 5, 2017)

Independent Directors

Sri V NARAYANAN

Sri R SRINIVASAN

Sri B MUTHURAMAN

Sri HERAMB R HAJARNAVIS (w.e.f. September 20, 2017)

Sri S MAHALINGAM (w.e.f. January 30, 2018)

CHIEF FINANCIAL OFFICER

Sri S MEENAKSHISUNDARAM

VICE PRESIDENT - FINANCE & COMPANY SECRETARY

Sri R DILIP KUMAR

REGISTERED OFFICE

98A, VII Floor, Dr Radhakrishnan Salai,
Mylapore, Chennai 600 004

FACTORIES (In India)

Tamil Nadu: Padi, Hosur, Aviyur, Mittamandagapet,
Velappanchavadi, Gummidipoondi,
SEZ - Mahindra World City

Puducherry: Korkadu

Andhra Pradesh: Bonthapally

Uttarakhand: Rudrapur

FACTORIES (In India - through subsidiaries)

Tamil Nadu : Ambattur, Hosur

FACTORIES (Outside India - through subsidiaries)

Sundram Fasteners (Zhejiang) Limited, China

Cramlington Precision Forge Limited, United Kingdom

BANKERS

ICICI Bank Ltd.

Standard Chartered Bank

HDFC Bank Ltd.

Canara Bank

The Hongkong and Shanghai Banking Corporation Ltd.

STATUTORY AUDITORS

M/s B S R & CO. LLP
Chartered Accountants,
KRM Tower, 1st & 2nd Floor,
No. 1, Harrington Road,
Chetpet, Chennai 600 031.

SECRETARIAL AUDITORS

M/s S KRISHNAMURTHY & CO.,
Company Secretaries,
"Shreshtam", Old No. 17, New No. 16,
Pattammal Street, Mandaveli,
Chennai - 600 028.

COST AUDITOR

Sri P RAJU IYER, 17, (Old No. 8),
Hasthinapuram Main Road,
Nehru Nagar, Chromepet,
Chennai - 600 044.

REGISTRAR & SHARE TRANSFER AGENT

Integrated Registry Management Services Private 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
E-Mail : srirams@integratedindia.in

WEBSITE

www.sundram.com

REDRESSAL OF INVESTOR COMPLAINTS

E-mail: investorshelpdesk@sfl.co.in

CONTENTS

Financial Highlights	03
Notice of the Annual General Meeting	04
Report of the Board of Directors	11
Management Discussion and Analysis	37
Business Responsibility Report	41
Independent Auditor's Certificate on Corporate Governance	50
Report on Corporate Governance	51
Standalone Financial Statement	
Independent Auditors' Report to the Shareholders	60
Balance Sheet	66
Statement of Profit & Loss	67
Statement of Changes in Equity	68
Cash Flow Statement	69
Notes to the Financial Statement	71
Consolidated Financial Statement	
Independent Auditors' Report on Consolidated Financial Statement	115
Consolidated Financial Statement	120
Notes to the Consolidated Financial Statement	125
Statement containing salient features of the Financial Statement of Subsidiaries	175

The Attendance Slip and Proxy Form are being sent together with the Annual Report.

FINANCIAL HIGHLIGHTS

₹ crores

Particulars	2017-18*	2016-17*	2015-16*	2014-15	2013-14	2012-13	2011-12	2010-11	2009 - 10	2008 - 09
Operating results										
Revenue from operations #	3,396	2,947	2,601	2,386	2,022	2,069	2,147	1,811	1,334	1,262
Total Revenue #	3,426	2,960	2,635	2,409	2,071	2,096	2,165	1,815	1,339	1,267
EBITDA	650	553	419	357	305	283	313	235	172	166
Interest	32	36	61	82	59	81	92	36	17	101
EBDT	618	517	358	275	246	202	221	199	155	65
Depreciation	98	90	92	88	76	72	64	55	47	42
EBIT	552	463	327	269	229	211	249	180	125	124
Profit Before Tax	520	425	221	177	160	131	157	144	108	22
Tax	152	109	7	42	39	36	45	39	33	5
Profit After Tax	368	316	214	135	121	95	112	105	75	17
Financial status										
Net fixed assets	1,066	967	865	810	803	729	713	640	580	568
Investments	359	320	309	117	123	132	142	142	142	142
Net current assets	846	720	490	769	592	719	696	609	407	459
Share capital	21	21	21	21	21	21	21	21	21	21
Reserves and surplus	1,568	1,292	1,017	838	755	673	612	534	459	406
Net worth	1,589	1,313	1,038	859	776	694	633	555	480	427
Loan funds	562	626	572	751	651	795	829	750	568	667
Deferred tax liability	120	68	54	86	91	91	89	86	81	75
Total capital employed	2,271	2,007	1,664	1,696	1,518	1,580	1,551	1,391	1,129	1,169
Performance parameters - %										
EBITDA to Revenue from operations	19.1	18.8	16.1	15.0	15.1	13.7	14.6	12.9	12.9	13.1
EBIT to Revenue from operations	16.3	15.7	12.6	11.3	11.3	10.2	11.6	9.9	9.4	9.8
PBT to Revenue from operations	15.3	14.4	8.5	7.4	7.9	6.3	7.3	8.0	8.1	1.8
EBITDA/Average capital employed [ROCE]	30.4	30.1	24.9	22.2	19.7	18.1	21.3	18.6	15.0	15.0
EBIT / Average capital employed	25.8	25.2	19.5	16.7	14.8	13.5	17.0	14.3	10.9	11.2
PAT/Average net worth	25.4	26.9	22.6	16.6	16.4	14.3	18.9	20.4	16.6	4.1
EPS - ₹	17.49	15.01	10.18	6.44	5.75	4.52	5.36	5.02	3.57	0.83
Dividend per share - ₹	** 4.70	** 1.70	** 3.05	1.75	1.70	1.40	1.40	1.25	0.90	0.50
Dividend payout ratio	** 26.87	** 11.32	** 29.95	27.17	29.55	30.95	26.13	24.91	25.21	60.36
Book value per share - ₹	75.67	62.50	49.40	40.88	36.91	33.04	30.15	26.41	22.85	20.33
Market value per share - ₹	551.30	386.00	170.80	174.50	62.80	40.50	55.35	51.05	51.60	14.85

*Financials for these years are as per Ind AS

** Dividend paid during the financial year has been considered to comply with Ind AS

Revenue from operations and Total Revenue are net of excise duty

Notice of the 55th Annual General Meeting to the Members

NOTICE is hereby given that the **Fifty Fifth** Annual General Meeting of the Members of the Company will be held at the Music Academy - T T Krishnamachari Auditorium (Main Hall), New No.168, T T K Road, Royapettah, Chennai - 600 014 on **Friday, August 24, 2018 at 10.00 am** to transact the following business:

ORDINARY BUSINESS

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

1. To adopt the Audited Financial Statement for the year ended March 31, 2018 along with Report of the Board of Directors and Auditors thereon.

“RESOLVED THAT the Audited financial statement including the Consolidated financial statement for the year ended March 31, 2018 together with the Auditors Report thereon and the Report of the Board of Directors for the financial year ended on that date be and are hereby approved and adopted.”

2. To re-elect Ms Arathi Krishna, who retires by rotation, as a Director of the Company.

“RESOLVED THAT Ms Arathi Krishna (DIN 00517456) who retires by rotation and being eligible for re-appointment is hereby re-appointed as a Director of the Company.

SPECIAL BUSINESS

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

3. To ratify the remuneration payable to the Cost Auditor for the financial year ending March 31, 2019

“RESOLVED THAT the remuneration of ₹ 4,00,000/- (Rupees Four Lakhs Only), in addition to reimbursement of travel and out-of-pocket expenses, payable to Sri P Raju Iyer, Practising Cost Accountant, (Membership No. 6987) who was appointed as Cost Auditor of the Company for the financial year ending March 31, 2019, as recommended by the Audit Committee and approved by the Board of Directors of the Company, pursuant to Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 is hereby ratified.”

By Order of the Board

R DILIP KUMAR

Vice President – Finance &
Company Secretary

Chennai
June 29, 2018

STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Agenda No. 3

Pursuant to Section 148 of the Companies Act, 2013 ('the Act') and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to conduct the audit of the cost records of the Company, for the financial year ending on March 31, 2019.

For the financial years ended March 31, 2014 to March 31, 2018, Sri P Raju Iyer, FICWA, ACS, MIMA, MBA (UK), M Phil, Practising Cost Accountant (Membership No. 6987) was appointed as the Cost Auditor of the Company for conducting the Cost Audit as mandated by the Act. On the recommendation of the Audit Committee, the Board has considered and approved the appointment of Sri P Raju Iyer, Practising Cost Accountant, as the Cost Auditor for the financial year ending on March 31, 2019 at a remuneration of ₹ 4,00,000 (Rupees Four Lakhs Only)

in addition to reimbursement of travel and out-of-pocket expenses.

The proposal for remuneration as set out in the Notice is placed for consideration and ratification of the shareholders by way of an Ordinary Resolution.

Concern or interest, financial or otherwise of Directors and Key Managerial Personnel and their relatives

No Director or Key Managerial Personnel or their relative is concerned or interested in this item of business.

By Order of the Board

R DILIP KUMAR

Vice President – Finance &
Company Secretary

Chennai
June 29, 2018

PARTICULARS OF DIRECTORS SEEKING RE-APPOINTMENT (AGENDA NO 2) AS REQUIRED TO BE FURNISHED UNDER CLAUSE 1.2.5 OF THE SECRETARIAL STANDARD ON GENERAL MEETINGS / REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

AGENDA NO. 2

Name	Ms Arathi Krishna
Age	50 years
DIN	00517456
Qualification	Master of Arts (MA) in Economics from Stella Maris College, Chennai, Tamil Nadu. Master of Business Administration (MBA) from University of Michigan Business School, USA.
Experience	<p>Ms Arathi Krishna has undergone on-the-job training in USA after completion of her MBA Program. She started her career in 1990 as a Management Trainee in the Company. After training, she was appointed as Manager – Business Strategy and Systems in 1993 and became General Manager in 1998.</p> <p>Through her work experience in India and abroad, she has acquired wide managerial and business administration skills. She was appointed as Managing Director (designated as Executive Director) effective May 3, 2006 and later re-appointed as Managing Director (designated as Joint Managing Director) effective May 3, 2011 for a term of five years. She was re-designated as the Managing Director of the Company effective, April 20, 2018.</p> <p>She is a Whole-time Key Managerial Personnel under Section 203 of the Companies Act, 2013.</p> <p>The consistent growth of the Company during the last decade, which enabled the Company achieving a total revenue of ₹ 3,396.11 crores (standalone) and Profit before tax of ₹ 519.73 crores during the financial year 2017 - 2018 reflects Ms Arathi Krishna's valuable contribution to the Company.</p>
Current remuneration (last drawn remuneration)	₹ 1,349.89 lakhs
Date of first appointment on the Board	May 3, 2006
Shareholding in the Company	47,040 Equity Shares of ₹ 1/- each
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Related to Sri Suresh Krishna, Chairman, Ms Arundathi Krishna, Joint Managing Director; and Ms Preethi Krishna, Director.
Number of meetings of the Board attended during the year	6 (Six) during the financial year 2017 - 2018 out of 6 meetings 1 (One) during the financial year 2018 - 2019 out of 1 meeting
Other Directorships, Memberships / Chairmanship of Committees of other Boards	Nil
Nature of expertise in specific functional area	Corporate Strategy and General Management

SHAREHOLDER NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. **A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total voting share capital of the Company. A member holding more than ten percent of the total voting share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

Sundram Fasteners Limited

2. The instrument appointing proxy should be deposited either at the Registered Office of the Company or at the office of the Company's Share Transfer Agents viz. Integrated Registry Management Services Private Limited, Kences Towers, 2nd Floor, No.1, Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017 at least 48 hours before the commencement of the meeting. Proxy form enclosed.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of special business in Agenda No 3 of the Notice is annexed hereto.
4. Members desiring any information as regards financial statement are requested to write to the Company at least 7 days before the meeting so as to enable the Management to keep the information ready.
5. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
6. Members, holding shares in physical form, are requested to notify / send the following to the Registrar and Share Transfer Agent (Integrated Registry Management Services Private Limited) of the Company:-
 - a) any change in their address / bank mandate.
 - b) particulars of their bank account, in case they have not been sent earlier.
 - c) nomination in Form SH-13, in duplicate, as provided under Section 72 of the Companies Act, 2013, in case they have not been sent earlier.
 - d) share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.
7. Members whose shareholding is in electronic mode are requested to notify change in address, if any, and update bank account details to their respective depository participant(s). We also request the members to utilise the Electronic Clearing System (ECS) for receiving dividends.
8. Details of dividend declared by the Company for the financial year 2011-2012 and onwards are given below:

Financial Year	Pay-out	Date of Declaration	Due date for transfer to IEPF
2011-2012	1 st Interim	09-02-2012	09-02-2019
2011-2012	2 nd Interim	28-05-2012	28-05-2019
2012-2013	1 st Interim	08-11-2012	09-11-2019
2012-2013	2 nd Interim	30-05-2013	30-05-2020
2013-2014	1 st Interim	01-11-2013	31-10-2020
2013-2014	2 nd Interim	29-05-2014	29-05-2021
2014-2015	1 st Interim	06-11-2014	06-11-2021
2014-2015	2 nd Interim	29-05-2015	29-05-2022
2015-2016	1 st Interim	02-11-2015	02-11-2022
2015-2016	2 nd Interim	09-03-2016	09-03-2023
2016-2017	Interim	02-11-2016	03-12-2023
2016-2017	Final	24-08-2017	27-09-2024
2017-2018	1 st Interim	02-11-2017	09-12-2024
2017-2018	2 nd Interim	09-05-2018	15-06-2025

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

9. Pursuant to the notification of Investor Education and Protection Fund (IEPF) Rules, 2016 by the Ministry of Corporate Affairs (MCA) in October, 2017, relating to transfer of shares in respect of which dividend has not been claimed by the shareholders for seven consecutive years or more to IEPF Authority, the Company had transferred the said shares before the due date specified in the above mentioned notification.

-
10. The shareholders holding the shares in physical form are requested to update his/her PAN and bank account details with the Company, as mandated by the Securities and Exchange Board of India (SEBI) vide its circular no SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018. A circular in this regard was sent individually to all the shareholders, who have held the shares in physical form. Also, the SEBI vide its notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 has mandated that with effect from December 5, 2018, any requests for effecting transfer of securities, shall not be processed unless the securities are held in the dematerialized form with a depository. The members are requested to take note of the same and initiate necessary steps to dematerialise your shares, which are held in physical form.
 11. Electronic copy of the Annual Report and the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of remote e-voting along with the attendance slip and proxy form are being sent to all the members whose email address are registered with the Company / Depository Participant(s) for communication purposes. For members who have not registered their email address, physical copies of the above documents are being sent in the permitted modes of dispatch.
 12. Members are requested to affix their signatures at the space provided on the Attendance slip and handover the slip at the entrance of the meeting hall. Corporate members are requested to provide a duly certified copy of the board resolution / power of attorney authorizing their representatives to attend and vote at the Annual General Meeting.
 13. Members may note that the Notice of the Annual General Meeting and the Annual Report is available on the Company's website **www.sundram.com** for download. The physical copies of such documents are available at the company's registered office in Chennai for inspection during normal business hours on working days. Members desiring to receive the reports in physical form, even after registering for e-mail mode, may request for the same, upon which reports will be dispatched free of cost. For any communication in this regard, members may send their request letter to investorshelpdesk@sfl.co.in / srirams@integratedindia.in

14. Voting through electronic means and at the Annual General Meeting:

- I. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 55th Annual General Meeting by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the annual general meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.

IV. Instruction for Remote e-voting

How to vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Sundram Fasteners Limited

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** , then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, your 'initial password' is communicated to you in your attendance slip for the annual general meeting.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.

-
4. Now you are ready for e-Voting as the Voting page opens.
 5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 6. Upon confirmation, the message "Vote cast successfully" will be displayed.
 7. You can also print the details of the votes cast by you by clicking on the print option on the confirmation page.
 8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

15. Other information

- i. The remote e-voting period commences on **Tuesday, August 21, 2018 (9.00 am – Indian Standard Time) and ends on Thursday, August 23, 2018 (5.00 p.m. – Indian Standard Time)**. During this period, shareholders' of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date **August 17, 2018** may cast their votes electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ii. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the company as on the cut-off date of **August 17, 2018**.
- iii. Any person, who acquires shares of the Company and become a member of the Company after dispatch of the notice and holding shares as of the cut-off date **August 17, 2018**, may obtain the login ID and password by sending a request to evoting@nsdl.co.in / srirams@integratedindia.in.
- iv. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting through ballot papers.
- v. The Company has appointed Sri K Sriram, Practising Company Secretary (CP No.2215) as Scrutiniser for providing facility to the members of the Company to scrutinize the voting by use of 'Ballot Paper' / remote e-voting process in a fair and transparent manner.
- vi. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of 'Ballot Paper' for all those members who are present at the annual general meeting but have not cast their votes by availing the remote e-voting facility.
- vii. The Scrutiniser shall, immediately after the conclusion of voting at annual general meeting, count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. Scrutiniser shall within 48 hours (forty eight) of conclusion of the meeting submit his report of the total votes cast in favour or against, if any, to the Chairman / Managing Director / Joint Managing Director / Chief Financial Officer / Vice President – Finance & Company Secretary of the Company.
- viii. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting, i.e., **August 24, 2018**. The results along with the Scrutiniser's Report shall be placed on the website of the Company <http://sundram.com/investors.php> and on the notice board of the Company at its registered office immediately after the declaration of result by the Chairman / Managing Director / Joint Managing Director / Chief Financial Officer / Vice President – Finance & Company Secretary of the Company.
- ix. The results shall also be communicated to the Stock Exchanges, BSE Limited / National Stock Exchange of India Limited, Mumbai.

By Order of the Board

R DILIP KUMAR
Vice President – Finance &
Company Secretary

Chennai
June 29, 2018

ANNUAL GENERAL MEETING

Day / Date / Time: Friday, August 24, 2018 Time: 10.00 am

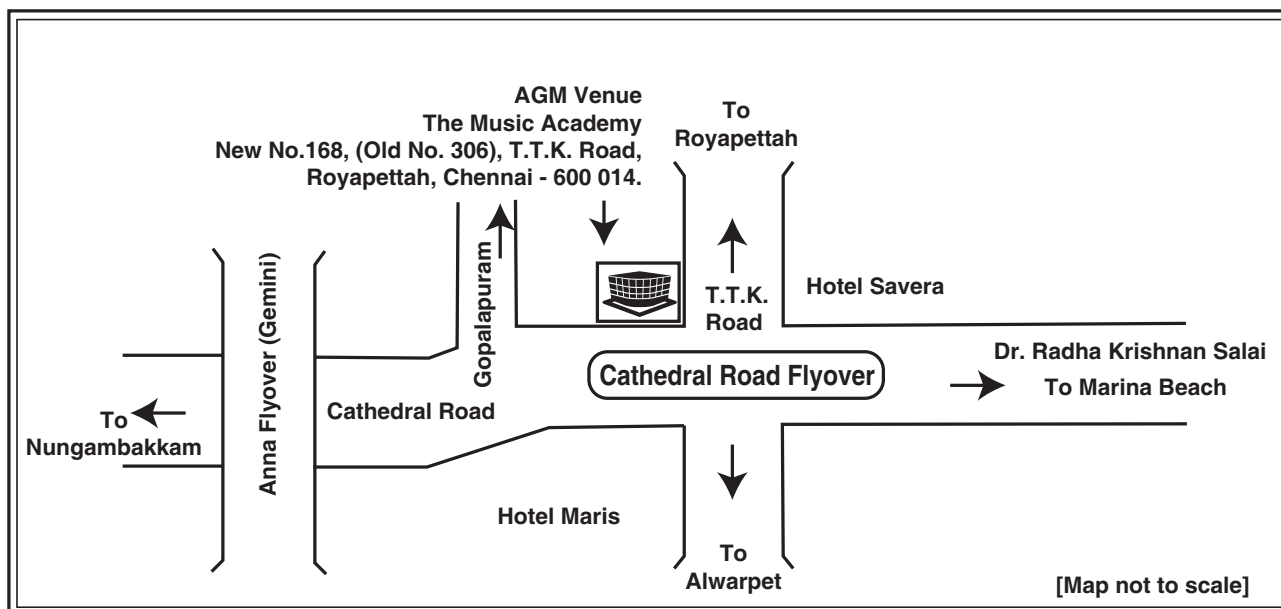
Venue : The Music Academy - T T Krishnamachari Auditorium (Main Hall),
New No. 168, T T K Road, Royapettah, Chennai - 600 014

E-VOTING PERIOD

Commences on : Tuesday, August 21, 2018 at 9.00 am (Indian Standard Time)

Closes on : Thursday, August 23, 2018 at 5.00 pm (Indian Standard Time)

Route Map to 55th Annual General Meeting Venue



Landmark: Near T.T.K. Road Bus Stop / Hotel Maris.

Green Initiative in the Corporate Governance

Pursuant to the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 Companies can serve Annual Reports and other communication through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository. To support this green initiative in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with RTA of the Company.

REPORT OF THE BOARD OF DIRECTORS

The Directors are pleased to present the Fifty Fifth Annual Report together with the audited financial statements for the year ended March 31, 2018. The Company celebrated its Golden Jubilee year in 2017. The 50 years milestone is a significant event in the annals of the company. The event was celebrated with the participation of the employees, directors and stakeholders of the company.

FINANCIAL HIGHLIGHTS (STANDALONE)	₹ in crores	
	2017 - 18	2016-17
Revenue from Operations	3,396.11	2,947.27
Other Income	29.62	12.92
Total Revenue (net of excise duty)	3,425.73	2,960.19
Total Expenditure	2,775.36	2,407.13
Gross Profit before interest, depreciation and taxes	650.37	553.06
Less: Interest	18.80	30.31
Exchange Losses / (Gains)	13.76	6.01
Depreciation	98.07	89.77
Profit before Exceptional items and taxes	519.73	426.97
Exceptional items	-	(2.37)
Profit Before Tax	519.73	424.60
Less: Provision for tax	152.26	109.12
Profit after Tax	367.47	315.48
Add: Balance brought forward	220.82	198.28
Balance available for appropriation	588.29	513.76
Appropriations		
Interim / Final Dividends	98.76	35.72
Tax on Interim / Final Dividends	18.17	7.22
Transfer to Reserves	300.00	250.00
Balance carried forward	171.36	220.82
	588.29	513.76

TRANSFER TO RESERVES

The Company has transferred ₹ 300 Crores to Reserves.

DIVIDEND

The Board had earlier during the year, declared first interim dividend of ₹ 1.90 per share (190%) and the same was paid on November 21, 2017. The Directors have decided to pay a second interim dividend of ₹ 2.70 per share (270%), which, together with the first interim dividend, declared and paid earlier, would amount to a total dividend of ₹ 4.60 per share (460%) for the financial year 2017-2018.

The Dividend Distribution Policy, formulated in accordance with Regulation 43A of the SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015, is available on the Company's website at:- <http://sundram.com/pdf/corporate/DividendDistributionPolicy02022017.pdf>

CONSOLIDATED FINANCIAL STATEMENTS

The audited Consolidated Financial Statements of the Company prepared in accordance with the Companies Act, 2013 and the Accounting Standards (Ind AS), 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. The Company will make available the audited annual accounts and associated 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 (Please refer Page Nos. 37 to 40).

DIRECTORS

The existing composition of the Company's Board is fully in conformity with the applicable provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to independent directors and women directors.

Sri Suresh Krishna (DIN 00046919) retired as the Managing Director of the Company effective, April 20, 2018. He continues to be a Director and Chairman of the Board. Ms Arathi Krishna, Joint Managing Director (DIN 00517456) and Ms Arundathi Krishna, Deputy Managing Director (DIN: 00270935) were re-designated as Managing Director and Joint Managing Director respectively, effective April 20, 2018.

Ms Arathi Krishna, Managing Director (DIN: 00517456) of the Company is liable to retire by rotation at the ensuing Annual General Meeting (AGM), and being eligible, offers herself for re-appointment. Necessary resolution for her re-appointment is being placed for approval of the members at the AGM. The board, therefore, recommends her re-appointment as a Director of the Company. A brief resume of Ms Arathi Krishna and other relevant information have been furnished in the notice convening the AGM.

Ms Preethi Krishna, Director (DIN 02037253) has been appointed as a Non-Executive Non-Independent Director effective, July 5, 2017.

Sri Heramb R Hajarnavis (DIN 01680435) has been appointed as a Non-Executive Independent Director effective, September 20, 2017.

Sri R Ramakrishnan and Sri M Raghupathy, Independent Directors, retired from the Board effective, September 22, 2017.

Sri C V Karthik Narayanan has ceased to be a Director effective December 13, 2017 consequent to his demise.

Sri S Mahalingam, Director, (DIN 00121727) has been appointed as a Non-Executive Independent Director effective, January 30, 2018.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (7) OF SECTION 149

All the independent directors have submitted a declaration 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 as **Annexure – I** and forms part of this report.

BOARD MEETINGS

During the year, six meetings of the Board of Directors were held. The details of the meetings are furnished in the Annual Report disclosures under Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is attached to this Report (Please refer Page No. 52).

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm that:

- a) in the preparation of annual accounts, the applicable accounting standards had been followed and there were no material departures.
- 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 the year ended March 31, 2018.
- 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

A brief description about the Company's Nomination and Remuneration Policy on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other related matters provided in Section 178(3) of the Act are provided in the Annual Report Disclosures under Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Please refer Page Nos. 52 & 53).

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 is enclosed vide **Annexure - II**.

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

All transactions with related parties were on arm's length basis and in the ordinary course of business. There was no material related party contract as defined under the Companies Act, 2013 during the year. Form AOC-2 as required under Section 134 (3)(h) of the Act is enclosed as **Annexure - III** 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 is enclosed as **Annexure - IV**.

RISK MANAGEMENT

The Company manages its risks 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 Audit Committee is 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 - V** forming part of this report.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, the Board of Directors has carried out annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report attached as Annexure to this report.

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

The Company has 6 Domestic Subsidiaries and 5 Overseas Subsidiaries. The financial performance of some of the subsidiaries during financial year 2017-18 are given hereunder:-

Sundram Fasteners (Zhejiang) Limited, China (SFZL, China) and Cramlington Precision Forge Limited, United Kingdom (CPFL, UK) are step-down overseas subsidiaries of the Company. The principal activity of CPFL, UK is manufacture of precision forgings and that of SFZL, China is manufacture of fasteners and bearing housing. SFZL, China has recently set-up a foundry division to enable backward integration for the above products.

The revenue from operations from CPFL, UK during the year under review was at ₹ 8,217.48 lakhs as against ₹ 6,901.47 lakhs in the previous year. The net profit / (loss) was at ₹ (458.72) lakhs as against ₹ 148.15 lakhs in the previous year.

The revenue from operations from SFZL, China during the year under review was at ₹ 18,774.99 lakhs as against ₹ 13,350.36 lakhs in the previous year. The net profit was at ₹ 1,331.43 lakhs as against ₹ 740.12 lakhs in the previous year.

TVS Upasana Limited is a *wholly*-owned subsidiary and is engaged in the manufacture of Spokes and Nipples, automobile kits, tools, dowel pins, small screws, Cold Extruded Parts and other parts catering to automotive industry. The revenue from operations from TVS Upasana Limited during the year under review was at ₹ 15,541.16 lakhs as against ₹ 14,793.60 lakhs in the previous year. The net profit was at ₹ 1,744.50 lakhs as against ₹ 1,106.97 lakhs in the previous year.

Sundram Precision Components Limited (SPCL), a *wholly*-owned subsidiary is engaged in the manufacture of parts for motor vehicle, sintered parts such as valve guides, valve seats and other parts catering to automotive industry. The revenue from operations from SPCL during the year under review was at ₹ 2,645.32 lakhs as against ₹ 2,368.94 lakhs in the previous year. The net profit was at ₹ 193.00 lakhs as against ₹ 253.51 lakhs in the previous year. The Board of Directors at their meeting held on May 24, 2017 had approved the scheme of amalgamation of Sundram Precision Components Limited with the Company and the relevant process is in preliminary stage.

TVS Infotech Limited (TVSi), a subsidiary is engaged in information technology business providing Enterprise Solutions for core industries like Manufacturing, Automotive and Distribution and focuses on off-shore and outsourcing operations for clients in India and the U.S.A. The revenue from operations from TVSi during the year under review was at ₹ 728.21 lakhs as against ₹ 1,993.64 lakhs (sale of SAP business during the financial year 2016-17) in the previous year. The net profit was at ₹ 15.49 lakhs as against ₹ 14.04 lakhs in the previous year.

TVS Next Private Limited (TVSN) is a subsidiary of TVSi and a step-down subsidiary of the Company. TVSN's focused efforts in targeting USA market and Indian Enterprise customers paid dividends in the form of increased revenues. The Company maintains a healthy sales pipeline in both USA and India. Improved utilisation of resources and relentless focus on cost control helped achieve higher profits this year. The revenue from operations from TVSN was at ₹ 1,567.10 lakhs during the year under review as against ₹ 986.55 lakhs in the previous year. The net profit / (loss) was at ₹ 70.69 lakhs as against ₹ (63.08) lakhs in the previous year.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's subsidiaries, Associates and Joint Ventures in detail in Form AOC-1 is attached to the financial statements of the Company (Please refer Page No. 175).

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

No Company has become or ceased to be Company's subsidiary, joint venture or associate company during the financial year 2017-2018.

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

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status of the Company and its future operations.

INTERNAL FINANCIAL CONTROLS OF THE COMPANY

The Company maintains all its financial records in Systems, Applications and Products (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, ensuring adequacy with respect to financial statements and verify whether the financial transaction flow in the organisation is being done based on the approved policies of the Company. The internal auditor presents the internal audit report every quarter and management comments on the internal audit observations to the Audit Committee. The internal control mechanisms are in place for safeguarding of 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 Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed vide **Annexure VI** forming part of this report.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors had appointed M/s. S Krishnamurthy & Co., Company Secretaries, Chennai as the Secretarial Auditor of the Company for the financial year 2017-2018. 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 in **Annexure VII** forming part of this report and does not contain any qualification. The Board of Directors has appointed M/s. S Krishnamurthy & Co., Company Secretaries, Chennai as the Secretarial Auditor of the Company for the financial year 2018-2019. Necessary consent has been received from them to act as Secretarial Auditors.

STATUTORY AUDITORS

Pursuant to Section 139 of the Companies Act, 2013, M/s. B S R & Co. LLP, Chartered Accountants, Chennai, (Registration No. 101248 W / W- 100022 with the Institute of Chartered Accountants of India), were appointed as Statutory Auditors of the Company at the Fifty Fourth Annual General Meeting (AGM) of the Company for a consecutive period of five years commencing from the conclusion of the Fifty Fourth AGM (i.e., August 24, 2017).

COST AUDITOR

In terms of Section 148 of the Companies Act, 2013 (the Act) read with Companies (Cost Records and Audit) 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 2018-2019. 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.

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. One complaint was received and resolved during the calendar year 2017.

SECRETARIAL STANDARDS

The Institute of Company Secretaries of India has issued Secretarial Standards (Meetings of the Board and General Meetings) on various aspects of corporate law and practices. The Company has complied with each one of them.

WHISTLE BLOWER POLICY (VIGIL MECHANISM)

Pursuant to Sections 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a Vigil Mechanism through a Whistle Blower Policy.

The details about the whistle blower policy are provided in the Annual Report Disclosures under Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

INDUSTRIAL RELATIONS

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

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, a step down subsidiary. The Directors wish to thank One North East, the Regional Development Authority for Cramlington, United Kingdom for the continued support extended to the step down 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

May 9, 2018
Chennai

SURESH KRISHNA
Chairman

FORM NO.MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended March 31, 2018

[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	December 10, 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.91-44-28478510 Email: investorshelpdesk@sfl.co.in
Whether listed company	Yes. Listed in National Stock Exchange of India Limited and BSE Limited
Name, Address and Contact details of the Registrar and Transfer Agent, if any.	Mr Suresh Babu, Director Mr Sriram, Deputy General Manager Integrated Registry Management Services Private Limited Kences Towers, 2 nd 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	Manufacture of other fabricated metal products – Metal fasteners	2599	37%
2	Manufacture of motor vehicle parts and accessories	2930	55%

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 Limited 98A, VII Floor, Dr.Radhakrishnan Salai, Mylapore, Chennai-600 004	U65991TN1992PLC022618	Domestic Wholly owned Subsidiary	100%	2(87)
2	TVS Upasana Limited 98A, VII Floor, Dr.Radhakrishnan Salai, Mylapore, Chennai-600 004	U65991TN1992PLC022619	Domestic Wholly owned Subsidiary	100%	2(87)

S. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary	% of shares held	Applicable Section
3	Sundram Non-Conventional Energy Systems Limited 98A, VII Floor, Dr.Radhakrishnan Salai, Mylapore, Chennai-600 004	U40108TN1994PLC029132	Domestic Subsidiary	52.94%	2(87)
4	Sundram Precision Components Limited 98A, VII Floor, Dr.Radhakrishnan Salai, Mylapore, Chennai-600 004	U29130TN2004PLC054482	Domestic Wholly owned Subsidiary	100%	2(87)
5	TVS Infotech Limited 98A, VII Floor, Dr.Radhakrishnan Salai, Mylapore, Chennai-600 004	U72300TN1994PLC029467	Domestic Subsidiary	Self: 54.61% Held through subsidiary: 11.69%	2(87)
6	TVS Next Private Limited 98A, VII Floor, Dr.Radhakrishnan Salai, Mylapore, Chennai-600 004	U72200TN2008PTC067744	Step down Domestic Subsidiary	66.30% out of 90%	2(87)(ii)
7	TVS Infotech Inc 7512, East Independence Blvd, Suite 102 Charlotte, NC 28227	-	Step down Overseas Subsidiary	66.30%	2(87)(ii)
8	Cramlington Precision Forge Limited Unit 8, Atley Way, North Nelson Industrial Estate, Cramlington, Northumberland, United Kingdom, NE23 1WA	-	Step down Overseas Subsidiary	100%	2(87)(ii)
9	Sundram Fasteners (Zhejiang) Limited No.1, Sundram Road, Wuyuan Town, Haiyan County, Jiaxing City, Zhejiang Province, China - 314300.	-	Step down Overseas Subsidiary	100%	2(87)(ii)
10	Sundram International Inc 801, W.Big Beaver Road, Troy, Michigan, United States of America	-	Overseas Subsidiary	100%	2(87)
11	Sundram International Limited Central Square, South Orchard Street, New Castle Upon Tyne, England – NE1 3XX, United Kingdom	-	Overseas Subsidiary	100%	2(87)

Sundram Fasteners 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)	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	104085280	-	104085280	49.53	104085280	-	104085280	49.53	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	104085280	-	104085280	49.53	104085280	-	104085280	49.53	Nil
2. Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	Nil	-	-	-	-	Nil
Total shareholding (A)=(A)(1)+ (A)(2)	104085280	-	104085280	49.53	104085280	-	104085280	49.53	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	24397687	1500	24399187	11.61	20417337	1500	20418837	9.72	-1.89
b) Banks / FI	2878755	2866	2881621	1.37	2886153	2466	2888619	1.37	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	9222586	-	9222586	4.39	8806466	-	8806466	4.19	-0.20
g) FIs	6953104	-	6953104	3.31	448188	-	448188	0.21	-3.10
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others*	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	43452132	4366	43456498	20.68	32558144	3966	32562110	15.49	-5.19
2. Non-Institutions									
a) Bodies Corp.- Indian & Overseas	7582065	147278	7729343	3.68	4290373	138024	4428397	2.10	-1.58
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs 1 lakh	39205116	4092091	43297207	20.61	38763909	3626351	42390260	20.17	-0.44
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	7834772	-	7834772	3.73	7736123	-	7736123	3.68	-0.05
c) Others	3725270	-	3725270	1.77	18926200	-	18926200	9.01	7.24
Sub-Total (B)(2)	58347223	4239369	62586592	29.79	69716605	3764375	73480980	34.96	-5.17
Total Public Shareholding (B) = (B)(1)+(B)(2)	101799355	4243735	106043090	50.47	102274749	3768341	106043090	50.47	-
C. Shares held by Custodian for GDRs and ADRs									
	-	-	-	-	-	-	-	-	-
Grand Total = A+B+C	205884635	4243735	210128370	100.00	206360029	3768341	210128370	100.00	-

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	
*Others									
Clearing Member	103306	–	103306	0.05	168085	–	168085	0.08	0.03
Corporate CM / TM – Client Margin A/c	104315	–	104315	0.05	166432	–	166432	0.08	0.03
Corporate CM / TM – Client Beneficiary A/c	186275	–	186275	0.09	185255	–	185255	0.09	–
Limited Liability Partnership	19631	–	19631	0.01	66940	–	66940	0.03	0.02
Foreign Port Folio Investor – Corporate - 1**	76288	–	76288	0.04	1777287	–	1777287	0.85	0.81
Foreign Port Folio Investor – Corporate - 2**	3233005	–	3233005	1.53	15435260	–	15435260	7.34	5.81
Foreign Port Folio Investor – Corporate - 3**	–	–	–	–	1124348	–	1124348	0.54	0.54
Trust	2450	–	2450	0.00	2593	–	2593	0.00	–
Total	3725270	–	3725270	1.77	18926200	–	18926200	9.01	7.24

** All Dividend payments were made to the bank accounts in India.

(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
	Total	104085280	49.53	0.00	104085280	49.53	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.

Sundram Fasteners Limited

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

Sl. No.	NAME & PAN	Shareholding		Increase / Decrease in shareholding (transfer)		Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)	
		No. of Shares at the beginning (April 1, 2017)	% of total shares of the company	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	HDFC TRUSTEE CO LTD A/C HDFC RETIREMENT SAVING						
	PAN :AAATH1809A						
	Opening Balance as on 01-04-2017	18896297	8.99				
	07/04/2017			-1300000	-0.62	17596297	8.37
	21/04/2017			-300000	-0.14	17296297	8.23
	19/05/2017			-6000	0.00	17290297	8.23
	30/06/2017			-4000	0.00	17286297	8.23
	21/07/2017			-2000000	-0.95	15286297	7.28
	28/07/2017			-94000	-0.05	15192297	7.23
	04/08/2017			-41000	-0.02	15151297	7.21
	25/08/2017			72500	0.04	15223797	7.25
	01/09/2017			30000	0.01	15253797	7.26
	13/10/2017			-120400	-0.06	15133397	7.20
	20/10/2017			-72000	-0.03	15061397	7.17
	29/12/2017			-124095	-0.06	14937302	7.11
	05/01/2018			-30337	-0.01	14906965	7.09
	12/01/2018			-78556	-0.04	14828409	7.06
	19/01/2018			-191107	-0.09	14637302	6.97
	02/02/2018			-81300	-0.04	14556002	6.93
	09/02/2018			118215	0.06	14674217	6.98
	16/03/2018			-36000	-0.02	14638217	6.97
23/03/2018			-117115	-0.06	14521102	6.91	
	Closing Balance as on 31-03-2018					14521102	6.91
2	AMANSA HOLDINGS PRIVATE LIMITED						
	PAN :AAKCA7237L						
	Opening Balance as on 01-04-2017	5854851	2.79				
	07/04/2017			1430100	0.68	7284951	3.47
	21/04/2017			266741	0.13	7551692	3.59
	02/06/2017			-2125	0.00	7549567	3.59
	28/07/2017			476150	0.23	8025717	3.82
	17/08/2017			24634	0.01	8050351	3.83
	25/08/2017			177724	0.09	8228075	3.92
	30/09/2017			68240	0.03	8296315	3.95
	10/11/2017			200235	0.10	8496550	4.04
	Closing Balance as on 31-03-2018			0	0.00	8496550	4.04

Sl. No.	NAME & PAN	Shareholding		Increase / Decrease in shareholding (transfer)		Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)	
		No. of Shares at the beginning (April 1, 2017)	% of total shares of the company	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
3	GOVINDLAL M PARIKH						
	PAN :AAEPP1312J						
	Opening Balance as on 01-04-2017	4965384	2.36				
	07/04/2017			-100000	-0.05	4865384	2.32
	05/05/2017			-15000	-0.01	4850384	2.31
	23/06/2017			-136191	-0.07	4714193	2.24
	04/08/2017			-4400	0.00	4709793	2.24
	22/12/2017			-103569	-0.05	4606224	2.19
	29/12/2017			-9296	0.00	4596928	2.19
	12/01/2018			-6044	0.00	4590884	2.19
	02/03/2018			-25000	-0.01	4565884	2.17
	16/03/2018			-20000	-0.01	4545884	2.16
	30/03/2018			-2402	0.00	4543482	2.16
Closing Balance as on 31-03-2018					4543482	2.16	
4	GENERAL INSURANCE CORPORATION OF INDIA						
	PAN :AAACG0615N						
	Opening Balance as on 01-04-2017	4125556	1.96				
	19/01/2018			-8016	0.00	4117540	1.96
	30/03/2018			-7460	0.00	4110080	1.96
	Closing Balance as on 31-03-2018					4110080	1.96
5	THE NEW INDIA ASSURANCE COMPANY LIMITED						
	PAN :AAACN4165C						
	Opening Balance as on 01-04-2017	3441000	1.64				
	07/04/2017			-23731	-0.01	3417269	1.63
	14/04/2017			-76269	-0.04	3341000	1.59
	19/01/2018			-10347	-0.01	3330653	1.59
	26/01/2018			-47017	-0.02	3283636	1.56
	02/02/2018			-280	0.00	3283356	1.56
	09/03/2018			-44650	-0.02	3238706	1.54
	16/03/2018			-67250	-0.03	3171456	1.51
	23/03/2018			-63797	-0.03	3107659	1.48
	30/03/2018			-24303	-0.01	3083356	1.47
	Closing Balance as on 31-03-2018			0	0.00	3083356	1.47

Sundram Fasteners Limited

Sl. No.	NAME & PAN	Shareholding		Increase / Decrease in shareholding (transfer)		Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)	
		No. of Shares at the beginning (April 1, 2017)	% of total shares of the company	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
6	LIFE INSURANCE CORPORATION OF INDIA						
	PAN :AAACL0582H						
	Opening Balance as on 01-04-2017	2833820	1.35				
	Closing Balance as on 31-03-2018					2833820	1.35
7	UTI TRANSPORTATION AND LOGISTICS FUND						
	PAN :AAATU1088L						
	Opening Balance as on 01-04-2017	2055000	0.98				
	26/05/2017			31767	0.02	2086767	0.99
	30/09/2017			99784	0.05	2186551	1.04
	06/10/2017			14963	0.01	2201514	1.05
	10/11/2017			-45000	-0.02	2156514	1.03
	22/12/2017			-298	0.00	2156216	1.03
	09/02/2018			-293	0.00	2155923	1.03
	23/02/2018			-3262	0.00	2152661	1.02
	09/03/2018			-14372	-0.01	2138289	1.02
	Closing Balance as on 31-03-2018					2138289	1.02
	8	GOVERNMENT PENSION FUND GLOBAL					
PAN :AACCN1454E							
Opening Balance as on 01-04-2017		1720000	0.82				
07/04/2017				-20000	-0.01	1700000	0.81
23/06/2017				-25000	-0.01	1675000	0.80
30/06/2017				-25000	-0.01	1650000	0.79
15/09/2017				-25000	-0.01	1625000	0.77
03/11/2017				-25000	-0.01	1600000	0.76
12/01/2018				-1178	0.00	1598822	0.76
19/01/2018				-18822	-0.01	1580000	0.75
16/03/2018				53998	0.03	1633998	0.78
23/03/2018				63581	0.03	1697579	0.81
Closing Balance as on 31-03-2018						1697579	0.81

Sl. No.	NAME & PAN	Shareholding		Increase / Decrease in shareholding (transfer)		Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)	
		No. of Shares at the beginning (April 1, 2017)	% of total shares of the company	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
9	UNITED INDIA INSURANCE COMPANY LIMITED						
	PAN :AAACU5552C						
	Opening Balance as on 01-04-2017	1392318	0.66				
	Closing Balance as on 31-03-2018					1392318	0.66
10	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.						
	PAN :AADCA1701E						
	Opening Balance as on 01-04-2017	1232768	0.59				
	05/05/2017			-11500	-0.01	1221268	0.58
	19/05/2017			-26395	-0.01	1194873	0.57
	26/05/2017			-11262	-0.01	1183611	0.56
	02/06/2017			-10000	-0.01	1173611	0.56
	30/06/2017			10000	0.01	1183611	0.56
	07/07/2017			20000	0.01	1203611	0.57
	14/07/2017			-10000	-0.01	1193611	0.57
	21/07/2017			-100000	-0.05	1093611	0.52
	11/08/2017			-60000	-0.03	1033611	0.49
	24/11/2017			-7000	0.00	1026611	0.49
	15/12/2017			-50000	-0.02	976611	0.47
	12/01/2018			10000	0.01	986611	0.47
	26/01/2018			-10000	-0.01	976611	0.47
	09/02/2018			-140000	-0.07	836611	0.40
	23/02/2018			-30000	-0.01	806611	0.38
	Closing Balance as on 31-03-2018					806611	0.38

Sundram Fasteners Limited

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	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
1	At the beginning and at the end of the year	Sri Suresh Krishna, Chairman	36,040	0.0171	36,040	0.0171
2		Ms Arathi Krishna, Managing Director	47,040	0.0223	47,040	0.0223
3		Ms Arundathi Krishna, Joint Managing Director	51,840	0.0247	51,840	0.0247
4		Sri K Ramesh, Director	4,000	0.0019	4,000	0.0019
5		Ms Preethi Krishna, Director [§]	-	-	-	-
6		Sri V Narayanan, Director	1,200	0.0006	1,200	0.0006
7		Sri R Srinivasan, Director*	9,200	0.0044	9,200	0.0044
8		Sri R Ramakrishnan, Director [§]	6,400	0.0030	6,400	0.0030
9		Sri C V Karthik Narayanan, Director [^]	-	-	-	-
10		Sri M Raghupathy, Director [§]	-	-	-	-
11		Sri B Muthuraman, Director	-	-	-	-
12		Sri Heramb R. Hajamavis**	-	-	-	-
13		Sri Mahalingam Seturaman***	-	-	-	-
14		Sri S Meenakshisundaram, Chief Financial Officer	-	-	-	-
15		Sri R Dilip Kumar, Vice President – Finance & Company Secretary*	2,000	0.0009	2,000	0.0009

[§] Appointed as a Non-Executive Non-Independent Director effective, July 5, 2017.

* Joint holder

[§] Retired from the Board, effective September 22, 2017

[^] Ceased to be a director effective December 13, 2017 consequent to his demise.

** Appointed as a Non-Executive Independent Director effective, September 20, 2017.

*** Appointed as a Non-Executive Independent Director effective January 30, 2018

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 March 31, 2018)

₹ in lakhs

S. No.	Particulars	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
1	Indebtedness at the beginning of the financial year				
	i) Principal amount	25,227.73	37,388.48	-	62,616.21
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	45.42	191.13	-	236.55
	Total of (i) + (ii) + (iii)	25,273.15	37,579.61	-	62,852.76
2	Change in indebtedness during the financial year*				
	- Addition	10,838.65	41,250.40	-	52,089.05
	- Reduction	15,622.78	42,888.48	-	58,511.26
	Net Change	(4,784.13)	(1,638.08)	-	(6,422.21)
3	Indebtedness at the end of the financial year				
	i) Principal amount	20,443.60	35,750.40	-	56,194.00
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	51.03	61.17	-	112.20
	Total of (i) + (ii) + (iii)	20,494.63	35,811.57	-	56,306.20

* Principal amount only.

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ in Lakhs

S. No.	Particulars of Remuneration	Name of Chairman / Managing Directors			Total Amount
		Sri Suresh Krishna (Chairman)	Ms Arathi Krishna (Managing Director)	Ms Arundathi Krishna (Joint Managing Director)	
1	Gross salary- (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	96.00	94.80	95.16	285.96
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	56.51	42.22	67.52	166.25
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit	1,053.73	1,199.91	1,096.36	3,350.00
	Total (a)	1,206.24	1,336.93	1,259.04	3,802.21
	6.82% of the Net profits computed under Section 198 of the Companies Act, 2013				
	Ceiling as per the Act – 10% of the net profit				

b. Remuneration to other Directors for attending Board / Committee Meetings

₹ in Lakhs

Category	Remuneration (Sitting fees)
Independent Directors	
Sri V Narayanan	4.80
Sri R Srinivasan	4.80
Sri R Ramakrishnan*	2.00
Sri C V Karthik Narayanan#	0.50
Sri M Raghupathy*	1.00
Sri B Muthuraman	2.90
Sri Heramb R. Hajarnavis	3.00
Sri S Mahalingam	0.70
TOTAL (1)	19.70
Non-Executive Directors	
Ms Preethi Krishna	-
Sri K Ramesh	1.50
TOTAL (2)	1.50
TOTAL (b)=(1) + (2)	21.20
Total Managerial Remuneration	3,823.41
Overall Ceiling as per the Act	11% of the Net Profit plus Sitting fees. However, no Commission or other remuneration paid during the year.

* Retired from the Board, effective, September 22, 2017

#Ceased to be a director effective December 13, 2017 consequent to his demise

Sundram Fasteners Limited

c. Remuneration to Key Managerial Personnel other than Managing Director / Whole time Directors and / or Manager

₹ in Lakhs

S. No.	Particulars of Remuneration	Sri S Meenakshisundaram Chief Financial Officer	Sri R Dilip Kumar Vice President – Finance & Company Secretary
1	Gross salary - (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	117.35 0.12 -	53.10 0.79 -
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify	-	-
5	Others: Provident Fund Superannuation Contribution	- -	1.53 1.91
	Total	117.47	57.33

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

During the year ended March 31, 2018, no penalties were levied or punishment / compounding fee imposed by the Regional Director, Ministry of Corporate Affairs / Court on the Company / Directors / officers in default.

On behalf of the Board

May 9, 2018
Chennai

SURESH KRISHNA
Chairman

Annexure - II

Particulars of loans, guarantees and investments under Section 186 of the Companies Act, 2013 during the financial year ended March 31, 2018 ₹ in crores

Name of the body corporate	Nature of relationship	Nature of transaction	Amount of transaction	Purpose for which the loan/ security/ acquisition/ guarantee utilised by recipient
Beta Wind Farm Private Limited, Chennai, India	NA	Acquisition	0.45	Investment in equity shares for purchase of power under group captive basis.
Sundaram Money Fund Scheme of Sundaram Asset Management Co Limited., Chennai, India	NA	Investment in Mutual Funds	620.50	Treasury investments
TVS Upasana Limited, Chennai, India	Wholly-owned subsidiary	Guarantee	48.00	For availing term loan facility from Bank
Sundram Fasteners (Zhejiang) Limited, Peoples Republic of China	Step down subsidiary	Guarantee	64.53	For availing term loan facility from Bank

Annexure-III**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 were on arm's 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

May 9, 2018
Chennai

SURESH KRISHNA
Chairman

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

1. Conservation of Electrical Power:

- The company has taken specific initiatives towards conservation of both thermal and electrical energy, usage of alternate / renewable energy.
- Wind energy usage has gone up by 7.3%, from 850 lakh units in FY 2016-17 to 912 lakh units in FY 2017-18. The higher use of renewable power sources has resulted in a reduction of emission of Green House Gases to an equivalent of 90,000 MT CO₂.
- The Company has also procured power from another renewable source viz., bio mass to an extent of 78 lakh units during the financial year 2017-18. Thus, the total renewable power consumption aggregates to 990 lakh units during the financial year 2017-18, as against 850 lakh units in FY 2016-17.
- All manufacturing units continue to maintain power factor towards unity.
- Your company also focused on energy savings through various energy saving projects as follows:-
 1. Installation of Energy efficient LED lamps / Induction lamps in place of metal halide lamps, tube lights.
 2. Furnaces reinsulated with low heat loss refractories
 3. Introduction of Uninterrupted Power Supply (UPS) for Sealed Quench Furnaces operation to eliminate Diesel Generator operation during quenching thereby eliminating high speed diesel consumption.
 4. Power factor improved by introducing additional capacitor banks
 5. Idling of motors in forging, secondary machines, fume exhaust equipment and pumps avoided by interlock mechanism.
 6. Heat pump technology introduced in place of electrical heaters in furnace pre-cleaning / post-cleaning areas.
 7. Optimisation of air compressor loads by reducing losses and commonising pipelines.
 8. Optimisation of pneumatic systems.
 9. The bio wastes such as Food and Canteen wastes which were let to naturally decompose, are now utilized for production of bio gas. Installation of bio gas plant to generate bio gas from vegetable and food wastes and gas used in place of LPG cylinders in kitchen.
 10. Increasing sealed quench furnaces throughput by reducing cycle time.
 11. Introduction of Variable Frequency Drives (VFD) for various motors.
 12. Elimination of screw conveyor by providing gravity flow for chips.

TECHNOLOGY ABSORPTION

(i)	The efforts made towards technology absorption	<ol style="list-style-type: none"> 1. Installed and commissioned 500T multiplaten (4 levels) CNC controlled compaction press to produce net shaped products. 2. Development of alloys in SFL's Iron Powder Unit, which are capable of being sinter hardened eliminating the need for separate hardening operation. 3. Development of sinter hardened Powder Metallurgy parts using powders produced in SFL's Iron Powder Unit. 4. Change of process for higher size nuts – Hot forging route adopted from Cold forging route. 5. Development of Light weight fasteners 6. FEA (Finite Element Analysis) and modeling software are utilised for upgradations and deriving benefits therefrom. 						
(ii)	The benefits like product improvement, cost reduction, product development or import substitution;	The efforts made towards technology absorption has led to reduction of manufacturing lead time through elimination / change in process.						
(iii)	<p>Imported Technology</p> <p>a) Details of technology imported</p> <p>b) The year of import</p> <p>c) Whether the technology been fully absorbed</p> <p>d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and</p>	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.						
(iv)	Expenditure on Research and Development	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Capital Expenditure :</td> <td style="text-align: right;">₹ 94 lakhs</td> </tr> <tr> <td>Revenue Expenditure :</td> <td style="text-align: right;">₹ 1,345 lakhs</td> </tr> <tr> <td>Total Research & Development Expenditure: (Net of revenue)</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 1px solid black;">₹ 1,439 lakhs</td> </tr> </table>	Capital Expenditure :	₹ 94 lakhs	Revenue Expenditure :	₹ 1,345 lakhs	Total Research & Development Expenditure: (Net of revenue)	₹ 1,439 lakhs
Capital Expenditure :	₹ 94 lakhs							
Revenue Expenditure :	₹ 1,345 lakhs							
Total Research & Development Expenditure: (Net of revenue)	₹ 1,439 lakhs							

FOREIGN EXCHANGE EARNINGS AND OUTGO

The total foreign exchange earned and used are as under:

Foreign exchange earned (₹ in lakhs)	1,13,703.23
Foreign exchange used (₹ in lakhs)	33,783.74

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2017-2018

1. Brief Outline of the company's CSR Policy

The Company has framed a CSR Policy pursuant to the Companies Act, 2013. Our corporate social responsibility policy can be accessed at <http://www.sundram.com/investors.php>

Our social responsibility initiatives

Sundram Fasteners Limited (the Company) believes that being socially responsible, delivering profitable growth and meeting expectations of our stakeholders is fundamental to preserve the strong reputation of the TVS brand. Further to its corporate social responsibility policy, the company has been constantly creating newer opportunities for the community in which it operates by leveraging its resources. In such process, the company also collaborates with specialist organizations, to have a long-term positive impact in the community surrounding its operations and in remote villages. Among other areas, the company has been primarily focusing on two important socially relevant themes- "*education and healthcare*". The company is strongly progressing in this arena and has been creating its impact on the society by contributing to the development of the community.

Educational initiatives

Our School

The Company founded an English medium higher secondary co-educational school in Aviyur Village in Virudhunagar district of Tamil Nadu 24 years ago to provide high quality education with modern facilities to children. The school is run under the CSR arm of the company - Krishna Educational Society. The Company bears the entire cost of running the school. The project focuses on providing quality education to 474 students from 8 villages near Krishnapuram plant through Sundram Matriculation Higher Secondary School.

Primary education and higher education - Collaborating for positive impact

In addition to deploying our own resources, the company has worked along with specialist organisations to expand its footprint in support of a project on primary education and higher education. In 30 villages across Kalasapakkam, Thiruvannamalai and (Shoolagiri) Krishnagiri, Tamil Nadu, the Company supports innovation after school classes for 900 children studying in class III to VIII who are from the economically deprived families. The project aims to ensure every child achieves basic competencies in Language, Math and Science.

With a view to support higher education of indigent students, the Company extended support to 10 meritorious

students from Chennai for their undergraduate education, which otherwise they may not be able to afford which will deter them from completing their education.

During the year 2017-2018, the Company's CSR initiative in education benefited 1384 students across Tamil Nadu.

The Company had extended to support to other external educational and welfare schemes.

Support to the underprivileged and marginalized sections of the society

With a duty of care and concern for the women and the marginalized, who are under distress affected by homelessness and poverty, the company has been extending support for special courses on social work in psychology and social entrepreneurship for students interested in a career in mental health by forging partnerships with specialist institutions.

To further augment our support in this segment, the company has initiated a long-term partnership with The Banyan Academy of Leadership in Mental health (BALM) to co-anchor the "Center for Research and Social Action in Mental Health" – a center focused on transforming mental healthcare services in India. The company's contribution would be only in the areas of Management, Education, Research, Stakeholder Expansion and Advocacy.

Healthcare and nutritional support

In view of the widespread inadequacies and inequalities in the rural areas and it is imperative to identify and assess development needs and initiatives required for the community that will address their needs consistently and effectively to ensure a balanced growth. In this context, the company has identified rural health as an important factor in the rural development. The company offers free of cost medical facilities to villages near its Krishnapuram plant (Aviyur, Virudhunagar district near the outskirts of Madurai) thereby benefiting about 2500 families through the programme. The medical centre has a dual role of providing medical care and educating people through training programmes on various health related issues. During the year, the centre has extended support for setting up infrastructure facilities for pediatric cancer treatment in reputed cancer hospital as well as sponsored for pediatric cancer treatment costs as part of its CSR activities.

With an objective to provide balanced nutrition, better education for children and creating employment opportunities for women on a regular basis, the Company in partnership with an organisation having

rural development as its primary focus has supported the project of production and supply of a nutritional supplement (nutriblend) for 972 students in various schools in Thandalam village, Tamil Nadu. Distribution of nutritional supplement is done free of cost to all school students in the village to support their daily nutritional requirement.

Contribution towards art and culture, and sustainable environment

With a view to promote art and culture, the Company extended support to a Trust involved in managing Paatshalas for promotion and sustainability of Vedic education and also extended support for preservation of social infrastructure, by contributing for restoration of a temple rajagopuram during the year under review.

Extending its CSR activities for the conservation of flora and fauna and to maintain ecological balance, the Company has supported World Wide Fund-India for a project to assess the ecological needs of the Nilgiri Tahr for conservation planning, addressing current and known threats faced by the Nilgiri Tahr and institutionalization of Nilgiri Tahr monitoring protocols in Tamil Nadu.

Other social development initiatives by employees of the Company

SFL has always been encouraging its employees to volunteer their time and effort in CSR initiatives to serve the disadvantaged and make a difference by volunteering at least one working day per year towards a social cause of their choice. Our employees participate in programmes initiated by the Company as well as programmes initiated in association with other organisations and NGOs.

The employees have strongly supported the CSR volunteering movement initiated in the year 2013 and made SFL's CSR motto "SFL and You can make a difference" a reality. In the year, 2017-2018 more than 84% of employees volunteered in various CSR initiatives, in the area of education, health and well-being programmes.

In the year 2017-2018, the participation level in the programme reached an all-time high with more than 80%

of the employees provide monetary contribution towards societal needs.

The Company will continue to strive towards its commitment to be socially responsible and provide avenues to make employees volunteering efforts meaningful and impactful.

2. Composition of CSR Committee

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

Sri R Ramakrishnan, Independent Director, ceased to be a member of the committee due to his retirement effective, September 22, 2017. Sri R Srinivasan, Independent Director, has been inducted into the CSR Committee with effect from September 21, 2017.

3. Average net profits

Average net profits of the Company for the last three financial years is ₹ 27,849.15 lakhs.

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

Prescribed CSR expenditure is ₹ 556.98 lakhs

5. Details of CSR spent during the financial year 2017-2018

Total amount to be spent for the financial year 2017-2018	₹ 556.98 lakhs
Amount unspent	NIL
Manner in which the amount spent during the financial year	As indicated in the annexure

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
Joint Managing Director

Arathi Krishna
Managing Director

Suresh Krishna
Chairman
(Chairman – CSR Committee)

R Srinivasan
Director

Annexure

		₹ in Lakhs					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Project or Programs 1. Local area or other 2. Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or program-wise	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	Scholarship for bright but marginalized children for their higher studies		1. Chennai 2. Tamil Nadu	15.00	15.00		In association with Sugun Thomas Foundation
2	Sundram Matriculation Higher Secondary School		1. Other 2. Tamil Nadu; Virudhunagar District	273.00	273.00		Under the CSR arm of the Company - Krishna Educational Society
3	Sustainability of Vedic Education		1. Other 2. Within India (Existing Pathshalas)	12.00	12.00		In association with Om Charitable Trust
4	High quality education for children from poorest families through after school classes	Education	1. Various villages 2. Tamil Nadu, Thiruvananthai District, Krishnagiri District and Virudhnagar District	15.75	15.75	344.75	In association with AID India Foundation
5	Semmangudi Higher Secondary School		1. Other 2. Tamil Nadu;	4.00	4.00		In association with Swami Dayananda Educational Trust
6	Supply of quality school uniforms to 1,200 students of Govt. Primary and High Schools		1. Other 2. Tamil Nadu; Nagapattinam District	25.00	25.00		In association with Vaastu Foundation
7	Supply of nutriblend and jaggery to the students of village Govt. Schools		1. Thandalam village Tamil Nadu; Kancheepuram District	17.49	17.49		In association with Sri Annappoorani Public Charitable Trust
8	Chair for Social Work and Psychology & Chair for Social Entrepreneurship at IMHST	Healthcare	1. Chennai 2. Tamil Nadu	119.84	119.84	163.33	In association with BALM - Banyan Academy of Leadership in Mental Health
9	Supporting insitutions involved in the treatment of cancer, particularly, the Adyar Cancer Institute.		1. Chennai 2. Tamil Nadu	26.00	26.00		In association with Mahesh Memorial Trust (MMT) through Krishna Educational Society (KES)
10	World Wide Fund for Nature – India	Environmental Sustainability / Protection of animal welfare	1. Other 2. Tami Nadu;	35.42	35.42	35.42	In association with World Wide Fund for Nature – India
11	Ulagalantha Perumal Temple	Art and culture	1. Other 2. Tamil Nadu;	13.80	13.80	13.80	Ulagalantha Perumal Temple
	Total			557.30	557.30	557.30	557.30

**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, if any, in the financial year :

S. No.	Name of the Directors	Designation	Ratio (times)	Percentage increase in remuneration
1	Sri Suresh Krishna	Chairman	236.52	21.41%
2	Ms Arathi Krishna	Managing Director	262.09	19.11%
3	Ms Arundathi Krishna	Joint Managing Director	246.89	22.91%
4	Sri K Ramesh*	Director	0.30	50.00%
5	Ms Preethi Krishna [#]	Director	-	-
6	Sri V Narayanan*	Director	0.95	108.69%
7	Sri R Srinivasan*	Director	0.95	41.17%
8	Sri R Ramakrishnan* ^{\$}	Director	0.40	-50.00%
9	Sri C V Karthik Narayanan* [^]	Director	0.09	-73.68%
10	Sri M Raghupathy* ^{\$}	Director	0.20	-54.55%
11	Sri B Muthuraman*	Director	0.57	52.63%
12	Sri Heramb R Hajarnavis**	Director	0.59	-
13	Sri S Mahalingam***	Director	0.14	-
14	Sri S Meenakshisundaram	Chief Financial Officer	N.A.	28.48%
15	Sri R Dilip Kumar	Vice President – Finance & Company Secretary	N.A.	14.45%

*Sitting fees were paid for attending Board /Committee meetings. Higher percentage increase in remuneration is attributable to more number of meetings held during the financial year 2017-18.

[^] Ceased to be a director effective December 13, 2017 consequent to his demise.

^{\$} Retired from the Board, effective, September 22, 2017.

[#]Appointed as a Non-Executive Non-Independent Director effective, July 5, 2017 without any remuneration. Hence, no sitting fee was paid during financial year 2017-18.

** Appointed as a Non-Executive Independent Director effective, September 20, 2017. Hence, no sitting fee was paid during financial year 2016-17.

*** Appointed as Non-Executive Independent Director effective January 30, 2018. Hence, no sitting fee was paid during financial year 2016-17.

- (ii) The percentage increase in the median remuneration of employees in the financial year: 9.51%
- (iii) The number of permanent employees on the rolls of Company as on March 31, 2018: 3,172
- (iv) 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. 2017-18 was 9.05% whereas the increase in the managerial remuneration for the same financial year was 21.11%.

- (v) 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 March 31, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial 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 **SUNDRAM FASTENERS LIMITED** (hereinafter called "the Company") during the financial year from **April 1, 2017 to March 31, 2018** ("the year"/ "audit period"/ "period under review"), .

We 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:

- (i) Our **verification** of the books, papers, minute books and other records maintained by the Company and furnished to us, forms/ returns filed and compliance related action taken by the Company during the year as well as after March 31, 2018 but before the issue of this audit report;
- (ii) Our **observations** during our visits to the registered office and some of the factories of the Company;
- (iii) **Compliance certificates** confirming compliance with all laws applicable to the Company given by the key managerial personnel / senior managerial personnel of the Company and taken on record by the Audit Committee/ Board of Directors; and
- (iv) **Representations** made, documents shown and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, **during the audit period covering the financial year ended on March 31, 2018** the Company has:

- (i) Complied with the statutory provisions listed hereunder; and
- (ii) 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. Compliance with specific statutory provisions

We further report that:

1.1 We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions/ clauses of:

- (i) The Companies Act, 2013 and the rules made thereunder (*the Act*).
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings (*FEMA*).
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ("*SEBI Regulations*"):-
 - (a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*LODR*);
- (vi) The following laws that are specifically applicable to the Company (*Specific laws*):
 - (a) The Special Economic Zones Act, 2005 and the rules made thereunder (for the units located in a Special Economic Zone); and

-
- (b) Export Oriented Unit Scheme (for the Company's units having letters of approval under the Scheme).
- (vii) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) (*Agreements*).
- (viii) Secretarial Standards issued by The Institute of Company Secretaries of India (*Secretarial Standards*)
- 1.2 During the period under review, and also considering the compliance related action taken by the Company after March 31, 2018 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:
- (i) Complied with the applicable provisions / clauses of the Acts, Rules, SEBI Regulations and Agreements mentioned under sub-paragraphs (i) to (iii), (v) and (vii) of paragraph 1.1 above; and
 - (ii) Broadly complied with applicable provisions of the Specific laws mentioned under sub-paragraph (vi) of paragraph 1.1 above.
 - (iii) Generally complied with FEMA and the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1. (iv) and (viii) above to the extent applicable to Board meetings, General meetings and Postal ballots. The Secretarial Standards on Dividend (SS-3), being non-mandatory has not been adopted by the Company.
- 1.3. We are informed that, during / in respect of the year, the Company was not required to comply with the following laws/ rules/ regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms / returns under:
- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
 - (ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (v) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- 2. Board processes:**
- We further report that:**
- 2.1 The constitution of the Board of Directors of the Company during the year was in compliance with the applicable provisions of the Act and LODR.
- 2.2 As on March 31, 2018 the Board has:
- (i) Three Executive Directors;
 - (ii) Two Non-Executive Non-Independent Directors; and
 - (iii) Five Independent Directors.
- 2.3 The Board has three women directors, two of whom are Executive Directors and one a Non-Executive Non-Independent director.
- 2.4 The processes relating to the following changes in the composition of the Board of Directors during the year were carried out in compliance with the provisions of the Act and LODR:
- (i) Appointment of a Non-Executive Non-Independent Director, which was approved by the members through a postal ballot process;
 - (ii) Re-appointment of the retiring director at the 54th annual general meeting held on August 24, 2017;
 - (iii) Cessation of three Independent Directors, one due to death and the other two due to retirement; and
 - (iv) Appointment of two Independent Directors, which were approved by the members through postal ballot.
- 2.5 Adequate notice was given to all the directors to enable them to plan their schedule for the Board meetings.
- 2.6 Notice of Board meetings were sent at least seven days in advance.
- 2.7 Agenda and detailed notes on agenda were sent to the directors at least seven days before the Board meetings with the exception of the following items, which were either circulated separately or at the Board meetings and consent of the Board for so circulating them was duly obtained as required under SS-1:
- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts/ results, unaudited financial results and connected papers; and
 - (ii) Additional subjects/ information/ presentations and supplementary notes.
- 2.8 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.
-

Sundram Fasteners Limited

2.9 We noted from the minutes that, at the Board meetings held during the year:

- (i) Majority decisions were carried through; and
- (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.

3. **Compliance mechanism**

We further report that:

3.1 There are reasonably adequate systems and processes in the Company, commensurate with the Company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. There

is scope for improvement in the compliance systems and processes, keeping pace with the growth in operations and increasing statutory requirements.

4. **Specific events/ actions**

We further report that:

4.1 The specific events and actions during the audit period, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations and standards were:

- (i) The Board of Directors have approved the amalgamation of M/s. Sundram Precision Components Limited, a wholly-owned subsidiary, with the Company with effect from April 1, 2017.

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

**K Sriram,
Partner.**

Membership No: **F6312**

Certificate of Practice No: **2215**

Date: May 9, 2018

Place: Chennai

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 March 31, 2018 is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered 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 considered compliance related

action taken by the Company after March 31, 2018 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.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. 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 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: May 9, 2018

Place: Chennai

Management Discussion and Analysis – 2017-18

The gross domestic product (GDP) grew at **6.6%** in 2017-18 as against 7.1% in 2016-17. The fiscal year 2017-18 witnessed increase in fuel prices, interest rates and transitional challenges on account of introduction of Goods and Services Tax. The estimated growth rate of the industrial sector is 7.1% in 2017 - 18 as against 5.2% in last fiscal. The Indian economy registered a stable growth and continues to remain the fastest growing economy among G-20 countries.

During the fiscal year 2017-18, the automotive industry in India posted a growth of 14.8% over the previous year. The commercial vehicle industry (CV) registered a growth of 10.4% as compared to the last year. The following table depicts the production trend of various segments in the automotive industry.

Category	Production		
	April-March		
Segment/Sub-segment	2017-18	2016-17	% Change
I Passenger Vehicles (PVs)			
Passenger Cars	2,739,899	2,711,911	1.03
Utility Vehicles(UVs)	1,090,744	909,555	19.92
Vans	179,730	180,204	-0.26
Total Passenger Vehicles (PVs)	4,010,373	3,801,670	5.49
II Commercial Vehicles (CVs)			
M&HCVs			
Passenger Carriers	37,619	49,585	-24.13
Goods Carriers	306,332	293,176	4.49
Total M&HCVs	343,951	342,761	0.35
LCVs			
Passenger Carriers	51,069	50,707	0.71
Goods Carriers	499,531	416,785	19.85
Total LCVs	550,600	467,492	17.78
Total Commercial Vehicles	894,551	810,253	10.40
III Three Wheelers			
Passenger Carrier	899,023	671,361	33.91
Goods Carrier	122,888	112,360	9.37
Total Three Wheelers	1,021,911	783,721	30.39
IV Two wheelers			
Scooter / Scooterette	7,117,795	5,926,499	20.10
Motor cycles/Step-Throughs	15,159,700	13,088,208	15.83
Mopeds	869,562	919,032	-5.38
Total Two wheelers	23,147,057	19,933,739	16.12
V Others – Quadripeds	1,713	1,584	8.14
Grand Total of All Categories	29,075,605	25,330,967	14.78

Source: Society of Indian Automobile Manufacturers

The automotive industry has produced 29.07 million vehicles during the financial year 2017-2018, which is one of the largest in the world. The Government allows 100% foreign direct investment in automotive industry. The automotive industry is one of the drivers of 'Make in India' initiative of the Government of India. During the year, the disposable income of the rural population was bolstered by normal monsoon and increase in Minimum Support Price (MSP) announced by the Government. The demand for commercial vehicles recovered on back of infrastructure projects undertaken and pick up in mining activity.

During the year, the Government of India signed the Conference of Protocol also known as the Paris Climate Agreement. Being a signatory to the agreement, India is obligated to bring down the carbon footprint by 33-55% from the levels recorded in the past. As a first step in the direction, the Government has introduced Bharat Stage VI (BS VI) emission norms in upgradation of Bharat Stage IV (BS IV) emission norms with effect from April 1, 2020. BS VI is an emission standard that will bring much-needed changes in the Indian automobile industry in terms of pollutant emissions. With this emission norm coming into effect, India will come at par with the US, European countries and other advanced automotive markets across the globe. The above introduction would need manufacturing of new versions of vehicles to comply with BS VI norms, resulting in increased production.

Further, during the year the Supreme Court passed judgement on the need to reduce overloading of vehicles to avoid road accidents, pollution through auto-emissions and significant damage to road surfaces. Meanwhile, steady government push towards infrastructure development and stricter implementation of the ban on overloading of trucks continued to push up sales of commercial vehicles, which will also result in increase in sales in the coming years.

The vehicle scrap policy approved by Government is expected to provide impetus to the auto component industry. The higher allocation towards infrastructure and the rural development in the budget of 2018 is expected to spur demand for commercial vehicles and be overall positive for the auto component industry.

All these measures augur well for the automotive industry, thus paving way for future growth.

Domestic Sales

Domestic sales (net of excise duty) of the company increased by 17% to ₹ 2,146.76 crores from ₹ 1,836.61 crores. Increase in production of light commercial vehicles and passenger vehicles led to improved domestic sales. There has been a

sharp increase in aftermarket sales due to specific initiatives undertaken by the Company.

Export Sales:

Export sales of the company increased by 10% to ₹ 1,144.46 Crores from ₹ 1,044.11 crores.

The company's continued investments for manufacturing of new products are expected to result in further improvement in performance in the years ahead.

Financial Performance

Steel is one of the principal raw materials used by the Company. The steel prices increased steadily during the year. Manpower costs increased due to a general hike in salaries granted to retain talent in a competitive environment as well as increase in dearness allowances in line with cost of living index. Also, provisions have been made for long term wage settlement for unionized employees at various factories, negotiation of which is in progress. Power availability remained firm and costs remained within control throughout the year due to the measures taken by the Company over the years to use alternative sources of power such as wind power.

During the year, PBIDT (Profit before interest, foreign exchange fluctuation, depreciation, exceptional income and tax) was at ₹ 650.37 crores as against ₹ 553.06 crores in the previous year. The operating margin has improved as a result of product mix and stable cost structure.

The Company has made investments in creation of capacities for meeting specific requirements of customers to meet projected demand from domestic and international customers. Financing costs amounted to ₹ 32.56 crores (₹ 36.32 crores). The Company has reduced the finance cost through a combination of competitive sourcing of funds and efficient working capital management.

Depreciation was at ₹ 98.07 crores (₹ 89.77 crores).

Profit before tax was higher at ₹ 519.73 crores (₹ 424.60 crores). After providing for taxes, the Company achieved an all-time record profit of ₹ 367.47 crores (₹ 315.48 crores).

Summary of operating results

₹ in crores

Particulars	2017-18	2016-17
Revenue from operations	3,396.11	2,947.27
Other Income	29.62	12.92
Total Revenue (net of excise duty)	3,425.73	2,960.19
Total expenditure	2,775.36	2,407.13
Profit before interest, depreciation and tax (PBIDT)	650.37	553.06

Summary of operating results

₹ in crores

Particulars	2017-18	2016-17
Finance Cost	32.56	36.32
Depreciation/Amortization	98.07	89.77
Profit before tax (PBT) and before Exceptional item	519.73	426.97
Exceptional items	-	(2.37)
Profit before tax (PBT)	519.73	424.60
Current tax	134.32	101.36
Deferred tax	17.94	7.76
Profit after tax (PAT)	367.47	315.48

Subsidiaries performance:

₹ in crores

Particulars	2017-18	2016-17
Sales & Other Income (net of excise duty)	502.75	423.92
Cash Profit	45.41	38.22
Net Profit	31.16	23.50

Capacities and Capital Expenditure

During the year, the Company has incurred ₹ 217 crores towards capital expenditure on existing and new projects. Capital investments were incurred in tandem with production plans of key customers.

Quality Systems, Total Quality Management (TQM) and Total Productive Maintenance (TPM)

The Company had initiated the introduction of new quality system standard IATF 16949:2016, which replaces ISO/TS 16949:2009, which is in line with the revised ISO9001:2015 Quality Management standard (QMS) in all SFL plants that establishes the requirements for a QMS, specifically for the automotive sector. The standard is being horizontally deployed in various divisions / units of the Company.

During the year 2017-18, the company has stepped up the TQM activities at the corporate, divisional and plant levels. TQM Policy Deployment activities were strengthened in all departments and sections of all the divisions in order to properly deploy and achieve the objectives and targets. Besides initiating periodic review of policies of various departments, Daily Work Management activities were strengthened in the shop floor of all the plants with special focus on meeting the policy deployment targets. TQM was also extended to areas like marketing, design and development, human resources and finance.

As a knowledge sharing and knowledge management initiative, the new steps adopted, experiences and results were shared between the divisions and plants to facilitate

horizontal deployment. The Company considers its sub-contractors as business partners and hence necessary support was extended to them to implement TQM measures.

Awards

The Company's division located in SEZ has won "Excellence in Export Award - Very Large Category" from Automobile Component Manufacturers Association.

Human Resources, Industrial Relations, Learning and Development

SFL prides itself in being a people oriented organisation that commits to the well-being and overall development of its employees. Through various initiatives, the Company has ensured that every employee is actively involved in working towards achieving the Vision of the Company. The Company focusses on employees involving themselves in several activities for continuous improvement.

The Company gives significant impetus to Learning and Education, to ensure that competencies and skills of all employees are upgraded in a systematic manner. All programs offered are contemporary, relevant and with specific learning outcomes. The Company conducts a flagship Leadership Development Program which helps in building a leadership pipeline and support succession planning for the future.

The mentoring program which is more than a decade old has helped employees in various ways to navigate their careers and settle down in the Company with ease.

The Company's in-house journal provides the much needed connect between the employees spread across various locations. The Company provides various welfare measures to employees of which Education Scholarships for employees' children is one such.

The Company's employees whole heartedly participate and volunteer for several CSR activities throughout the year. In the areas of Education, Health and Environment, the employees have adopted several programs and projects and have given their time for working with the underprivileged. The employees also wholeheartedly participate in a payroll giving program.

The Company continues to maintain its blemish-less industrial relations record of not losing even a single day due to industrial strike, since its inception.

Health, Safety and Environment

The company strives to manufacture products with zero pollution and zero accidents, by continuous improvements in environmental and occupational health and safety

management systems. The Company accords paramount importance to the health and safety of its employees.

All major factories have obtained certification for conformance to ISO 14001 standards. Our manufacturing facilities at Krishnapuram and Hosur have won Greenco Rating Award from the Confederation of Indian Industry, which testifies our energy efficient practices. Water conservation, usage of renewable energy including solar power, waste management and reduction in use of hazardous chemicals are the prime focus areas in all our manufacturing processes.

Internal Control Systems

The major functions in the company i.e. Sourcing and Procurement, Manufacturing, Costing and Finance and Despatch and Sales are handled through an ERP system which is well integrated. The transactions (end to end) are carried out through the ERP system. Checks and Controls have been built into the system to handle the transactions. Periodically, internal audit checks are done to evaluate the adequacy and relevance of the checks and internal controls. As a process, the systems and controls are benchmarked with the industry.

On an ongoing basis, the management and the Audit Committee reviews the internal controls. Existing internal controls provide adequate assurance to the management for all the transactions covering operations, inventory, fixed assets, financial records and compliance to statutory requirements.

Prospects, Risks and concerns

The OEMs seems to have taken cognizance of the government intent on electric vehicles and started focusing on development of electric vehicle considering long-term challenges and opportunities it offers. The policy of Government with respect to electric vehicles is still in evolving stages and it is essential to see how it could impact traditional vehicles with internal combustion engines. The consistent increase in the oil and steel prices in India is a cause of concern in view of the inflationary effect it can have on the general price level. As per International Monetary Fund (IMF) and World Bank Estimates, India is expected to grow at 7.4% in fiscal year 2018-19 against 6.7% in fiscal year 2017-18, gaining pace to 7.8% in fiscal year 2019-20 and thus India is expected to maintain its growth trajectory and grow faster than major economies.

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.

Business Responsibility Report for the Financial Year 2017-18

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company : L35999TN1962PLC004943
2. Name of the Company : Sundram Fasteners Limited
3. Registered address : 98A, VII Floor, Dr Radhakrishnan Salai, Mylapore, Chennai 600 004
4. Website : www.sundram.com
5. E-mail id : investorshelpdesk@sfl.co.in
6. Financial Year reported : 2017-18
7. Sector(s) that the Company is engaged in (industrial activity code-wise)

As per National Industrial Classification – 2008:

Section	Division	Description
C - Manufacturing	25	Manufacture of fabricated metal products, except machinery and equipment – Metal Fasteners.
G – Manufacture of motor vehicles, trailers and semi-trailers	29	Manufacture of motor vehicles, trailers and semitrailers – Parts and accessories for motor vehicles.

8. List three key products / services that the Company manufactures / provides (as in balance sheet)
 - i. High Tensile Fasteners
 - ii. Pump Assemblies and Engine Components
 - iii. Powder metal parts
9. Total number of locations where business activity is undertaken by the Company
 - i. Number of international locations (details of major 5) : 2
 - ii. Number of national locations : 10
10. Markets served by the Company – Local / State / National / International:
Local / State / National / International

Section B: Financial Details of the Company (as on 31-03-2018)

1. Paid-up capital : ₹ 21.01 Crores
 2. Total turnover : ₹ 3,396.11 Crores (net of excise duty)
 3. Total profit after taxes: ₹ 367.47 Crores
 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)
The Company's total spending on CSR for FY 2017-18 is 2% of the average profit after taxes in the previous three financial years.
 5. List of activities in which expenditure in 4 above has been incurred:-
 - i. Education
 - ii. Healthcare
 - iii. Environmental sustainability
 - iv. Art and Culture
-

Section C: Other Details

- Does the Company have any Subsidiary Company / Companies?
Yes. The Company has 6 Domestic Subsidiaries and 5 Overseas Subsidiaries.
- Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).
Business Responsibility initiatives of the Parent Company are generally followed by its manufacturing subsidiaries to the extent possible.
- Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]
No.

Section D: BR Information

- Details of Directors responsible for BR

(a) Details of the Director / Director responsible for implementation of the BR policy / policies

DIN Number	Name	Designation
00517456	Ms Arathi Krishna	Managing Director

(b) Details of the BR Head

S. No.	Particulars	Details
1	DIN Number	00517456
2	Name	Ms Arathi Krishna
3	Designation	Managing Director
4	Telephone Number	044-28478500
5	E-Mail ID	mdoffice@sfl.co.in

- Principle-wise BR Policy / Policies (Reply – Y/N)

(a) Details of compliance (Reply in Y/N)

S. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
1	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify.*	Y	Y	Y	Y	Y	Y	-	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6	Indicate the link for the policy to be viewed online?	**	**	**	**	**	**	-	**	**

S. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
8	Does the company have in-house structure to implement the policy / policies	Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	Y	N	N	Y	-	Y [#]	-

* The policy with respect to Product Responsibility are in line with international standards and practices such as ISO/TS 16949 – 2009 and ISO 14001:2004 standards. The policy with respect to Environment are in line with ISO 14001 standards. The policy with respect to business ethics, wellbeing of employees and CSR meets the national regulatory requirements, such as Corporate Laws, Environmental Laws and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**www.sundram.com/investor.php

[#] As a part of Secretarial Audit by the Secretarial Auditor

(b) If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason	-	-	-	-	-	-	*	-	-

*Considering the nature of Company's business, these principles have limited applicability. The Company complies with Regulations governing its operations and has taken initiatives to promote inclusive growth and environmental sustainability.

3. Governance related to BR

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Company assesses the BR Report / performance annually.

Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes. The Business Responsibility Report is available on the website under the following web link: <http://www.sundram.com/investor.php>

Section E: Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Yes. The Code of Business Conduct and Ethics policy covers only the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

From	Received during the year 2017-18	Resolved during the year 2017-18
Shareholders	1	1

The share transfer request received from a shareholder was rejected by the Company due to material difference in the signature in the share transfer form with that of the Register of Members maintained by the Company through the Company's Registrar & Share Transfer Agents. The reasons for rejection of share transfer request was intimated to the Securities and Exchange Board of India in SEBI Complaints Redressal System (SCORES) platform and the complaint raised by the shareholder was disposed of by SEBI during the year.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company is environmentally conscious and is committed in creating, maintaining and ensuring a safe and clean environment. The Company is expanding and strengthening its position in the domestic and export markets, balancing commercial ambitions with environmental concern. The Company, by adopting appropriate green initiatives and practices, ensures to make processes and businesses more environment friendly.

Three products or services whose design has incorporated social or environmental concerns, risks and opportunities:-

- i. Exhaust Brake Valve
- ii. Non-Asbestos Gaskets
- iii. Quill Gear
- iv. Shift Fork
- v. Fasteners and other parts

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?
- ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Exhaust Brake Valve:

The Exhaust Brake Valve system is used in heavy vehicles to slow down the speed by use of exhaust system. No fire stroke occurs and no fuel is burnt thus, reducing the wear & tear on the regular brakes. This results in lesser fuel consumption and less or no noise.

Non-Asbestos Gaskets:

Non Asbestos gaskets are being used for products such as Water & Oil Pumps replacing asbestos gaskets.

Quill Gear:

Profile which was earlier manufactured through forging route is now manufactured through powder metallurgy route. Cold forging route involved removal of materials to achieve the final shape and hence, waste of material. Since production through powder metallurgy involves "Zero loss" of material, material is conserved.

Shift Fork:

While the functional location of the component required alloyed iron powder for high strength and wear resistance, the non-functional portion required unalloyed powder. Technology was developed with mixes of powder (alloyed iron and unalloyed iron powder) and the component was produced, thus saving alloy material.

Fasteners and other parts:

Chrome free coatings (zinc flake coatings) are developed for fasteners which eliminate use of hazardous metals like chromium. Earlier the parts were zinc plated with either trivalent chrome or hexavalent chrome passivation.

Since the corrosion resistance of zinc flake coatings are much higher than zinc plated components, the life cycle has also much improved and replacements are fewer. Thus, sustainability is improved.

Smart Water Pump has been developed by which power consumption is reduced in Internal Combustion (IC) engine / Battery in Electrical Vehicle. Hard Hazardous Chemical/Metals like Cadmium, Mercury, Chromium, Radioactive Substance, Trichloroethylene, Poly-Brominated Biphenyls are not used in any of our products/process of water and oil pumps.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

- i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company had initiated the introduction of new quality system standard IATF 16949:2016, which replaces ISO/TS 16949:2009 and is in line with the revised ISO 9001:2015 Quality Management Standard (QMS) in all SFL plants that establishes the requirements for a QMS, specifically for the automotive sector. The Company has procedures in place for sustainable reporting. Some of the initiatives are given hereunder:-

- a. Constantly encourages the use of biodegradable / reusable materials for packing and storing of materials.
- b. Specifically focussed on the storage, handling and disposal of hazardous chemicals.
- c. Specialised agencies are employed to treat the chemical wastes.
- d. Materials like oils, lubes, steel etc. are conserved and mainly focused to reduce loss and wastage and to maximize utilisation of materials.
- e. Vehicles are permitted inside the factory, only if they comply with the pollution control norms.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. The steps taken by the Company to improve the capacity and capability of local and small vendors are given hereunder:-

- i. Indigenization / localisation plans are given top priorities.
- ii. 100% indigenization achieved in raw materials and consumables buying.
- iii. Suppliers / Vendor meets and surveys are conducted, to receive feedback and to improve their processes and output.
- iv. Vendors contributing for the indigenization are awarded and encouraged.
- v. Top priority of buying is given to the domestic sources for raw materials and consumables.
- vi. Extend technical and financial support to the local small vendors and sub-contractors.
- vii. A strong sub-contractors base has been created at various locations to support the manufacturing plants.
- viii. Total Quality Management (TQM) training was extended to sub-contractors to support them to manufacture and supply good high quality products to us.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Sundram Fasteners Limited

Yes. The Company has a mechanism to recycle products and waste. The recycling / re-usage of tools and consumables, maximizing the life of oils, lubes are part of manufacturing process on a routine basis. Since, most of the products manufactured by the Company are made out of steel, re-usage / recycling is done by melting and the scrap generated from products / processes are provided as inputs to the steel melting plants.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees

3,172

2. Please indicate the Total number of employees hired on temporary / contractual / casual basis.

6,406

3. Please indicate the Number of permanent women employees.

98

4. Please indicate the Number of permanent employees with disabilities

4

5. Do you have an employee association that is recognized by management.

Yes

6. What percentage of your permanent employees is members of this recognized employee association?

1,081 (34%)

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	-	-
2	Sexual harassment	1*	-
3	Discriminatory employment	-	-

*Calendar year 2017

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

S. No.	Category	% of safety & skill up-gradation training in the last year
1	Permanent Employees	100%
2	Permanent Women Employees	
3	Casual / Temporary / Contractual Employees	
4	Employees with Disabilities	

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes. The Company has mapped its internal and external stakeholders. It uses both formal and informal mechanisms to engage with various stakeholders to understand their concerns and expectations. Individual departments within the organisation have roles and responsibilities identified and defined to engage with various stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Please refer Page Nos. 30 to 32 (Annual Report on CSR Activities).

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company's Code of Conduct for Affirmative Action forming part of 'Code of Business Conduct and Ethics' and 'SFL's Policy on Sexual Harassment of Women at Workplace' cover the aspects of ensuring human rights.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

One (100%)

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?

The company encourages employees as well as other stakeholders to actively participate in protecting / restoring environment. The company over the years has inculcated sustainable business practices through well-defined processes. Best practices are shared to all stakeholders as a part of horizontal deployment. The policy covers only the Company.

2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes. The company has a well evolved structure for environmental conservation. All the units /plants have a vast area under green belt with natural flora and fauna. The company has been focusing on reducing its emissions from its operations which impact the environment. Water conservation is a key theme addressed by the top management with focus on reduction / recycling.

- 3 Does the company identify and assess potential environmental risks? Y / N

Yes. All the units of the company identify and assess potential environmental risks as a part of the ISO 14000 Environmental Management Systems (EMS) standard. Periodical review is done by top management on the steps taken to mitigate the potential risks identified.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The company has been in the fore-front of utilising renewable energy for its units situated in Tamil Nadu, generating green power and feeding to its units through grid. In addition, wind energy is sourced through Group Captive arrangements.

Over the years, the share of wind energy has increased and in the year 2017-18, the share of renewable wind energy amounting to 44% of total consumption of all its units in India.

Apart from wind energy the company is also sourcing power from bio mass plant to the tune of 3.3%, thus the total renewable energy consumption amounts to 47.3% of total energy consumed. This has resulted in a reduction equivalent to 91,936 MT of CO₂ during 2017-18. The company has also started installing roof top solar power plants in its facilities. The first roof top power plant has been installed by the Company in its SEZ Unit with a capacity of 650 Kw_p, capable of producing 9.6 lakhs units of green power, Year-on-Year. Further addition to roof top capacity is planned in the year 2018-19.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink for web page etc.

The company has a continuous focus on conservation of energy. Targets in terms of sourcing mix and cost are set every year and action plans are drawn. Constant review is done by the top management and the audit committee on a quarterly basis. Energy conservation measures include energy savings, use of alternate sources of energy i.e. wind power, bio gas.

Apart from maximising renewable energy usage, energy conservation projects like:

1. Use of Energy Efficient LED lightings in all factory bays
2. Optimising / eliminating / resizing cooling tower pumps
3. Installation of Variable Frequency Drives for various applications
4. Optimising loading of air compressors and thus reducing their running time
5. Installation of High Volume Low speed fans (HVLS) in the shop floor to replace man coolers. Various units of the company have installed Bio Gas plant which produce Methane gas and this gas is used in kitchen. Canteen food and vegetable wastes are not dumped on land but are used to produce gas which replaces fossil fuels like LPG.
6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?

All the units of the company are in compliance with the prescribed norms of Central Pollution Control Board (CPCB) / State Pollution Control Board (SPCB) for Effluent discharge, Air Emissions, hazardous solid and liquid disposals.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes.

- a. Automotive Component Manufacturers Association of India
- b. Madras Chamber of Commerce & Industry
- c. The Confederation of Indian Industry

-
2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security).

Yes. Representations have been made to Chambers of Commerce and industry associations on various matters for the improvement of regulatory policies.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Please refer Page Nos. 30 to 32 (Annual Report on CSR Activities).

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

CSR initiatives are undertaken both by the Company with its own resources as well as working in partnership with specialist organisations, NGOs. Please refer Page Nos. 30 to 32 (Annual Report on CSR Activities).

3. Have you done any impact assessment of your initiative?

Yes, we do review the projects through field visits. Our factories also undergo Greenco certification assessment that assess and analyse the environmental impact of the company's activities or operations.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

Please refer Page Nos. 30 to 32 (Annual Report on CSR Activities).

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Please refer Page Nos. 30 to 32 (Annual Report on CSR Activities).

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.

Nil

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)

Yes. As specified under Legal Metrology Act, 2009, Rules made thereunder and other applicable laws.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No

4. Did your company carry out any consumer survey / consumer satisfaction trends?

No.

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Sundram Fasteners Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated November 27, 2017
2. We have examined the compliance of conditions of corporate governance by Sundram Fasteners Limited ("the Company"), for the year ended March 31, 2018, as per regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing regulations")

Management's responsibility

3. The Company's management is responsible for compliance of conditions of corporate governance requirements as stipulated under the Listing regulations.
4. The responsibility includes the design, implementation, maintenance of corporate governance process relevant to the compliance of the conditions. Responsibility also includes collecting, collating and validating data and designing, implementing and monitoring corporate governance process suitable for ensuring compliance with the above mentioned Listing regulations.

Auditor's responsibility

5. Pursuant to the requirements of the above mentioned Listing regulations our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
6. We conducted our examination of the corporate governance compliance by the Company as per Guidance Note on Reports or Certificates for Special purposes, Guidance Note on Certification of Corporate Governance, both issued by Institute of Chartered Accountants of India ('ICAI') and the Standard on Auditing specified under the Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. 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 per the Regulations 17 to 27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of Listing Regulations, as applicable.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restrictions on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

S Sethuraman
Partner
Membership No. 203491

Place: Chennai
Date: May 9, 2018

ANNUAL REPORT DISCLOSURES AS SPECIFIED UNDER REGULATION 34 AND SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

A. Related Party Disclosures

The necessary disclosures as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations, 2015) are provided in the financial statements in Note No. 36.

B. Management Discussion and Analysis

Management Discussion and Analysis is provided in the Annual Report in Page Nos. 37 to 40.

Necessary disclosures relating to disclosure of accounting treatment as prescribed in the Accounting Standards (Ind AS) are provided in the financial statements.

C. Corporate Governance Report

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 focused on corporate governance as a means to maximize long-term stakeholders' value through disciplined and sustained growth and value creation.

The Company 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, society and other stakeholders.

2. Board of Directors

Composition of the Board

The Board has Ten Directors, with optimum combination of Executive and Non-Executive Directors. The Managing Director and Joint Managing Director hold Executive positions. There are Eight Non-Executive Directors, of whom Five are independent. The Non-Executive Directors, use independent judgement in the Board deliberations and decisions.

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

The Company has no pecuniary relationship / transaction with any of the Non-Executive Directors other than those disclosed elsewhere in this Annual Report.

Directors' attendance record and directorships, committee meetings held during the year under review

Name and Category of the Director	DIN	Attendance		No. of Directorships held in Companies (including SFL)*	Committee Memberships (including SFL)*	
		Board	AGM		Chairman / Chairperson	Member
Sri Suresh Krishna Chairman	00046919	6	Yes	4	-	1
Ms Arathi Krishna Managing Director	00517456	6	Yes	1	-	1
Ms Arundathi Krishna Joint Managing Director	00270935	6	Yes	2	-	1
Sri K Ramesh Non-Executive Non-Independent Director	00556922	3	No	6	-	-
Ms Preethi Krishna* Non-Executive Non-Independent Director	02037253	4	Yes	1	-	-
Sri V Narayanan Independent Non-Executive Director	00081673	6	No	2	3	1
Sri R Srinivasan Independent Non-Executive Director	00043658	6	Yes	7	4	3
Sri R Ramakrishnan Independent Non-Executive Director [§]	00236673	2	Yes	2	-	-
Late Sri C V Karthik Narayanan [^] Independent Non-Executive Director	00255676	1	No	1	-	-
Sri M Raghupathy IAS (Retd.) [§] Independent Non-Executive Director	00012997	2	Yes	2	-	1
Sri B Muthuraman Independent Non-Executive Director	00004757	5	Yes	3	1	1
Sri Heramb R Hajarnavis** Independent Non-Executive Director	01680435	4	NA	1	-	1
Sri S Mahalingam*** Independent Non-Executive Director	00121727	1	NA	7	-	4

[^] Ceased to be a director effective December 13, 2017 consequent to his demise. [§] Retired from the Board, effective, September 22, 2017.

* Appointed as a Non-Executive Non-Independent Director effective, July 5, 2017. ** Appointed as a Non-Executive Independent Director effective, September 20, 2017.

*** Appointed as Non-Executive Independent Director effective January 30, 2018.

[§] Excludes private, foreign companies and companies registered under Section 8 of the Companies Act, 2013.

* Includes only the membership of Audit and Stakeholders' Relationship Committees.

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 Regulation 26 of the SEBI Listing Regulations, 2015, across all companies in which they are directors. None of the Independent Directors are whole-time directors of any listed entity.

Number of Board Meetings

There were six Board Meetings during the year ended March 31, 2018, which were held on May 24, 2017, July 31, 2017, November 2, 2017, November 22, 2017, January 30, 2018 and March 22, 2018. The maximum interval between any two meetings was not more than 120 days.

Disclosure on relationships between directors inter se

Sri Suresh Krishna, Chairman is the father of Ms Arathi Krishna, Managing Director, Ms Arundathi Krishna, Joint Managing Director and Ms Preethi Krishna, Director. He is also the brother of Sri K Ramesh, Director.

Number of shares held by Non-Executive Directors in the Company as at March 31, 2018

Name of the Director	Number of Equity Shares	% holding
Sri K Ramesh	4,000	0.0019
Ms Preethi Krishna	-	-
Sri V Narayanan	1,200	0.0005
Sri R Srinivasan	9,200	0.0044
Sri B Muthuraman	-	-
Sri Heramb R. Hajarnavis	-	-
Sri S Mahalingam	-	-

The Company has not issued any convertible instruments

Familiarisation programme

Details about the familiarisation programme for the financial year 2017-2018 can be accessed under the web link: <http://sundram.com/pdf/SFLFamiliarisationprogramme201718.pdf>

3. Audit Committee

Brief description of terms of reference

The Terms of Reference / Role of Audit Committee cover the matters specified for Audit Committees under Regulation 18 and Part C of Schedule II of the SEBI Listing Regulations, 2015 as well as in Section 177 of the Companies Act, 2013 which includes, among other things, the following:-

- Oversight of the listed entity's financial reporting process.
- Recommendation for appointment, remuneration and terms of appointment of auditors.
- Reviewing, with the management, the annual financial statements and auditor's report.
- Scrutiny of inter-corporate loans and investments.
- Internal financial controls and risk management systems.

- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems and reviewing the adequacy of internal audit function.
- Management discussion and analysis of financial condition and results of operations.
- Reviewing the statement of significant related party transactions.

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 reviews deviations, if any.

Meetings, Composition of Audit Committee of the Board and the attendance record of Committee Members

The Audit Committee met four times during the year on May 24, 2017, July 31, 2017, November 2, 2017, January 29, 2018 (adjourned) and January 30, 2018.

Name of the Committee Member	Category	No. of meetings attended
Sri R Srinivasan	Chairperson of the Committee	4
Sri V Narayanan	Independent Director	4
Sri Heramb R Hajarnavis	Independent Director	2
Sri R Ramakrishnan (retired from the Board)	Independent Director	2

Consequent to the retirement of Sri R Ramakrishnan, Sri Heramb R. Hajarnavis, Non-Executive Independent Director was nominated as a member of the Committee effective, September 20, 2017.

Sri R Dilip Kumar, Vice President - Finance & Company Secretary, acts as Secretary of the Committee. Sri S Meenakshisundaram, Chief Financial Officer, Sri V V S Ramakrishnan, General Manager - Internal Audit and the Statutory Auditors are invited to attend and participate at meetings of the Committee. The Chairperson of the Audit Committee was present at the 54th Annual General Meeting (AGM) held on August 24, 2017.

4. Nomination and Remuneration Committee (NRC)

Brief description of terms of reference

The NRC at its meeting held on February 4, 2015 had approved the Remuneration policy. The NRC also approved the Policy on Board diversity appropriate to the business requirements of the Company. The scope of the Remuneration policy and terms of the reference of NRC is as per Section 178 of the Companies Act, 2013 and Part D of Schedule II of the SEBI Listing Regulations, 2015, which includes the following matters:-

- The criteria which a person should possess to be considered eligible for appointment as an Independent Director or senior managerial personnel.

- Evaluation criteria for performance evaluation of independent directors.
- The criteria for determining qualifications, positive attributes and independence of a director.
- Remuneration for the Directors.
- Remuneration for the Key Managerial Personnel (i.e. Managing Director, Whole-time Director, Manager, CEO, CFO and Company Secretary); and
- Remuneration of senior management personnel and other employees.

Meetings, Composition of Nomination and Remuneration Committee of the Board and the attendance record of Committee Members

The Committee met three times during the financial year on May 24, 2017, January 30, 2018 and March 22, 2018. Except Late Sri C V Karthik Narayanan, the remaining members attended the meeting.

The attendance of each Member of the Committee is given below:

Name of the Committee Member	Category	No. of meetings attended
Sri V Narayanan	Chairperson of the Committee	3
Sri R Srinivasan	Independent Director	3
Sri Heramb R Hajarnavis	Independent Director	2
Sri Suresh Krishna	Chairman	3

Sri Heramb R Hajarnavis was nominated as member of the committee effective January 29, 2018 to fill the vacancy created by demise of Sri C V Karthik Narayanan.

Sri R Dilip Kumar, Vice President - Finance & Company Secretary, acts as Secretary of the Committee.

The Chairperson of the Committee was not present during the 54th AGM held on August 24, 2017 due to his prior commitments.

Performance Evaluation

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

- Composition of the Board and committees.
- Frequency of meetings and administration of meeting.
- Attendance to the Board and Committee meetings, and active participation thereof.
- Flow of information to the board.
- Experience and competencies, performance of specific duties and obligations, disclosure of information to stakeholders.
- How their performance is reflected in the overall engagement of the Board and its Committees with the Company.

5. Remuneration to Directors for the year ended March 31, 2018

₹ in Lakhs

Name of the Director	Sitting Fee	Salaries and Allowances	Perquisites	Company's Contribution to Provident Fund and Superannuation Fund	Commission and Performance Linked Incentive	Total
Sri Suresh Krishna	N.A.	96.00	56.51	7.20	1,053.73	1,213.44
Ms Arathi Krishna	N.A.	94.80	42.22	12.96	1,199.91	1,349.89
Ms Arundathi Krishna	N.A.	95.16	67.52	11.34	1,096.36	1,270.38
Sri K Ramesh	1.50	N.A.	N.A.	N.A.	N.A.	1.50
Ms Preethi Krishna	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Sri V Narayanan	4.80	N.A.	N.A.	N.A.	N.A.	4.80
Sri R Srinivasan	4.80	N.A.	N.A.	N.A.	N.A.	4.80
Sri R Ramakrishnan	2.00	N.A.	N.A.	N.A.	N.A.	2.00
Late Sri C V Karthik Narayanan	0.50	N.A.	N.A.	N.A.	N.A.	0.50
Sri M Raghupathy	1.00	N.A.	N.A.	N.A.	N.A.	1.00
Sri B Muthuraman	2.90	N.A.	N.A.	N.A.	N.A.	2.90
Sri Heramb R Hajarnavis	3.00	N.A.	N.A.	N.A.	N.A.	3.00
Sri S Mahalingam	0.70	N.A.	N.A.	N.A.	N.A.	0.70

The sitting fees paid to non-executive directors and independent directors are within the limit prescribed under the Companies Act, 2013. Sitting fee indicated above also includes payment for Board-level committee meetings and independent directors meetings. The Company does not have any stock option scheme. Other than above mentioned fees, no other remuneration is paid to non-executive directors. The criteria of making payments to non-executive Directors can be accessed under the web link: <http://sundram.com/investor.php>.

6. Stakeholders' Relationship Committee

The Committee met four times during the year on May 24, 2017, July 31, 2017, November 2, 2017 and March 30, 2018.

Composition of Stakeholders' Relationship Committee of the Board and the attendance record of Committee Members

Name of the Committee Member	Category	No. of meetings attended
Sri V Narayanan	Chairperson of the Committee	1
Sri Suresh Krishna	Chairman	4
Ms Arathi Krishna	Managing Director	4
Sri R Ramakrishnan	Independent Director	2
Sri C V Karthik Narayanan	Independent Director	-

Sri R Ramakrishnan, Non-Executive Independent Director was the Chairperson of the Committee. He retired from the Board effective, September 22, 2017.

Sri C V Karthik Narayanan, Non-Executive Independent Director was nominated as the Chairperson of the Committee in place of Sri R Ramakrishnan, effective, September 20, 2017.

In view of the demise of Sri C V Karthik Narayanan on December 13, 2017, Sri V Narayanan, Non-Executive Independent Director, was nominated as Chairperson of the committee effective March 22, 2018 to fill the vacancy created by the demise of Sri C V Karthik Narayanan.

Sri R Dilip Kumar, Vice President-Finance & Company Secretary is the Compliance Officer.

The Committee deals inter alia with redressal of investors/shareholders complaints relating to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

During the year, one complaint was received from shareholder / investor and other agencies, which have been resolved to the satisfaction of the shareholder. There are no pending complaints as at March 31, 2018.

7. General Meetings

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

Year	Location	Date	Time
2017	The Music Academy	24-08-2017	10.00 am
2016	T T Krishnamachari Auditorium (Main Hall)	19-08-2016	10.00 am
2015	New No.168, T T K Road, Royapettah Chennai – 600 014	21-08-2015	10.00 am

During the above mentioned 3 years, no special resolution was passed in the AGM.

The details of Special Resolution which is passed through postal ballot during the year under review and voting pattern thereon is as follows:-

Postal Ballot No.	Particulars of Special Resolution	Date of Passing of the Resolution	Voting Pattern	
			Votes cast in favour	Votes cast against
5	Issue of non-convertible debentures upto ₹ 500 Crores on private placement basis	January 2, 2018	13,15,61,489 98.94%	14,11,778 1.06%

Sri K Sriram, Practicing Company Secretary (CP No.2215), Partner, M/s S Krishnamurthy & Co., Company Secretaries, who was appointed as the Scrutiniser, conducted the postal ballot process in a fair and transparent manner.

As on date of this report, there is no proposal to pass any special resolution through Postal Ballot.

Procedure for Postal Ballot

The Postal Ballot has been carried out as per the procedure stipulated under the Companies (Management and Administration) Rules, 2014. During the process of Postal Ballot, shareholders are provided the remote e-voting facility pursuant to Regulation 44 of the SEBI Listing Regulations, 2015 and the said rules.

8. Means of Communication

- The quarterly, half yearly and annual results are published in widely circulating national and local dailies such as Business Line, Business Standard, The Hindu, The Financial Express, The Economic Times, Trinity Mirror, News Today (English) and Makkal Kural and Maalai Sudar (Tamil) newspapers. These are not sent individually to the shareholders.
- The financial results are displayed on the website of the Company - www.sundram.com and also in the websites of BSE Limited and National Stock Exchange of India Limited. The Company's website also displays official press releases and other disclosures made to the Stock Exchanges.
- The Company had a meeting with institutional investors/analysts on October 12, 2017. No presentation was made to the institutional investors / analysts.

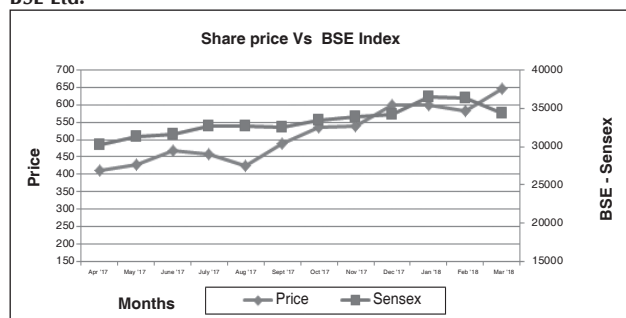
9. General Shareholder Information

a	Annual General Meeting Date, Time and Venue	Friday, August 24, 2018, 10.00 a.m. The Music Academy - T T Krishnamachari Auditorium (Main Hall), 168, TTK Road, Royapettah, Chennai 600 014
b	Financial calendar	April 2018 to March 2019 <ul style="list-style-type: none"> • First Quarter Results – on or before August 15, 2018 • Second Quarter/Half-yearly Results – on or before November 15, 2018 • Third Quarter Results – on or before February 15, 2019 • Annual Results for the year ending March 31, 2019 - on or before May 30, 2019
c	Dividend Payment date for dividends declared during FY 2017-2018	1 st Interim Dividend - Paid on November 21, 2017 2 nd Interim Dividend – Payable on May 29, 2018
d	Name and address of Stock Exchange(s) at which company's shares are listed	The Equity Shares of the Company are listed on the following Stock Exchanges: BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 National Stock Exchange of India Limited (NSE) Exchange Plaza, 5 th Floor, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 The Company has paid the annual listing fees due to the Stock Exchanges for the financial year 2018-19.
e	Stock Code	Code: 500 403 – BSE Ltd (BSE) SUNDRMFAST – National Stock Exchange of India Ltd
f	Market Price Data – High, Low during each month in last financial year	

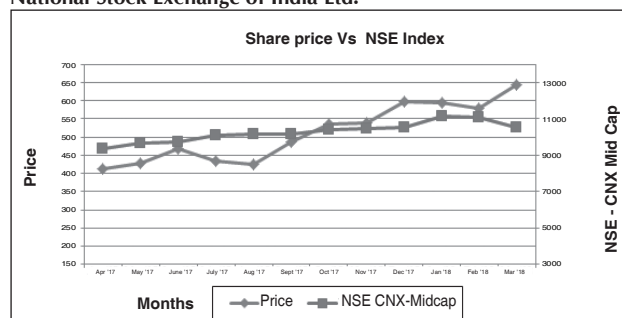
Month	BSE Limited				National Stock Exchange of India Ltd.			
	Price - ₹		Index - Sensex		Price - ₹		Index - Nifty	
	High	Low	High	Low	High	Low	High	Low
Apr, 2017	410.90	380.00	30184.22	29241.48	411.50	379.45	9367.15	9322.65
May, 2017	426.75	366.00	31255.28	29804.12	426.90	366.41	9649.60	9609.25
June, 2017	468.00	382.85	31522.87	30680.66	469.00	383.20	9709.30	9643.75
July, 2017	457.00	400.00	32672.66	31017.11	435.00	400.35	10114.85	10016.95
Aug, 2017	423.50	363.35	32686.48	31128.02	424.60	364.05	10137.85	10065.75
Sept, 2017	487.00	403.00	32524.11	31081.83	487.65	401.00	10178.95	10134.20
Oct, 2017	535.00	432.80	33340.17	31440.48	535.00	432.00	10384.50	10344.30
Nov, 2017	538.50	470.00	33865.95	32683.59	539.00	469.70	10490.45	10413.75
Dec, 2017	600.00	480.05	34137.97	32565.16	598.00	484.00	10552.40	10488.65
Jan, 2018	597.00	520.00	36443.98	33703.37	594.00	522.00	11171.55	11075.95
Feb, 2018	580.25	479.05	36256.83	33482.81	580.00	480.00	11117.35	10878.80
Mar, 2018	644.50	555.05	34278.63	32483.84	642.90	546.05	10525.50	10447.15

g Share Performance in comparison to broad-based indices

BSE Ltd.



National Stock Exchange of India Ltd.



Sundram Fasteners Limited

h	Disclosure on suspension of trading	Not applicable
i	Registrars and Transfer Agents (acting as common agency) for all investor servicing activities relating to both electronic and physical segments	<p>Integrated Registry Management Services Private Limited (Formerly known as Integrated Enterprises (India) Limited), Kences Towers, 2nd Floor, No. 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai 600 017</p> <p>Telephone: +91 44 28140801 - 803 Fax: +91 44 28142479, 28143378 E-Mail: srirams@integratedindia.in</p> <p><i>Investor Contacts:</i> Sri Suresh Babu, Director Sri S Sriram, Deputy General Manager</p>
j	Share Transfer System	<p>All the transfers in physical form are processed by the Company's Registrar and Share Transfer Agent, Integrated Registry Management Services Private Limited. Share transfer / Remat requests are processed within the timelines stipulated by SEBI. Demat requests are processed within the period stipulated under the SEBI Regulations.</p> <p>The Company's Registrar and Share Transfer Agent, Integrated Registry Management Services Private Limited 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, consolidation of shares, split of shares, change of name, issue of new share certificates in lieu of old / mutilated certificates, dematerialisation 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 and the Board takes on record the approved transactions.</p>

k	Distribution of shareholding				
		Shareholders		No. of Shares	
	Number of Shares	Number	%	Number	%
	Up to 100	26,770	48.96	10,36,256	0.49
	101 - 250	7,474	13.67	13,71,056	0.65
	251 - 500	6,642	12.15	25,55,151	1.22
	501 - 1000	4,597	8.41	36,11,858	1.72
	1001 - 5000	7,674	14.04	1,79,99,984	8.57
	5001 - 10000	885	1.62	63,02,413	3.00
	10,001 and above	631	1.15	17,72,51,652	84.35
	Total	54,673	100.00	21,01,28,370	100.00
	Physical Mode	3,102	5.67	37,68,341	1.79
	Demat Mode	51,571	94.33	20,63,60,029	98.21
	Total	54,673	100.00	21,01,28,370	100.00

Categories of Shareholding as on March 31, 2018		
Category	Shares	%
Promoter Companies	10,40,85,280	49.53
Mutual Funds	2,04,18,837	9.72
Insurance Companies, Financial Institutions & Banks	1,16,95,085	5.64
Foreign Institutional Investors (FIIs)	4,48,188	0.21
Public/Private Limited Companies	32,59,582	1.51
Resident Individuals, Non-resident Indians, Foreign Nationals & Others	7,02,21,398	33.39
Total	21,01,28,370	100.00

i.	Dematerialisation of Shares and liquidity	<p>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 dematerialised form.</p> <p>98.21 % of total equity capital (including holding of promoter companies) is held in dematerialised form with NSDL and CDSL as on March 31, 2018.</p> <p>The volume of shares traded during FY 2017-2018:-</p> <table border="1" data-bbox="619 399 1428 544"> <thead> <tr> <th>Stock Exchange</th> <th>During FY 2017-2018</th> <th>Monthly Average Volume</th> </tr> </thead> <tbody> <tr> <td>BSE</td> <td>80,54,967</td> <td>6,71,247.25</td> </tr> <tr> <td>NSE</td> <td>4,83,96,723</td> <td>40,33,060.25</td> </tr> </tbody> </table> <p>Thus, shares of the Company are actively traded in the BSE and NSE, and hence have good liquidity.</p>	Stock Exchange	During FY 2017-2018	Monthly Average Volume	BSE	80,54,967	6,71,247.25	NSE	4,83,96,723	40,33,060.25
Stock Exchange	During FY 2017-2018	Monthly Average Volume									
BSE	80,54,967	6,71,247.25									
NSE	4,83,96,723	40,33,060.25									
m	Outstanding GDRs/ADRs/Warrants or any convertible instruments	Not issued.									
n	Commodity Price Risk or foreign exchange risk and hedging activities	<p>The foreign exchange risks are hedged from time to time. The Company closely monitors the exchange risks.</p> <p>The Company has entered into long term supply contracts with the select suppliers to mitigate the risks of price fluctuations.</p>									
o	Plant Location	<p><u>Tamil Nadu</u></p> <ol style="list-style-type: none"> 1) Padi, Chennai 600 050, Chengalpattu 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, Chengalpattu, Kancheepuram District 603 002 <p><u>Puducherry (Pondicherry)</u></p> <ol style="list-style-type: none"> 8) Korkadu, Nettapakkam Commune, Bahur Taluk Puducherry 605 110 <p><u>Andhra Pradesh</u></p> <ol style="list-style-type: none"> 9) Bonthapally Village 502 313, Medak District <p><u>Uttarakhand</u></p> <ol style="list-style-type: none"> 10) Pantnagar, Integrated Industrial Estate Rudrapur, Dist. Udam Singh Nagar Uttarakhand 263 153 									
p	Address for Correspondence	<p>Sri R Dilip Kumar Vice President - Finance & Company Secretary Sundram Fasteners Limited 98A, 7th Floor, Dr Radhakrishnan Salai Mylapore, Chennai 600 004 Telephone: +91-44-28478500 Extn. 212 / 213 Fax: +91-44-28478510</p> <p>Exclusive E-mail id for redressal of investor complaints E-mail: investorshelpdesk@sfl.co.in</p> <p>Website - www.sundram.com</p> <p>Shareholders holding shares in electronic form should address all their correspondence relating to change in address/ instructions regarding dividend etc. to their respective Depository Participant (DP).</p>									

10. OTHER DISCLOSURES

Materially significant related party transactions during the year ended March 31 2018:

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>

Details of non-compliances during last three years

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 SEBI Listing Regulations, 2015. The Company has complied with all mandatory requirements. Adoption of non-mandatory requirements is provided under Item No.11 of this report.

Whistle Blower Policy (Vigil Mechanism)

Pursuant to Sections 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulations, 2015, the Company has a Vigil Mechanism through a Whistle Blower Policy. The policy enables 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. No personnel has approached the Audit Committee till date.

Details about the Whistle Blower Policy can be accessed at: <http://www.sundram.com/investors.php>

Disclosure on Commodity price risks and commodity hedging activities

The Company has entered into long term supply contracts with the select suppliers to mitigate the risks of price fluctuations.

11. DISCLOSURE ON NON-MANDATORY REQUIREMENTS

The Board

The Chairman of the Company was also an Executive Director (Chairman and Managing Director) as on March 31, 2018. Hence, disclosure under this head does not arise.

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, Business Standard, The Hindu, The Financial Express, The Economic Times, Trinity Mirror, News Today (English) and Makkal Kural and Maalai Sudar (Tamil) newspapers.

Audit Qualification

There is no audit qualification with regard to financial statements in the Auditors' Report or qualification or adverse remark by the Company Secretary in Practice in their Secretarial Audit Report for financial year 2017-2018.

Separate Posts of Chairman and CEO

The posts of Chairman and Managing Director were held by the same person as on March 31, 2018 as permitted by the Articles of Association.

Reporting of Internal Auditors

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

12. COMPLIANCE OF CORPORATE GOVERNANCE CONDITIONS

The Company has complied with the requirements of corporate governance report as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Schedule V of the SEBI Listing Regulations, 2015. The Company has submitted the quarterly compliance reports on corporate governance to the stock exchanges within fifteen days from the end of the quarter for all the quarter during the financial year 2017-2018.

CODE OF CONDUCT

The Board of Directors has laid down a code of conduct for all Board members and senior management of the Company. The code of conduct is available on the website of the Company <http://www.sundram.com>. All Board members and senior management personnel have affirmed compliance with the code of conduct. The Code of Conduct has incorporated the duties of independent directors as laid down under the Companies Act, 2013. A declaration signed by the Managing Director to this effect is as follows :

May 9, 2018

To

The members of Sundram Fasteners Limited

DECLARATION TO THE MEMBERS PURSUANT TO SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I, Arathi Krishna, 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 March 31, 2018.

Arathi Krishna
Managing Director

DISCLOSURES IN RESPECT OF DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

Particulars	Number of Shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year.	1,796	17,48,274
Number of Shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year	667	5,79,459
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	667	5,79,459
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	1,129	11,68,815

Independent Auditor's Report

To the Members of Sundram Fasteners Limited

Report on the Audit of Standalone Indian Accounting Standards ('Ind AS') financial statements

We have audited the accompanying Standalone Ind AS financial statements of **Sundram Fasteners Limited** ("the Company"), which comprise the standalone balance sheet as at March 31, 2018, the standalone statement of profit and loss, the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS financial statements").

Management's responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs, profit or loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act.

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 Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our responsibility is to express an opinion on these Standalone Ind AS 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 of the Standalone Ind AS financial statements 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 Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS 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 the Company's directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid

Standalone Ind AS 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 state of affairs of the Company as at March 31, 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Other Matters

The Standalone Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another auditor who expressed an unmodified opinion on those statements on May 24, 2017. Our opinion is not modified in respect to this matter.

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 in terms of Section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 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 purpose 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 standalone balance sheet, the standalone statement of profit and loss, the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - (e) on the basis of written representations received from the directors as on March 31, 2018, taken on record by the board of directors, none of the directors are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (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 Standalone Ind AS financial statements – refer note 35(a) to the Standalone Ind AS financial statements;
 - (ii) the Company did not have any long term contracts including derivative contracts 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; and
 - (iv) the disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made since they do not pertain to the financial year ended March 31, 2018. However amounts as appearing in the audited Standalone Ind AS financial statements for the period ended March 31, 2017 have been disclosed - refer note 13 of standalone Ind AS financial statements.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

S Sethuraman
Partner
Membership No.: 203491

Place : Chennai
Date : May 9, 2018

Annexure A to the Independent Auditor's Report

To the Members of Sundram Fasteners Limited on the Standalone Ind AS financial statements for the year ended March 31, 2018

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory, except goods in transit and certain stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material. For stock lying with third parties at the year end, written confirmations have been obtained by the management.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act with respect to loans, investments, guarantees and security, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by Reserve Bank India and the provisions of sections 73 to 76 are any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under subsection (1) of Section 148 of the Act in respect of products manufactured and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of cess.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the dues set out Appendix I in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, have not been deposited by the Company on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks or financial institutions. The Company has not taken any loans or borrowings from government and have not issued any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. According to information and explanations given to us, money raised through term loans during the year has been utilised for the purpose for which there were raised.
- (x) According to the information and explanations given to us, no fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration for the year ended March 31, 2018 has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act and rules framed thereunder.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the Standalone Ind AS financial statements as required under applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

S Sethuraman
Partner
Membership No.: 203491

Place : Chennai
Date : May 9, 2018

**Appendix I as referred to under para (vii)(b) of Annexure A to the Independent Auditor's Report
To the Members of Sundram Fasteners Limited on the Standalone Ind AS financial statements for the year ended
March 31, 2018**

Name of the Statute	Nature of the Dues	Amount* (₹ in crores)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise duty	7.38	FY 2004-15	Customs, Excise and Service tax Appellate Tribunal
		1.12	FY 2005-16	Joint/Deputy/Assistant Commissioner
		0.35	FY 2005-16	Commissioner - Appeals
Finance Act, 1994	Service tax	1.74	FY 2004-16	Commissioner – Appeals
		1.06	FY 2009-16	Joint/Deputy/Assistant Commissioner
		1.16	FY 2004-15	Customs, Excise and Service tax Appellate Tribunal
Income Tax Act, 1961	Income-tax dues	1.11	AY 2006-07	The Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Income-tax dues	1.37	AY 2012-13	The Income tax Appellate Tribunal
Income Tax Act, 1961	Income-tax dues	0.13	AY 2012-13	The Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Income-tax dues	1.27	AY 2013-14	The Income tax Appellate Tribunal
Income Tax Act, 1961	Income-tax dues	19.98	AY 2014-15	The Commissioner of Income-tax (Appeals)
Tamil Nadu Value Added Tax Act, 2006, Telangana Value Added Tax Act, 2005, Central Sales Tax Act, 1956	Sales tax	3.06	FY 2006-13	Joint/Deputy/Assistant Commissioner
		0.34	FY 2014-17	High Court of Madras
Customs Act, 1962	Customs duty	0.69	FY 2014-15	Customs, Excise and Service tax Appellate Tribunal
		0.65	FY 2014-15	High Court of Madras

* net of amount paid under protest

Annexure B to the Independent Auditor's Report

To the Members of Sundram Fasteners Limited on the Standalone Ind AS financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls with reference to financial statements under clause (j) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Sundram Fasteners Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS 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 internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively as at March 31, 2018 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the standards on auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgment, 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 with reference to financial statements.

Meaning of Internal financial controls with reference to financial statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022

S Sethuraman

Partner

Membership No.: 203491

Place : Chennai

Date : May 9, 2018

Sundram Fasteners Limited

STANDALONE BALANCE SHEET AS AT MARCH 31, 2018

(All amounts are in crores of Indian Rupees, except share data and as stated)

	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,034.11	916.55
Capital work-in-progress	4	31.54	50.43
Investment property	5	0.46	0.48
Financial assets			
- Investments	6	359.23	320.58
- Loans	7	1.92	2.46
- Others	8	20.03	25.66
Other tax assets, net	9	26.71	20.95
Other non-current assets	10	96.99	78.99
		1,570.99	1,416.10
Current assets			
Inventories	11	446.72	392.78
Financial assets			
- Trade receivables	12	677.97	564.26
- Cash and cash equivalents	13	7.78	6.14
- Bank balance other than those mentioned in cash and cash equivalents	13	3.10	2.35
- Loans	7	6.78	6.73
- Others	8	5.49	6.55
Other current assets	10	61.51	51.83
		1,209.35	1,030.64
Total assets		2,780.34	2,446.74
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	21.01	21.01
Other equity		1,567.99	1,292.05
Total equity		1,589.00	1,313.06
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	15	97.77	99.07
Provisions	16	7.14	6.50
Deferred tax liabilities, net	17	120.62	68.40
Other tax liabilities, net	18	6.39	2.26
		231.92	176.23
Current liabilities			
Financial liabilities			
- Borrowings	15	367.13	455.29
- Trade payables	19	353.88	299.27
- Other financial liabilities	20	202.39	162.70
Other current liabilities	21	9.68	19.89
Provisions	16	18.47	13.45
Other tax liabilities, net	18	7.87	6.85
		959.42	957.45
Total liabilities		1,191.34	1,133.68
Total equity and liabilities		2,780.34	2,446.74
Significant accounting policies	3		

The notes from 1 to 40 are an integral part of these standalone financial statements

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants
ICAI Firm registration No.: 101248W/W-100022

S SETHURAMAN

Partner
Membership No.: 203491

Place : Chennai
Date : May 9, 2018

For and on behalf of the Board of Directors of
SUNDRAM FASTENERS LIMITED
CIN: L35999TN1962PLC004943

SURESH KRISHNA
Chairman
(DIN: 00046919)

ARUNDATHI KRISHNA
Joint Managing Director
(DIN: 00270935)

ARATHI KRISHNA
Managing Director
(DIN: 00517456)

S MEENAKSHISUNDARAM
Chief Financial Officer
ACA Membership No.: 021555

R DILIP KUMAR
Vice President - Finance & Company Secretary
ACS Membership No.: A19802

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in crores of Indian Rupees, except share data and as stated)

	Note	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Revenue from operations	22	3,449.04	3,171.54
Other income	23	29.62	12.92
Total income		3,478.66	3,184.46
Expenses			
Cost of materials consumed	24	1,382.68	1,164.81
Changes in inventories of finished goods and work-in-progress	25	(15.95)	(20.67)
Excise duty		52.93	224.27
Employee benefits expense	26	328.27	296.40
Finance costs	27	32.56	36.32
Depreciation expense	28	98.07	89.77
Other expenses	29	1,080.37	966.59
Total expenses		2,958.93	2,757.49
Profit before exceptional items and tax		519.73	426.97
Exceptional items	33	-	(2.37)
Profit before tax		519.73	424.60
Tax expense	17		
a) Current tax		134.32	101.36
b) Deferred tax		17.94	7.76
Total tax expense		152.26	109.12
Profit for the year		367.47	315.48
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Re-measurement gain/ (loss) on defined benefit plans		0.56	(1.98)
(ii) Income tax effect on above		0.29	(0.29)
(iii) Fair value gains on equity instruments		36.20	4.81
(iv) Income tax effect on above		(11.65)	-
Total other comprehensive income		25.40	2.54
Total comprehensive income for the year		392.87	318.02
(Comprising of profit and other comprehensive income for the year)			
Earnings per equity share			
Basic (in ₹)	30	17.49	15.01
Diluted (in ₹)		17.49	15.01

Significant accounting policies

The notes from 1 to 40 are an integral part of these standalone financial statements

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants
ICAI Firm registration No.: 101248W/W-100022

S SETHURAMAN

Partner
Membership No.: 203491

Place : Chennai

Date : May 9, 2018

For and on behalf of the Board of Directors of
SUNDRAM FASTENERS LIMITED

CIN: L35999TN1962PLC004943

SURESH KRISHNA

Chairman
(DIN: 00046919)

ARUNDATHI KRISHNA

Joint Managing Director
(DIN: 00270935)

ARATHI KRISHNA

Managing Director
(DIN: 00517456)

S MEENAKSHISUNDARAM

Chief Financial Officer
ACA Membership No.: 021555

R DILIP KUMAR

Vice President - Finance & Company Secretary
ACS Membership No.: A19802

Sundram Fasteners Limited

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in crores of Indian Rupees, except share data and as stated)

A. Equity share capital	Note	Amount
Balance as at April 1, 2016	14A	21.01
Changes in equity share capital during the year		-
Balance as at March 31, 2017	14A	21.01
Changes in equity share capital during the year		-
Balance as at March 31, 2018	14A	21.01

B. Other equity

Particulars	Reserves and surplus			Items of other comprehensive income		Total
	General reserve	Special Economic Zone re-investment reserve	Retained earnings	Items that will not be reclassified to profit and loss		
				Equity instruments	Other items	
Balance as at April 1, 2016	814.47	-	198.28	16.60	(12.38)	1,016.97
Profit for the year	-	-	315.48	-	-	315.48
Other comprehensive income for the year	-	-	-	4.81	(2.27)	2.54
Dividends (refer note 14B)	-	-	(35.72)	-	-	(35.72)
Dividend distribution tax (refer note 14B)	-	-	(7.22)	-	-	(7.22)
Transfer from retained earnings to reserves	250.00	-	(250.00)	-	-	-
Balances as at March 31, 2017	1,064.47	-	220.82	21.41	(14.65)	1,292.05
Profit for the year	-	-	367.47	-	-	367.47
Other comprehensive income for the year	-	-	-	24.55	0.85	25.40
Dividends (refer note 14B)	-	-	(98.76)	-	-	(98.76)
Dividend distribution tax (refer note 14B)	-	-	(18.17)	-	-	(18.17)
Transfer from retained earnings to reserves	274.25	25.75	(300.00)	-	-	-
Balances as at March 31, 2018	1,338.72	25.75	171.36	45.96	(13.80)	1,567.99

Significant accounting policies

3

The notes from 1 to 40 are an integral part of these standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of
SUNDRAM FASTENERS LIMITED
CIN: L35999TN1962PLC004943

for B S R & Co. LLP
Chartered Accountants
ICAI Firm registration No.: 101248W/W-100022

SURESH KRISHNA
Chairman
(DIN: 00046919)

ARATHI KRISHNA
Managing Director
(DIN: 00517456)

S SETHURAMAN
Partner
Membership No.: 203491

ARUNDATHI KRISHNA
Joint Managing Director
(DIN: 00270935)

S MEENAKSHISUNDARAM
Chief Financial Officer
ACA Membership No.: 021555

Place : Chennai
Date : May 9, 2018

R DILIP KUMAR
Vice President - Finance & Company Secretary
ACS Membership No.: A19802

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in crores of Indian Rupees, except share data and as stated)

	Note	Year ended March 31, 2018	Year ended March 31, 2017
Cash flows from operating activities			
Profit before tax		519.73	424.60
Adjustments for:			
Depreciation expense		98.07	89.75
Provision for diminution in investments	33	-	2.37
Unrealised foreign exchange loss, net		2.15	11.27
Interest expense		32.56	36.32
Interest income		(5.24)	(2.88)
Dividend income	23	(9.78)	(1.32)
Loss on sale of property, plant and equipment	29	0.45	0.66
Financial guarantee expenses, net		0.42	0.31
Loss allowance/ (reversal) on trade receivables		1.05	(0.07)
Amortisation expense of leasehold land		0.12	0.11
Gain on sale of investment in mutual funds	23	(0.71)	(0.06)
		638.82	561.06
Working capital adjustments			
Increase in inventories		(53.94)	(26.79)
Increase in financial assets		(103.40)	(114.08)
Increase/(decrease) in financial liabilities		60.58	(103.44)
Increase in other assets		(13.11)	(10.18)
(Decrease)/increase in other liabilities and provisions		(4.00)	21.56
Cash generated from operating activities		524.95	328.13
Income tax paid, net		(112.01)	(83.82)
Net cash from operating activities (A)		412.94	244.31
Cash flows from investing activities			
Acquisition of property, plant and equipment (including capital work-in-progress and capital advances)		(210.43)	(205.63)
Proceeds from sale of property, plant and equipment		1.06	3.90
Acquisition of investments		(620.95)	(160.59)
Proceeds from sale of investments		621.32	151.06
Dividend received		9.78	1.32
Interest received		5.37	3.25
Net cash used in investing activities (B)		(193.85)	(206.69)

Sundram Fasteners Limited

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	Note	Year ended March 31, 2018	Year ended March 31, 2017
Cash flows from financing activities			
Proceeds from borrowings		96.55	82.24
Repayment of borrowings		(164.17)	(35.73)
Dividend paid (including dividend distribution tax)		(116.93)	(42.94)
Interest paid		(32.90)	(37.02)
Net cash used in financing activities (C)		(217.45)	(33.45)
Net increase in cash and cash equivalents (A+B+C)		1.64	4.17
Cash and cash equivalents at the beginning of the year		6.14	1.97
Cash and cash equivalents at the year end		7.78	6.14
Reconciliation of the cash and cash equivalents as per the cash flow statement			
Cash on hand	13	0.31	0.34
Balance with banks in current accounts	13	7.47	5.80
		7.78	6.14

Significant accounting policies

3

The notes from 1 to 40 are an integral part of these standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of

SUNDRAM FASTENERS LIMITED

CIN: L35999TN1962PLC004943

for B S R & Co. LLP

Chartered Accountants

ICAI Firm registration No.: 101248W/W-100022

SURESH KRISHNA

Chairman

(DIN: 00046919)

ARATHI KRISHNA

Managing Director

(DIN: 00517456)

S SETHURAMAN

Partner

Membership No.: 203491

ARUNDATHI KRISHNA

Joint Managing Director

(DIN: 00270935)

S MEENAKSHISUNDARAM

Chief Financial Officer

ACA Membership No.: 021555

Place : Chennai

Date : May 9, 2018

R DILIP KUMAR

Vice President - Finance & Company Secretary

ACS Membership No.: A19802

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in crores of Indian Rupees, except share data and as stated)

1. Corporate information

Sundram Fasteners Limited ("the Company") is domiciled in India, with its registered office situated at No. 98-A, VII Floor, Dr. Radhakrishnan Salai, Mylapore, Chennai 600 004. The Company has been incorporated under the provisions of the Companies Act, 1956 and its equity shares are listed on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE') in India. The Company is primarily engaged in manufacture and sale of bolts and nuts, water and oil pumps, sintered products, cold extruded components, hot & warm forged parts, radiator caps and other parts which has applications mainly in automobile industry.

2. Basis of preparation

2.1 Statement of compliance

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The standalone financial statements for the year ended March 31, 2018 (including comparatives) are duly adopted by the Board on May 9, 2018.

Details of the Company's accounting policies are included in note 3.

2.2 Functional and presentation currency

These standalone financial statements are presented in Indian Rupees which is also the Company's functional currency. All amounts have been presented in crores of Indian Rupees (₹), except share data and as otherwise stated.

2.3 Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items;

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

2.4 Use of estimates and judgments

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Significant management judgment

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 37 leases: whether an arrangement contains a lease; and

- Note 37 lease classification

Assumptions and estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is mentioned below. Actual results may be different from these estimates.

2.4.1 Recognition of deferred tax assets:

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilized. In addition, careful judgment is exercised in assessing the impact of any legal or economic limits or uncertainties in various tax issues. (also refer note 17)

2.4.2 Impairment of financial and non-financial assets

In assessing impairment, management has estimated economic use of assets, the recoverable amount of each asset or cash-generating units based on expected future cash flows and use an interest rate to discount them. Estimation of uncertainty relates to assumptions about future operating cash flows and determination of a suitable discount rate. (also refer note 3.8)

2.4.3 Useful lives of depreciable assets

Management reviews its estimate of useful lives of depreciable assets at each reporting date, based on expected utility of assets. Uncertainties in these estimates relate to technological obsolescence that may change utility of assets (also refer note 3.2.4.)

2.4.4 Inventories

Management has carefully estimated the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market-driven changes.

2.4.5 Defined benefit obligation (DBO)

The actuarial valuation of the DBO is based on a number of critical underlying management's assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (also refer note 16)

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

2.4.6 Recognition and measurement of provisions and contingencies:

Key assumptions about the likelihood and magnitude of an outflow of resources (also refer note 3.11 and note 35).

2.5 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. The inputs used to measure the fair value of assets or a liability fall into different levels of the fair value hierarchy. Accordingly, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the low level input that is significant to the entire measurement.

Management uses various valuation techniques to determine fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management based on its assumptions on observable data as far as possible but where it not available, the management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (also refer note 34). The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.6 Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

3. SUMMARY OF ACCOUNTING POLICIES

These standalone financial statements have been prepared applying significant accounting policies and measurement bases summarized below.

1. Revenue recognition

1.1 Sale of products:

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. It includes excise duty but excludes value added tax, sales tax, service tax and goods and service tax. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. The timing of transfers of risks and rewards varies depending on the individual terms of sale.

1.2 Revenue from Services:

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date based on agreements with customer. The stage of completion is assessed by reference to surveys of work performed.

1.3 Interest and dividend income:

Dividend income is recognised in statement of profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

1.4 Rental Income

The Company earns rental income from operating leases of its investment property (also refer note 5). Rental income from investment property is recognised in statement of profit and loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Rental income from leasing is also recognised in a similar manner.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

2. Property, plant and equipment

2.1 Recognition and measurement

Free hold land is stated at historical cost. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises:

- purchase price, including import duties and non-refundable taxes on purchase (goods and service tax, value added tax), after deducting trade discounts and rebates.
- any directly attributable cost of bringing the item to its working condition for its intended use estimated costs of dismantling and removing the item and restoring the site on which it is located.
- The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Any gain/ loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

2.2 Subsequent expenditure

Subsequent costs are included in asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company.

2.3 Component accounting

The component of assets are capitalized only if the life of the components vary significantly and whose cost is significant in relation to the cost of the respective asset, the life of the component in assets are determined based on technical assessment and past history of replacement of such components in the assets. The carrying amount of any component accounted for as separate asset is derecognised when replaced.

2.4 Depreciation:

- Depreciation is recognized on a straight-line basis, over useful life of buildings and other equipment as prescribed under Schedule II of Companies Act, 2013, except in respect of certain assets, where useful life is different from those prescribed under Schedule II.
- Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shifts) as evaluated on technical assessment on straight line method, in accordance with Part A of Schedule II to the Companies Act, 2013.

- The estimated useful life of the property, plant and equipment on technical assessment followed by the Company is furnished below:

Asset category	Management estimate of useful life (in years)
Buildings	3-60
Plant and machinery	8-30
Furniture and fixtures	8-10
Office equipment	3-10
Vehicles	8-10

- The residual value for all the above assets are retained at 5% of the cost.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if necessary, for each reporting period.
- On property, plant and equipment added / disposed off during the year, depreciation is charged on pro-rata basis for the period for which the asset was purchased and used.

3. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation.

The Company has depreciated assets based on Straight line method as per Schedule II to the Companies Act, 2013. Any gain or loss on disposal of an investment property is recognised in the statement of profit and loss.

4. Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and carrying amounts are recognized in statement of profit and loss.

5. Inventories

Inventories are valued at lower of cost and net realisable value including necessary provision for obsolescence. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The comparison of cost and net realisable value is made on an item by item basis. The cost of raw materials, components, consumable stores and spare parts are determined using the weighted average method and includes freight, taxes and duties, net of duty credits wherever applicable. Finished goods, including stock in

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

trade and work-in-progress are valued at lower of cost and net realisable value. Cost includes all direct costs including excise duty and applicable manufacturing overheads incurred in bringing them to their present location and condition.

5.1 Raw materials

Raw materials are valued at cost of purchase net of duties and includes all expenses incurred in bringing such materials to the location of its use.

5.2 Work-in-progress and finished goods

Work-in-progress and finished goods include conversion costs in addition to the landed cost of raw materials.

5.3 Stores, spares and tools

Stores, spares and tools cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

6. Leases

6.1 Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of arrangement that contains a lease, payments and other consideration required by such an arrangement are separated into those for lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

6.2 Assets held under leases

i. Assets leased out

As per terms of lease agreements there is no substantial transfer of risk and reward of the property to the lessee. Accordingly such leased out assets are treated as belonging to the Company.

ii. Assets taken on lease

As per the terms of lease agreements there is no substantial transfer of risk and reward of the property to the Company and hence such leases are treated as operating lease.

The payments on operating lease are recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Associated costs, such as maintenance and insurance, are expensed.

6.3 Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to

increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

7. Financial instruments

7.1 Recognition and initial measurement:

Trade receivables are initially recognised when they are originated.

All other financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

The 'trade payable' is in respect of the amount due on account of goods purchased in the normal course of business. They are recognised at their transaction and services availed value if the transaction do not contain significant financing component.

7.2 Financial assets

7.2.1 Classification and subsequent measurement of financial assets:

For the purpose of subsequent measurement, financial assets are classified and measured based on the entity's business model for managing financial asset and contractual cash flow characteristics of financial asset at:

- a. Those to be measured at Fair value through other comprehensive Income (FVOCI)
- b. Those to be measured at Fair value through profit and loss (FVTPL) and;
- c. Those measured at amortized cost.
 - i. Financial assets at amortised cost

Includes assets that are held within a business model where objective is to hold financial assets to collect contractual cash flows and contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

These assets are measured subsequently at amortized cost using the effective interest method. Interest income, foreign exchange gains and losses, if any and impairment are recognised in profit or loss. Any gain or loss on de recognition is recognised in statement of profit and loss.

- ii. Financial assets at Fair Value Through Other Comprehensive Income

Includes assets that are held within a business model where objective is both collecting contractual cash flows and selling financial assets along with contractual terms giving rise on specified dates to cash flows that are solely payments of principal

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

and interest on principal amount outstanding. The Company has made an irrevocable election to present in other comprehensive income changes in the fair value of an investment in an equity instrument that is not held for trading. This selection is made on an instrument-by-instrument basis.

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless it clearly represents a recovery of part or cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

iii. Financial assets at Fair Value Through Profit or Loss

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortised cost or FVOCI. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. These assets are subsequently measured at fair value with gains or losses recognised in statement of profit and loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance in respect of FVTPL at each reporting period is evaluated based on expected credit losses for next 12 months and credit risk exposure. The Company also measures loss allowance for financial instrument at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The allowance shall be recognised in statement of profit and loss.

7.2.2 Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness. These arrangements have been entered into to mitigate currency exchange risk arising from certain legally binding sales and purchase orders denominated in foreign currency. For the reporting periods under review, the Company has not designated any forward currency contracts as hedging instruments.

7.2.3 De-recognition of financial assets

A financial asset is derecognised only when;

- a. The Company has transferred the rights to receive cash flows from the financial asset or
- b. The Company retains the contractual rights to receive the cash flows of the financial asset, but expects a contractual obligation to pay the cash flows to one or more recipients.

Where entity has transferred an asset, the Company examines and assesses whether it has transferred substantially all risk and rewards of ownership of financial asset. In such cases, financial asset is derecognised. Where entity has not transferred substantially all risks and rewards of ownership of financial asset, such financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risk and rewards of ownership of the financial asset, the financial asset is derecognised, if the Company has not retained control of the financial asset. Where the company retains control of the financial asset is continued to be recognised to the extent of continuing involvement in the financial asset.

7.3 Financial Liabilities

7.3.1 Classification 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.

7.3.2 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 statement of profit and loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because, the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

7.3.3 De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

7.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

8. Impairment

8.1 Impairment of financial instruments

The Company recognise loss allowance for expected credit loss on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty;
- a breach of contract such as a default or being past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are credit losses that result from all possible default events over expected life of financial instrument.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information. The Company assumes that credit risk on a financial asset has increased significantly if it is past due.

The Company considers a financial asset to be in default when:

- the recipient is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is past due.

8.1.1 Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

8.1.2 Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

8.1.3 Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

8.2 Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine recoverable amount. Such a reversal is made only to an extent that asset's carrying amount does not exceed carrying amount that would have been determined, net of depreciation/ amortisation, if no impairment loss was recognised.

9. Income Taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously

Deferred tax is recognised in respect of temporary difference between carrying amount of assets and liabilities for financial reporting purposes and corresponding amounts used for tax purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against

which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised/ recognised, are reviewed at each reporting date and are recognised/ reduced to an extent that it is probable/ no longer probable respectively that related tax benefit will be realised.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by same tax authority on same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or its tax assets and liabilities will be realised simultaneously.

10. Post-employment benefits and short-term employee benefits

10.1 Short term employee benefit obligations:

Short term employee benefit obligations are those that are expected to be settled within 12 months after end of reporting period. They are recognised up to end of the reporting period at amounts expected to be paid at the time of settlement.

With respect to bonus, the Company recognises a liability and an expense for bonus. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

10.2 Other long term employee benefit obligations:

These obligation represent liability towards compensated absences that are not expected to be settled wholly within a period of 12 months after end of the period in which the employees render the related service. They are, therefore, recognised and provided for at the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

The obligations are presented as current liabilities in balance sheet if entity does not have an unconditional right to defer settlement for at least twelve months after reporting period, regardless of when the actual settlement is expected to occur.

10.3 Post-employment obligation:

The Company operates the post-employment schemes comprising of defined benefit and contribution plans and such as gratuity and group terminal benefit plan, provident fund contributions for its eligible employees.

10.3.1 Gratuity/ group terminal benefit obligation:

The liability or asset recognised in the balance sheet in respect of these defined benefit obligation is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an Independent actuary using projected unit credit method. The present value of defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on the government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is included in employee benefit expenses in the Statement of Profit and Loss. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in present value of the defined benefit obligation resulting from plan amendment or curtailment are recognised immediately in the statement of profit and loss.

10.3.2 Provident Fund:

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, partly a defined benefit obligation and partly a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employee's salary. The provident fund contributions are made partly to employee provident fund organisation and partly to an irrevocable trust set up by the Company. The Company is liable for annual contributions and any shortfall in the fund assets based on the Government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year in which it is incurred.

11. Provisions, contingent liabilities and contingent assets

11.1 Provisions:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that

can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

11.1.1 Provision for warranties:

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

11.1.2 Onerous contract:

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

11.2 Contingent liabilities:

Whenever there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability.

11.3 Contingent assets:

The Company does not recognise contingent assets. These are assessed continually to ensure that the developments are appropriately disclosed in the standalone financial statements.

12. Earnings per share

Basic earnings per share are 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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

average number of shares outstanding during the period are considered for the effects of all dilutive potential equity shares.

13. Cash and cash equivalents and cash flow statement

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

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

14. Segment reporting

The Company is engaged in manufacture and sale of bolts and nuts, water and petrol pumps, sintered products, cold extruded components, hot & warm forged parts, radiator caps and other parts which largely have applications primarily in automobile industry and thus the Company has only one reportable segment.

15. Government grants

Government grants and subsidies are recognised when there is reasonable assurance that the conditions attached to them will be complied and grant/subsidy will be received. Government grants relating to income are deferred and recognized in the statement of profit and loss over the period necessary to match them with the costs that they intended to compensate and presented in other operating revenues. Grants that compensate the Company for expenses incurred are recognised in profit or loss as other operating revenue on a systematic basis in the periods in which such expenses are recognised.

16. Foreign currency transactions

In preparing standalone financial statements, transactions in currencies other than Company's functional currency (i.e. foreign currencies) are recognised at rates of exchange prevailing on date of transactions or an average rate if average rate approximates actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign

currency are translated into functional currency at exchange rate when fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

17. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred under finance costs. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to interest costs.

3A. New standards and amendment to existing standards issued but not yet effective

New Standard - Ind AS 115, Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 on Revenue, Ind AS 11 on Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. This standard is effective from annual periods beginning on or after April 1, 2018 and will be applied accordingly. In this regard, the Company is in process of carrying out assessment of potential impact on adoption of Ind AS 115 on accounting policies followed and accordingly impact on its standalone financial statements on initial application of this standard is not reasonably estimable at present.

Amendment to existing standard - Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment to Ind AS 21 clarifies on accounting of transactions that include receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. In this regard, the Company is in the process of carrying out its initial assessment of potential impact on adoption of this amendment on accounting policies followed in its standalone financial statements.

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

4 a) Property, Plant and Equipment

Gross block	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
As at April 1, 2016	39.79	126.64	714.79	3.34	12.70	2.84	900.10
Additions	-	18.17	175.03	1.45	2.53	3.26	200.44
Disposals	-	(0.01)	(6.32)	(0.02)	(0.08)	(0.47)	(6.90)
As at March 31, 2017	39.79	144.80	883.50	4.77	15.15	5.63	1,093.64
Additions	-	39.82	169.81	0.89	4.30	2.31	217.13
Disposals	-	-	(2.50)	-	(0.09)	(0.79)	(3.38)
Other adjustments	-	-	(0.01)	-	-	0.01	-
As at March 31, 2018	39.79	184.62	1,050.80	5.66	19.36	7.16	1,307.39
Accumulated depreciation							
As at April 1, 2016	-	4.83	81.18	0.51	2.71	0.46	89.69
For the year	-	5.39	80.11	0.55	3.10	0.60	89.75
Disposals	-	-	(2.02)	(0.02)	(0.07)	(0.22)	(2.33)
Other adjustments	-	-	(0.02)	-	-	-	(0.02)
As at March 31, 2017	-	10.22	159.25	1.04	5.74	0.84	177.09
For the year	-	6.35	87.03	0.68	3.18	0.81	98.05
Disposals	-	-	(1.63)	-	(0.03)	(0.20)	(1.86)
Other adjustments	-	-	(0.01)	-	-	0.01	-
As at March 31, 2018	-	16.57	244.64	1.72	8.89	1.46	273.28
Net block							
As at March 31, 2017	39.79	134.58	724.25	3.73	9.41	4.79	916.55
As at March 31, 2018	39.79	168.05	806.16	3.94	10.47	5.70	1,034.11
b) Capital work-in-progress							
As at March 31, 2017	-	6.67	41.98	-	1.78	-	50.43
As at March 31, 2018	-	7.13	24.18	-	0.23	-	31.54

a) Plant and equipment includes net block of assets leased out amounting to ₹ 6.28 (March 31, 2017: ₹ 4.30)

b) Refer note 15 for assets pledged as securities for borrowings

c) Refer note 35(c) for capital commitments

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

5 Investment Property

Gross block	Land	Building	Total
As at April 1, 2016	0.21	0.30	0.51
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2017	0.21	0.30	0.51
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2018	0.21	0.30	0.51
Accumulated depreciation			
As at April 1, 2016	-	0.01	0.01
For the year	-	0.02	0.02
As at March 31, 2017	-	0.03	0.03
For the year	-	0.02	0.02
As at March 31, 2018	-	0.05	0.05
Net block			
As at March 31, 2017	0.21	0.27	0.48
As at March 31, 2018	0.21	0.25	0.46

Notes

1. Information regarding income and expenditure of investment property

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rental income from the investment property	0.15	0.12
Less: Expenses that:		
Contribute to the rental income (including repairs and maintenance)	(0.01)	(0.01)
Profit before depreciation	0.14	0.11
Less: Depreciation	(0.02)	(0.01)
Profit	0.12	0.10

2. The fair value of investment property is not significant and accordingly related disclosures have not been made in the standalone financial statements.

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	As at March 31, 2018	As at March 31, 2017
6 Non-current investments		
I) Investments measured at fair value through other comprehensive income		
Investments in equity instruments		
(i) Quoted		
a) 75,000 (March 31, 2017: 75,000) fully paid equity shares of ₹ 2/- each in Housing Development Finance Corporation Limited, Mumbai	13.69	11.27
b) 2,500 (March 31, 2017: 2,500) fully paid equity shares of ₹ 2/- each in HDFC Bank Limited, Mumbai	0.47	0.36
c) 20,439 (March 31, 2017: 20,439) fully paid equity shares of ₹ 10/- each in IDBI Bank Limited, Mumbai	0.15	0.15
	14.31	11.78
(ii) Unquoted		
1,25,000 (March 31, 2017: 1,25,000) equity shares of ₹ 10/- each in Madras Engineering Industries Private Limited, Chennai	43.53	9.86
	43.53	9.86
Total of (I)	57.84	21.64
II) Investments measured at cost		
(A) Investment in venture capital fund		
a) 168 units (March 31, 2017: 168 units) of ₹100/- each in the ICICI Emerging Sectors Fund, Bengaluru **	-	-
	-	-
(B) Investment in subsidiaries		
Indian:		
a) 1,18,99,674 (March 31, 2017: 1,18,99,674) equity shares of ₹ 10/- each in TVS Upasana Limited, Chennai (extent of holding -100%)	11.92	11.92
Deemed equity in TVS Upasana Limited, Chennai (refer note below)	0.41	-
b) 70,00,000 (March 31, 2017: 70,00,000) equity shares of ₹ 10/- each in Sundram Precision Components Limited, Chennai (extent of holding - 100%)	10.60	10.60
c) 2,64,691 (March 31, 2017: 2,64,691) equity shares of ₹ 10/- each fully paid up in Sundram Non-Conventional Energy Systems Limited, Chennai (extent of holding -52.94%)	0.93	0.93
d) 24,90,000 (March 31, 2017: 24,90,000) equity shares of ₹ 10/- each in Sundram Fasteners Investments Limited, Chennai (extent of holding - 100%)	2.49	2.49
e) 1,55,50,885 (March 31, 2017: 1,55,50,885) equity shares of ₹ 10/- each fully paid up in TVS Infotech Limited, Chennai (extent of holding - 54.61 %)	15.55	15.55
Foreign:		
f) 1,000 (as at March 31, 2017: 1,000) equity shares of £ 1 each fully paid up in Sundram International Limited, UK (extent of holding -100%)	0.01	0.01
2,500 equity shares of £ 1 each allotted in Sundram International Limited, UK (March 31, 2017: 1,000) pursuant to sale of subsidiaries viz., Sundram Fasteners (Zhejiang) Limited, Zhejiang, People's Republic of China and Cramlington Precision Forge Limited, UK (extent of holding - 100 %)	249.99	249.99

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	As at March 31, 2018	As at March 31, 2017
Deemed equity in Sundram Fasteners (Zhejiang) Limited, Zhejiang, People's Republic of China (refer note below)	1.70	-
g) 18,215 (March 31, 2017: 18,215) common shares of US \$ 10 each in Sundram International Inc., Michigan, USA (extent of holding-100%), less impairment loss of ₹ 0.81 (March 31, 2017: ₹ 0.81)	-	-
	293.60	291.49
(C) Other investments		
a) 35 (March 31, 2017: 35) equity shares of ₹ 100/- each (₹ 65/- paid up) in The Adyar Property Holding Co. Limited aggregating to ₹ 2,275/-**	-	-
b) Capital Contribution in PGSD engineering LLP, New Delhi (extent of holding - 19%)**	-	-
	-	-
Total of (II)	293.60	291.49
III) Investments measured at fair value through profit or loss		
Investments in equity instruments		
Unquoted		
(i) Power generation companies*		
a) 12,935 (March 31, 2017: 12,935) Class A equity shares of ₹ 10/- each and 3,24,169 (March 31, 2017: 3,24,169) Class B equity shares of ₹ 10/- each in PPS Enviro Power Private Limited., Hyderabad	1.23	1.23
b) 18,40,221 (March 31, 2017: 19,50,891) equity shares of ₹ 10/- each in Clarion Wind Farm Private Limited, Chennai	1.84	1.95
c) 12,91,976 (March 31, 2017: 10,50,000) Class A equity shares of ₹ 10/- each in Beta Wind Farm Private Limited, Chennai	2.45	2.00
d) 11,00,000 (March 31, 2017: 11,00,000) equity shares of ₹ 10/- each in Gayatri Green Power Limited, Chennai	1.10	1.10
e) 2,229 (March 31, 2017: 2,229) equity shares of ₹ 10/- each in Suryadev Alloys and Power Private Limited, Chennai	0.03	0.03
	6.65	6.31
* The right to sell/ transfer these shares are subject to terms and conditions of respective shareholder agreement.		
(ii) 3,51,00,000 (March 31, 2017: 3,51,00,000) equity shares of ₹ 1/- each in Madurai Trans Carrier Limited, Chennai (extent of holding -19.5%), less impairment loss of ₹ 2.37 (March 31, 2017: ₹ 2.37)	1.14	1.14
Total of (III)	7.79	7.45
Total of (I+II+III)	359.23	320.58
** Amount less than ₹ 0.01		
Aggregate amount of quoted investments and market value thereof	14.31	11.78
Aggregate value of unquoted investments	344.92	308.80
Aggregate amount of impairment in value of investments	3.18	3.18

Note:

The amount shown as deemed equity investments is in respect of financial guarantee given without any consideration.

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
7 Loans				
(Unsecured considered good, unless otherwise stated)				
Loans to related parties (refer note below and note 36)	0.07	5.75	0.06	5.75
Loans to employees	1.85	1.03	2.40	0.98
	1.92	6.78	2.46	6.73

Disclosure of loans and advances given to subsidiaries as per Regulation 34 (3) and 53 (f) of the SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 :

Name of the subsidiary Company	Amount outstanding		Maximum balance outstanding during the year ended		Investment by subsidiary in shares of the Company (No. of shares)	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
TVS Upasana Limited Chennai	5.75	5.75	5.75	5.75	-	-
Sundram International Inc. Michigan, USA	0.07	0.06	0.07	0.06	-	-

	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
8 Other financial assets				
(Unsecured considered good, unless otherwise stated)				
Security deposits	20.03	-	25.66	-
Advances recoverable	-	5.05	-	5.98
Interest receivable	-	0.44	-	0.57
	20.03	5.49	25.66	6.55

The Company's exposure to credit risk and market risk are disclosed in note 34C

9 Other tax assets, net

Advance income tax, net of provision	26.71	-	20.95	-
	26.71	-	20.95	-

10 Other assets

(Unsecured considered good, unless otherwise stated)

Prepaid expenses	-	5.83	-	7.13
Capital advances	36.56	-	21.88	-
Balance with statutory/government authorities	49.41	-	48.55	-
Advances recoverable	-	45.21	-	41.06
Advances to suppliers	-	10.35	-	3.53
Unamortised cost of leasehold land	11.02	0.12	8.56	0.11
	96.99	61.51	78.99	51.83

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	As at March 31, 2018	As at March 31, 2017
11 Inventories		
(Valued at lower of cost and net realisable value)		
Raw materials and components	148.76	115.37
(includes goods in transit of ₹ 18.38 (March 31, 2017 ₹ 13.37))		
Work-in-progress	108.61	85.83
Finished goods	145.80	156.81
Stores and spares	14.01	9.03
Loose tools	29.54	25.74
	446.72	392.78
For the carrying value of inventories pledged as securities for borrowings, refer note 15		
12 Trade receivables		
Unsecured, considered good	677.97	564.26
Doubtful	2.93	1.88
	680.90	566.14
Loss allowance		
Doubtful	(2.93)	(1.88)
Net trade receivables	677.97	564.26
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties (refer note 36)	51.37	47.67
Loss allowance	-	-
	51.37	47.67
Movement in loss allowance on trade receivables		
Opening balance	1.88	2.80
Amount written off	(1.88)	(2.80)
Impairment loss	2.93	1.88
Closing balance	2.93	1.88
The Company's exposure to credit risk and loss allowances related to traded receivables are disclosed in note 34C		
13 Cash and cash equivalents		
Balance with banks in current accounts	7.47	5.80
Cash on hand	0.31	0.34
Total cash and cash equivalents (A)	7.78	6.14
Other bank balances		
Earmarked balances with banks - Dividend warrant accounts	3.10	2.35
Total bank balance other than those mentioned in cash and cash equivalents (B)	3.10	2.35
Total (A) + (B)	10.88	8.49

Note:

The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made since they do not pertain to the financial year ended March 31, 2018. However amounts as appearing in the audited standalone financial statements for the period ended March 31, 2017 have been disclosed hereunder:

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

Disclosure required pursuant to G.S.R. 307(E) and G.S.R. 308(E) dated March 30, 2017

Particulars	Specified Bank Notes	Other denomination	Total
Cash on hand as on November 8, 2016	0.09	0.05	0.14
Add: Permitted receipts*	0.05	0.35	0.40
Less: Permitted payments	0.00**	(0.29)	(0.29)
Less: Deposits with banks	(0.14)	-	(0.14)
Cash on hand as on December 30, 2016	-	0.11	0.11

* Permitted receipts of specified bank notes represents amount of advances given to employees prior to November 8, 2016 which were returned

** Amount less than ₹ 0.01

14 Share capital and other equity

A Share capital

Authorised

25,00,00,000 (March 31, 2017: 25,00,00,000) equity shares of ₹ 1/- each

Issued, subscribed and paid up

21,01,28,370 (March 31, 2017: 21,01,28,370) equity shares of ₹ 1/- each fully paid up

	As at March 31, 2018	As at March 31, 2017
	25.00	25.00
	21.01	21.01
	21.01	21.01

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the commencement and end of the year	21,01,28,370	21.01	21,01,28,370	21.01
b) Share held by ultimate holding company/ holding company/ associates				
Equity shares				
Equity shares of ₹ 1/- each fully paid up held by T V Sundram Iyengar & Sons Private Limited, Madurai	5,33,12,000	5.33	5,33,12,000	5.33
c) Shareholders holding more than 5% of the aggregate shares in the Company				
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹ 1/- each fully paid up held by				
T V Sundram Iyengar & Sons Private Limited, Madurai	5,33,12,000	25.37%	5,33,12,000	25.37%
Southern Roadways Limited, Madurai	5,07,73,280	24.16%	5,07,73,280	24.16%
HDFC Trustee Company Ltd., Mumbai	1,45,21,102	6.91%	1,88,96,927	8.99%
	11,86,06,382	56.44%	12,29,82,207	58.52%

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

d) Rights, preferences and restrictions**Equity 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. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

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.

e) Bonus shares/buy-back/shares for consideration other than cash issued during a period of five years immediately preceding financial year ended March 31, 2018:

(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

f) Capital management

The Company's capital management objectives is to ensure the adequate return to the shareholder by maintaining the optimal capital structure. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. It sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		As at March 31, 2018	As at March 31, 2017
Total debt (in the form of external borrowings)		561.94	626.15
Cash and cash equivalents		(7.78)	(6.14)
Net debt	A	554.16	620.01
Total equity		1,589.00	1,313.06
Overall financing	B	1,589.00	1,313.06
Gearing ratio	C = (A/B)*100	34.87%	47.22%

B Other equity**(i) Dividends**

The following dividends were declared and paid by the Company during the year:

First interim dividend of ₹ 1.90/- (March 31, 2017: ₹ 1.70/-) per equity share for the respective years

Dividend distribution tax on above

Final dividend of ₹ 2.80/- per equity share for the year 2016-17

Dividend distribution tax on above

	Year ended March 31, 2018	Year ended March 31, 2017
	39.92	35.72
	7.78	7.22
	58.84	-
	10.39	-
	116.93	42.94

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

After the reporting dates the following dividends (excluding dividend distribution tax) were proposed by the directors subject to the approval at the annual general meeting (except for interim dividend); these dividends have not been recognised as liabilities and would attract dividend distribution tax when declared or paid.

	Year ended March 31, 2018	Year ended March 31, 2017
Final dividend of ₹ Nil (March 31, 2017: ₹ 2.80/-) per equity share	-	58.84
Second interim dividend of ₹ 2.70/- (March 31, 2017: ₹ Nil) per equity share	56.73	-
	56.73	58.84

(ii) Special Economic Zone reinvestment reserve

This represents reserves created pursuant to the requirements of Income-tax Act, 1961 for claiming certain tax benefits.

(iii) Analysis of items of OCI (net of tax)

a) Equity instrument through OCI

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the equity.

b) Remeasurement of defined benefit liability

Remeasurement of defined benefit liability comprises of actuarial gain or losses and return on plan assets (excluding interest income).

	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
15 Borrowings				
Financial liabilities at amortised cost				
a) Secured				
Term Loan				
From banks in local currency (refer note (i) below)	-	-	40.00	-
From banks in foreign currency (refer note (i) below)	97.04	-	130.86	-
Working Capital Loans				
Working capital facility from bank (refer note (ii) below)	-	107.40	-	81.41
	97.04	107.40	170.86	81.41
Less: Current maturities of long term borrowings	(97.04)	-	(71.79)	-
	-	107.40	99.07	81.41
b) Unsecured				
Term loan from banks (refer note (i) below)	97.77	-	-	-
Working capital facility from bank (refer note (ii) below)	-	259.73	-	373.88
	97.77	259.73	-	373.88
Total	97.77	367.13	99.07	455.29

(i) Term Loan from banks include

An outstanding External Commercial Borrowing (ECB) from a bank amounted to USD 5 million, equivalent to ₹ 31.86 (March 31, 2017: USD 10 million, equivalent to ₹ 66.00), net of initial transaction costs, repayable over 3 equal yearly instalments commencing from July 2016. The loan is secured by a first pari passu charge on movable fixed assets, both present and future. The interest rate is linked to Libor + agreed spread p.a.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

Foreign currency term loan from a bank amounted to USD 10 million, equivalent to ₹ 65.18, is repayable in July 2018 (March 31, 2017: USD 10 million, equivalent to ₹ 64.86). The loan is secured by a second pari passu charge on movable fixed assets, both present and future. The interest rate is linked to Libor + agreed spread p.a.

The outstanding of another ECB loan amounted to USD 15 million, equivalent to ₹ 97.77 (March 31, 2017: Nil), repayable over 3 equal yearly instalments commencing from July 2021. The loan is unsecured. The interest rate is linked to Libor + agreed spread p.a.

Term loan of ₹ 40.00 as at March 31, 2017 taken from a bank in local currency has been closed during the year.

(ii) Working capital loan from banks include

The Company has working capital facilities of ₹ 72.40 (March 31, 2017: 22.41) outstanding carrying interest rate ranging from 8.10% - 15% p.a. These facilities are repayable on demand, partly secured by pari-passu first charge on current assets viz., stocks of raw materials, work-in-progress and finished goods.

Preshipment packing credit loan is availed in local currency and foreign currency amounting to ₹ 294.73 (March 31, 2017: 369.00) They are partly secured by pari-passu first charge on current assets viz., stocks of raw materials, work-in-progress and finished goods. Preshipment packing credit (secured & unsecured) is repayable within 360 days and carries interest in the range of 1.80% to 5.00 %.

Buyers credit of ₹ 63.89 as at March 31, 2017 taken from banks in foreign currency have been closed during the year.

The Company's exposure to liquidity, interest rate and currency risk related to borrowings are disclosed in note 34C.

(iii) Reconciliation of cashflows from financing activities

	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents	7.78	6.14
Current borrowings	(367.13)	(455.29)
Non-current borrowings	(194.81)	(170.86)
Net debt	(554.16)	(620.01)

Particulars	Other assets	Liabilities from financing activities		Total
	Cash and cash equivalents	Current borrowings	Non-current borrowings	
Net debt as at April 1, 2017	6.14	(455.29)	(170.86)	(620.01)
Net cash flows	1.64	89.37	(21.75)	69.26
Foreign exchange adjustments	-	(1.21)	(1.69)	(2.90)
Other non-cash movement	-	-	(0.51)	(0.51)
Net debt as at March 31, 2018	7.78	(367.13)	(194.81)	(554.16)

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
16 Provisions				
Provision for employee benefits				
Provision for gratuity (refer note (i) below) *	1.35	5.85	2.39	5.23
Provision for compensated absences (refer note (iv) below)	5.79	1.68	4.11	0.61
Provision for others	-	10.94	-	7.61
	7.14	18.47	6.50	13.45

* also include provision towards group terminal benefits

a) Provision for employee benefits

Defined benefit plans:

The Company operates post-employment defined benefit plans comprising of gratuity plan, group terminal benefit plan and an exempted provident fund managed through trust. The post employment benefit in the form of gratuity is managed and administered by Life Insurance Corporation of India. The provident fund contributions to trust are managed through trust investments in addition to contribution of a portion of its provident fund liability to employees provident fund organisation. The group terminal benefit plan is made available to certain class of employees and the same is unfunded. The Company obtains an actuarial valuation from an independent actuary measured using projected unit credit method to determine the liability as at the reporting date.

The post-employment defined benefit plans operated by the Company are as follows;

i) Gratuity

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

The Company has its defined benefit gratuity plan as per the Payment of Gratuity Act, 1972. Under this legislation, employee who has completed five years of service is entitled to specific benefit. The level of benefit provided depends on the employee's length of service and salary at retirement/ termination age. The gratuity plan is a funded plan and the Company makes its contributions to a recognised fund in India.

The Company's Gratuity plan valuation report includes employee benefits of the Company and its subsidiaries (i) TVS Upasana Limited, Chennai; (ii) Sundram Precision Components Limited, Chennai; and (iii) TVS Infotech Limited, Chennai. Based on an entity specific actuarial valuation obtained in this respect, the amounts are recognised in the Company's standalone financial statements. The following table sets out such amounts recognised in the Company's standalone financial statements:

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Amount recognised in statement of profit and loss	3.06	1.05
Amount recognised in other comprehensive income	(0.68)	2.82
Total expense	2.38	3.87
Net employee benefit expense		
Current service cost	2.85	2.97
Interest cost on benefit obligation	0.31	(1.81)
	3.16	1.16
Amount allocated to related entities	(0.10)	(0.11)
	3.06	1.05

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Recognised in other comprehensive income		
Actuarial loss arising from change in financial assumptions	4.13	5.38
Actuarial gain arising from experience adjustments	(4.83)	(2.46)
Actuarial (gain)/ loss	(0.70)	2.92
Amount allocated to related entities	0.02	(0.10)
Amount recognised in other comprehensive income	(0.68)	2.82
The following table sets out the defined obligation and funded status including that relating to its related entities		
Net defined obligation		
Present value of defined benefit obligation	46.91	45.04
Fair value of plan assets	(41.49)	(39.10)
	5.42	5.94
Changes in present value of the defined benefit obligation are as follows:		
Balance at the beginning of the year	45.04	40.96
Interest cost	3.02	3.17
Current service cost	2.85	2.97
Benefits paid	(3.73)	(4.98)
Actuarial gain on obligation	(0.27)	2.92
Balance at the end of the year	46.91	45.04
Changes in the fair value of plan assets are as follows:		
Balance at the beginning of the year	39.10	38.66
Expected return on plan assets	3.10	3.18
Contribution made by the employer	3.02	2.35
Benefits paid	(3.73)	(4.98)
Acquisition adjustment	-	(0.11)
Balance at the end of the year	41.49	39.10
Plan assets comprises of :		
% of Investment with insurer	100.00	100.00
Principal actuarial assumptions used		
Discount rate	7.80%	7.00%
Salary escalation rate	8.00%	5.00%
Attrition rate	10.00%	10.00%
Classification		
- Current	5.42	4.96
- Non-current	-	1.03

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

Sensitivity	As at March 31, 2018		As at March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate				
> Sensitivity Level	1.00%	1.00%	1.00%	1.00%
Defined benefit obligation	44.57	49.50	43.11	47.16
> Impact on defined benefit obligation	(2.34)	2.59	(1.93)	2.12
Salary escalation rate				
> Sensitivity Level	1.00%	1.00%	1.00%	1.00%
Defined benefit obligation	49.04	44.95	48.06	42.27
> Impact on defined benefit obligation	2.13	(1.96)	3.02	(2.77)

ii) Group terminal benefit

Group terminal benefit relates to post-employment benefit paid to certain class of employees upon their retirement/ death. The level of benefit provided depends on the employee's length of service at retirement / termination age. The following table sets out the status of the group terminal benefit plan and the amounts recognised in the Company's standalone financial statements as at balance sheet date:

	As at March 31, 2018	As at March 31, 2017
Net employee benefit expense		
Current service cost	0.09	0.12
Interest cost on benefit obligation	0.11	0.11
	0.20	0.23
Recognised in other comprehensive income		
Actuarial loss arising from change in financial assumptions	(0.05)	-
Actuarial gain arising from experience adjustments	0.17	-
	0.12	-
Changes in present value of the defined benefit obligation are as follows:		
Defined benefit obligation at the beginning of the year	1.64	1.61
Interest cost	0.11	0.11
Current service cost	0.09	0.12
Benefits paid	(0.25)	(0.20)
Actuarial loss on obligation	0.12	-
Defined benefit obligation at the year end	1.71	1.64
Principal actuarial assumptions used		
Discount rate	7.80%	7.00%
Attrition rate	10.00%	10.00%
Remaining working lives for selected class of employees (in years)	5.49	10.00
Classification		
- Current	0.43	0.28
- Non-current	1.27	1.36

Note: The impact on defined benefit obligation, if any arising from change in underlying assumptions are not considered as significant and accordingly, sensitivities have not been presented

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

iii) Provident Fund

All eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and employer (at a determined rate) contribute monthly. The company also contributes as specified under the law, in case of certain class of employees, to a provident fund trust set up and to respective Regional Provident Fund Commissioner. The Company's contribution to the Provident Fund, where set up as a trust, is liable for future provident fund benefits to the extent of its annual contribution and any shortfall in fund assets based on government specified minimum rates of return relating to current period service and recognizes such contributions and shortfall, if any as an expense in the year incurred. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest. Such contributions made into the fund and to the Regional Provident Fund Commissioner during the year are recognized as an expense in the statement of profit and loss.

	As at March 31, 2018	As at March 31, 2017
Principal actuarial assumptions used		
Discount rate	7.80%	7.20%
Interest rate declared by EPFO	8.55%	8.65%
Remaining working lives (in years)	7.63	13.00

iv) Compensated absences

The Company's net obligation in respect of Compensated absences is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method.

	Year ended March 31, 2018	Year ended March 31, 2017
Recognised in statement of profit and loss:		
Current service cost	0.94	0.10
Interest cost on benefit obligation	0.31	-
Net actuarial (gain)/ loss recognised	1.99	-
	3.24	0.10
	As at March 31, 2018	As at March 31, 2017
Principal actuarial assumptions used:		
Discount rate	7.80%	7.00%
Salary escalation rate	8.00%	5.00%
Attrition rate	10.00%	10.00%
b) Provision for others		
Balance as at April 1	7.61	7.61
Provision made during the year	3.33	-
Provision utilised / reversed during the year	-	-
Balance as at March 31	10.94	7.61

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	Year ended March 31, 2018	Year ended March 31, 2017
17 Income Tax		
A Amount recognised in statement of profit and loss		
Current tax (a)		
Current period	134.32	101.36
Deferred tax (b)		
Attributable to - Origination and reversal of temporary differences	17.94	7.76
Tax expense (a) + (b)	152.26	109.12

B Income tax recognised in other comprehensive income

Particulars	As at March 31, 2018			As at March 31, 2017		
	Amount	Tax (expense) / benefit	Net of tax	Amount	Tax (expense) / benefit	Net of tax
Fair value of investments	36.20	(11.65)	24.55	4.81	-	4.81
Remeasurements of defined benefit liability	0.56	0.29	0.85	(1.98)	(0.29)	(2.27)
Total	36.76	(11.36)	25.40	2.83	(0.29)	2.54

C Income tax recognised directly in equity

	Year ended March 31, 2018	Year ended March 31, 2017
	-	-

D Reconciliation of effective tax rate

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	%	Amount	%	Amount
Profit before tax		519.73		424.60
Tax using the Company's domestic tax rate	34.61%	179.87	34.61%	146.95
Effect of:				
- Deduction under section 10AA of the Income tax Act, 1961	(6.60%)	(34.31)	(7.28%)	(30.89)
- CSR expenditure disallowance, net of deductions under section 80G of the Income tax Act, 1961	0.20%	1.04	0.12%	0.53
- Income exempt from tax	(0.65%)	(3.38)	(0.11%)	(0.46)
- Expenditure on research and development	(0.54%)	(2.81)	(1.46%)	(6.20)
- Others	2.28%	11.85	(0.18%)	(0.81)
Effective tax rate / tax expense	29.30%	152.26	25.70%	109.12

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

E Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following

Particulars	Deferred tax assets		Deferred tax liabilities		Net deferred tax (assets) / liabilities	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Property, plant and equipment and Investment property	-	-	116.33	105.18	116.33	105.18
Investments measured at fair value through OCI	-	-	11.65	-	11.65	-
Amortisation of borrowings under effective interest rate method	-	-	0.24	0.41	0.24	0.41
Provision for employee benefits	(2.58)	(1.63)	-	-	(2.58)	(1.63)
Loss allowance on trade receivables	(0.62)	-	-	-	(0.62)	-
Premium on financial guarantee	(0.15)	-	-	-	(0.15)	-
Others	(2.19)	(10.57)	-	-	(2.19)	(10.57)
	(5.54)	(12.20)	128.22	105.59	122.68	93.39
Minimum alternative tax *	(2.06)	(24.99)	-	-	(2.06)	(24.99)
	(7.60)	(37.19)	128.22	105.59	120.62	68.40

Movement in temporary differences for the year ended March 31, 2018

Particulars	Balance as at April 1, 2017	Recognized in profit and loss during 2017-18	Recognized in OCI during 2017-18	Other adjustments	Balance as at March 31, 2018
Property, plant and equipment and Investment property	105.18	11.15	-	-	116.33
Investments measured at fair value through OCI	-	-	11.65	-	11.65
Amortisation of borrowings under effective interest rate method	0.41	(0.17)	-	-	0.24
Provision for employee benefits	(1.63)	(0.66)	(0.29)	-	(2.58)
Loss allowance on trade receivables	-	(0.62)	-	-	(0.62)
Premium on financial guarantee	-	(0.15)	-	-	(0.15)
Others	(10.57)	8.38	-	-	(2.19)
	93.39	17.93	11.36	-	122.68
Minimum alternative tax *	(24.99)	-	-	22.93	(2.06)
	68.40	17.93	11.36	22.93	120.62

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

Movement in temporary differences for the year ended March 31, 2017

Particulars	Balance as at April 1, 2016	Recognized in profit and loss during 2016-17	Recognized in OCI during 2016-17	Other adjustments	Balance as at March 31, 2017
Property, plant and equipment and Investment property	95.97	9.21	-	-	105.18
Investments measured at fair value through OCI	-	-	-	-	-
Amortisation of borrowings under effective interest rate method	0.59	(0.18)	-	-	0.41
Provision for employee benefits	(1.89)	(0.03)	0.29	-	(1.63)
Loss allowance on trade receivables	-	-	-	-	-
Premium on financial guarantee	-	-	-	-	-
Others	(9.33)	(1.24)	-	-	(10.57)
	85.34	7.76	0.29	-	93.39
Minimum alternative tax *	(31.64)	-	-	6.65	(24.99)
	53.70	7.76	0.29	6.65	68.40

* Minimum alternative tax available expires in assessment year 2026 - 2027

F Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future long term capital gain will be available against which the Company can use the benefits therefrom:

	As at March 31, 2018		As at March 31, 2017	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Long term capital loss #	5.74	1.99	5.74	1.99

The long term capital loss expires in assessment year 2024-25

18 Other tax liabilities, net

Provision for taxation, net of advance tax

	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
	6.39	7.87	2.26	6.85
	6.39	7.87	2.26	6.85

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	As at March 31, 2018	As at March 31, 2017
19 Trade payables		
Due to related parties (refer note 36)	3.83	6.64
Dues to micro and small enterprises (refer note below)	5.70	4.33
Dues to others	344.35	288.30
	353.88	299.27
Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006		
i. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	5.70	4.33
ii. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii. The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year and	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
	5.70	4.33

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

All trade payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 34C.

20 Other financial liabilities**a. Financial liabilities at fair value through profit and loss**

Derivative liabilities *	9.51	10.62
Premium on financial guarantee	2.88	0.36

b. Financial liabilities at amortised cost

Current maturities of term loans from banks	97.04	71.79
Interest accrued but not due on borrowings	1.12	2.37
Liability towards supplier bills discounted	17.06	12.23
Unclaimed dividend	3.10	2.35
Employee benefits payable	30.25	29.14
Other payables	41.43	33.84
	202.39	162.70

* This includes fair value of forward contracts entered with banks for the purpose of hedging repayments of foreign currency borrowings from banks.

The Company's exposure to currency risk and liquidity risk related to other financial liability are disclosed in note 34C.

21 Other current liabilities

Advance from customers	1.92	11.15
Statutory dues	7.76	8.74
	9.68	19.89

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	Year ended March 31, 2018	Year ended March 31, 2017
22 Revenue from operations		
a) Sale of products:		
(i) Domestic	2,146.76	1,836.61
Add: Excise duty	51.83	220.04
	2,198.59	2,056.65
(ii) Export	1,144.46	1,044.11
	3,343.05	3,100.76
b) Rendering of services	1.36	1.02
c) Other operating revenues (refer note below)	104.63	69.76
	3,449.04	3,171.54
Note:		
Other operating revenues		
(i) Scrap sales	62.39	43.21
Add: Excise duty	1.10	4.23
	63.49	47.44
(ii) Export incentives	39.49	21.57
(iii) Others	1.65	0.75
	104.63	69.76
23 Other income		
Interest income		
- on bank deposit	0.26	0.00*
- on others	4.98	3.25
Net foreign exchange gain	11.64	-
Dividend income from		
- subsidiary companies	9.26	0.79
- other companies	0.52	0.53
Gain on sale of investments in mutual funds	0.71	0.06
Miscellaneous income **	2.25	8.29
	29.62	12.92
* Amount less than ₹ 0.01		
** Miscellaneous income includes insurance claim received amounting to ₹ 0.98 (March 31, 2017 - ₹ 5.47)		
24 Cost of materials consumed		
Opening stock of raw materials and components	115.37	103.45
Add : Purchases made during the year	1,416.07	1,176.73
Less: Closing stock of raw materials and components	148.76	115.37
	1,382.68	1,164.81

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	Year ended March 31, 2018	Year ended March 31, 2017
25 Changes in inventories of finished goods and work-in-progress		
A) Opening stock:		
Work-in-progress	85.83	79.46
Finished goods	156.81	146.03
Less: Excise duty on finished goods	4.18	7.70
	238.46	217.79
B) Closing stock:		
Work-in-progress	108.61	85.83
Finished goods	145.80	156.81
Less: Excise duty on finished goods	-	4.18
	254.41	238.46
Total (A- B)	(15.95)	(20.67)
26 Employee benefits expense		
Salaries and wages	277.33	252.44
Expenses relating to post-employment benefit plans	3.26	1.28
Contribution to provident and other funds (refer note below)	12.27	15.46
Staff welfare expenses	35.41	27.22
	328.27	296.40
Note:		
The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards post employee benefits and employee provident fund, which is partly defined benefit obligation and partly defined contribution plan. The same is charged to statement of profit and loss as and when it is accrued. The amount recognised as expense towards such provident fund contribution aggregated to ₹ 10.20 (March 31, 2017: ₹ 10.88).		
27 Finance costs		
Interest expense on financial liabilities measured at amortised cost	18.80	30.18
Applicable net loss on foreign currency transactions and translation to the extent regarded as borrowing costs	13.76	6.01
Other borrowing costs	-	0.13
	32.56	36.32
28 Depreciation expense		
Depreciation on property, plant and equipment	98.05	89.75
Depreciation on investment property	0.02	0.02
	98.07	89.77

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	Year ended March 31, 2018	Year ended March 31, 2017
29 Other expenses		
Consumption of stores, tools and spares	349.18	299.71
Power and fuel	143.67	134.48
Repairs and maintenance		
- buildings	25.73	26.32
- plant and equipment	36.70	32.00
- others	8.29	6.81
Sub-contract expenses	307.76	264.12
Payment to auditors (refer note below)	0.75	0.75
Net Foreign exchange loss	-	11.65
Research and development expenditure (refer note 31)	13.45	12.95
Expenditure on corporate social responsibility (refer note 32)	5.57	2.81
Freight and cartage outward	77.55	59.52
Loss on sale of property, plant and equipment, net	0.45	0.66
Financial guarantee expenses	0.88	0.31
Miscellaneous expenses	110.39	114.50
	1,080.37	966.59
Note:		
Payment to auditors*		
As auditor	0.43	0.37
Taxation matters	0.07	0.07
Other services	0.08	0.23
Reimbursement of expenses	0.07	0.08
	0.65	0.75
*Payments for the year ended March 31, 2017 and partly for the year ended March 31, 2018 include fees and reimbursements paid to the predecessor auditor.		
30 Earnings per share (EPS)		
Net profit attributable to equity shareholders	(A) 367.47	315.48
Weighted average number of equity shares outstanding as at reporting date	(B) 21,01,28,370	21,01,28,370
Basic EPS (in ₹)	(A/B) 17.49	15.01
Diluted EPS		
The Company does not have any potential equity shares. Accordingly, basic and diluted EPS would remain the same.		

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	Year ended March 31, 2018	Year ended March 31, 2017
31 Details of research and development expenditure		
i) Capital expenditure	0.94	2.49
ii) Revenue expenditure		
a) Cost of materials consumed	0.63	0.64
b) Salaries and wages	8.06	7.63
c) Staff welfare expenses	0.03	0.04
d) Consumption of stores, tools and spares	2.98	3.76
e) Repairs and maintenance		
– building	0.04	0.28
– plant and equipment	0.16	0.17
– others	0.00*	0.06
f) Sub-contract expenses	0.89	1.09
g) Freight and cartage outward	0.01	0.01
h) Miscellaneous expenses	0.65	0.55
i) Sale of products	-	(1.28)
	13.45	12.95
Total research and development expenditures [(i) + (ii)]	14.39	15.44
* Amount less than ₹ 0.01		
Note: The Research and Development expenditure are incurred towards projects approved by DSIR (Department of Scientific and Industrial Research)		
32 Expenditure on corporate social responsibility		
a) Amount required to be spent by the Company during the year	5.57	4.02
b) Amount spent during the year :		
(i) Construction / acquisition of asset	-	0.37
(ii) On purposes other than (i) above		
a) Education	3.45	1.36
b) Healthcare	1.63	1.45
c) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art	0.49	-
	5.57	2.81
	5.57	3.18
33 Exceptional items		
Provision for diminution in value of investments	-	2.37
	-	2.37

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

34 Financial instruments - Fair values and risk management

A Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy

Particulars	Note	As at March 31, 2018				As at March 31, 2017			
		FVTPL	FVOCI	Amortised cost	Total	FVTPL	FVOCI	Amortised cost	Total
Financial Assets									
Investments	6	7.79	57.84	-	65.63	7.45	21.64	-	29.09
Trade receivables	12	-	-	677.97	677.97	-	-	564.26	564.26
Loans	7	-	-	8.70	8.70	-	-	9.19	9.19
Cash and cash equivalents	13	-	-	7.78	7.78	-	-	6.14	6.14
Bank balance other than those mentioned in cash and cash equivalents	13	-	-	3.10	3.10	-	-	2.35	2.35
Security deposits	8	-	-	20.03	20.03	-	-	25.66	25.66
Advances recoverable	8	-	-	5.05	5.05	-	-	5.98	5.98
Interest receivable	8	-	-	0.44	0.44	-	-	0.57	0.57
Total financial assets		7.79	57.84	723.07	788.70	7.45	21.64	614.15	643.24
Financial liabilities									
Borrowings	15	-	-	561.94	561.94	-	-	626.15	626.15
Derivative liabilities	20	9.51	-	-	9.51	10.62	-	-	10.62
Trade payables	19	-	-	353.88	353.88	-	-	299.27	299.27
Premium on financial guarantee	20	2.88	-	-	2.88	0.36	-	-	0.36
Interest accrued but not due on borrowings	20	-	-	1.12	1.12	-	-	2.37	2.37
Liability towards supplier bills discounted	20	-	-	17.06	17.06	-	-	12.23	12.23
Unclaimed dividend	20	-	-	3.10	3.10	-	-	2.35	2.35
Employee benefits payable	20	-	-	30.25	30.25	-	-	29.14	29.14
Other payables	20	-	-	41.43	41.43	-	-	33.84	33.84
Total financial liabilities		12.39	-	1,008.78	1,021.17	10.98	-	1,005.35	1,016.33

Fair value measurement hierarchy

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

A Accounting classification and fair values (Contd.)

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Particulars	Note	March 31, 2018				March 31, 2017			
		Carrying amount	Fair Value			Carrying amount	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets									
Investments	6	65.63	14.31	-	51.32	29.09	11.78	-	17.31
Trade receivables #	12	677.97				564.26			
Loans #	7	8.70				9.19			
Cash and cash equivalents #	13	7.78				6.14			
Bank balance other than those mentioned in cash and cash equivalents #	13	3.10				2.35			
Security deposits #	8	20.03				25.66			
Advances recoverable #	8	5.05				5.98			
Interest receivable #	8	0.44				0.57			
Total financial assets		788.70	14.31	-	51.32	643.24	11.78	-	17.31
Financial liabilities									
Borrowings #	15	561.94				626.15			
Derivative financial liabilities	20	9.51	-	9.51	-	10.62	-	10.62	-
Trade payables #	19	353.88				299.27			
Premium on financial guarantee	20	2.88	-	2.88	-	0.36	-	0.36	-
Interest accrued but not due on borrowings #	20	1.12				2.37			
Liability towards supplier bills discounted #	20	17.06				12.23			
Unclaimed dividend #	20	3.10				2.35			
Employee benefits payable #	20	30.25				29.14			
Other payables #	20	41.43				33.84			
Total financial liabilities	20	1,021.17	-	12.39	-	1,016.33	-	10.98	-

For those financial assets and liabilities, which are not carried at its fair value, disclosure of fair value is not required as the carrying amounts approximates the fair values.

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

B Measurement of fair values

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in balance sheet including the related valuation techniques used

Type	Valuation technique used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investments	Market comparison technique: The valuation model is based on market multiple derived from quoted prices of companies comparable to the investee and the expected EBITDA of the investee. The estimate is adjusted for the effect of non-marketability of the equity securities.	- EBITDA margin - Adjusted market multiple - Adjustment for non-marketability of equity securities	The estimated fair value would increase/ (decrease) if: - EBITDA margin were higher/ (lower) - Adjusted market multiple were higher/ (lower) - Adjustment for non-marketability of equity securities were lower/ (higher)
Derivative liabilities	Market comparison technique: The fair value is determined using quoted forward exchange rates at the reporting dates based on information obtained from respective bankers.	Not applicable	Not applicable

C Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Market risk
- Credit risk
- Liquidity risk

Financial risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Company's risk management policies. The Company's senior management advises on financial risks and the appropriate financial risk governance framework for the Company.

The Company's risk management policies established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support the operations of its group Companies. The Company's principal financial assets include loans, trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses derivative financial instruments, such as foreign exchange forward contracts to hedge foreign currency risk exposure. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

The sources of risks which the company is exposed to and their management is given below:

a) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings. The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings, import of raw materials and spare parts, capital expenditure, export sales and the Company's net investments in foreign subsidiaries.

Currency risk (or foreign exchange risk) arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of Ind AS, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

The Company manages its foreign currency risk by hedging transactions through forward contracts, for the repayment of short and long term borrowings and payables arising out of procurement of raw materials and other components. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. The amounts shown are those reported translated at the closing rate. Unhedged foreign currency risk exposure at the end of the reporting period has been expressed in Rupees.

	Short-term exposure				Long-term exposure			
	USD	GBP	EUR and others	Total	USD	GBP	EUR and others	Total
March 31, 2018								
Trade receivables	229.50	5.77	41.31	276.58	-	-	-	-
Cash and cash equivalents	0.34	-	-	0.34	-	-	-	-
Investments	-	-	-	-	1.70	250.00	-	251.70
Trade payables	(5.95)	(1.33)	(12.84)	(20.12)	-	-	-	-
Borrowings	(116.59)	-	-	(116.59)	(97.77)	-	-	(97.77)
Others	(1.37)	-	(0.84)	(2.21)	0.07	-	-	0.07
	105.93	4.44	27.63	138.00	(96.00)	250.00	-	154.00
March 31, 2017								
Trade receivables	227.98	9.43	31.75	269.16	-	-	-	-
Cash and cash equivalents	0.37	-	-	0.37	-	-	-	-
Investments	-	-	-	-	-	250.00	-	250.00
Trade payables	(9.70)	(0.52)	(7.81)	(18.03)	-	-	-	-
Borrowings	-	-	-	-	(32.43)	-	-	(32.43)
Others	(0.91)	-	-	(0.91)	(0.33)	-	-	(0.33)
	217.74	8.91	23.94	250.59	(32.76)	250.00	-	217.24

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

Foreign currency sensitivity

The following table illustrates the sensitivity of profit and equity with respect to the Company's financial assets and financial liabilities and the Rs/USD exchange rate and Rs./GBP exchange rate 'all other things being equal'. If the Indian Rupee had strengthened/ weakened against the respective currency 5% during the year ended March 31, 2018 (March 31, 2017: 5%), then this would have had the following impact on profit before tax and equity:

The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

	Strengthening		Weakening	
	Year ended March 31 2018	Year ended March 31 2017	Year ended March 31 2018	Year ended March 31 2017
Increase/ (decrease) in profit and equity				
USD	0.48	9.23	(0.48)	(9.23)
GBP	12.72	12.95	(12.72)	(12.95)
EUR and others	1.38	1.20	(1.38)	(1.20)
	14.58	23.38	(14.58)	(23.38)

Derivative instruments

The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposure arising from settlement of borrowings. The counterparties of these contracts are generally banks. These derivative financial instruments are determined using quoted forward exchange rates at the reporting dates based on information obtained from respective bankers.

	Year ended March 31, 2018		Year ended March 31, 2017	
	Less than 180 days	More than 180 days	Less than 180 days	More than 180 days
Forward exchange contracts maturing				
Net exposure	75.38	-	109.59	75.38
Average Rs./ USD forward contract rate	75.38	-	70.48	75.38

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. As at March 31, 2018, approximately 37% (March 31, 2017: 69%) of the Company's borrowings are at a fixed rate of interest.

Interest rate exposure

Particulars	Floating rate borrowings	Fixed rate borrowings	Total borrowings
Rupee loans	72.40	210.00	282.40
USD loans	279.54	-	279.54
As at March 31, 2018	351.94	210.00	561.94
Rupee loans	22.41	369.00	391.41
USD loans	170.86	63.88	234.74
As at March 31, 2017	193.27	432.88	626.15

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

Interest rate sensitivity

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% for the year ended March 31, 2018 and March 31, 2017. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

		As at March 31, 2018	As at March 31, 2017
Increase	+1%	3.52	1.93
Decrease	-1%	(3.52)	(1.93)

The Company does not expect any change in interest rates on fixed rate borrowings and accordingly have not presented any sensitivities on such borrowings.

Equity price risk

The Company has invested in listed and unlisted equity instruments. All investments in equity portfolio are reviewed and approved by the board of directors.

As at the reporting date, the exposure to listed equity securities at fair value was ₹ 14.31 (March 31, 2017: ₹ 11.78)

b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including, foreign exchange transactions and other financial instruments.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Company's trade receivables, certain loans and advances and other financial assets. The Company enters into long term contracts with its customers whereby it mitigates the risk exposure on high risk customers. Further, none of the customers contributes to more than 10% of the Company's total revenues as continuous efforts are made in expanding its customer base. Outstanding customer receivables are regularly monitored and reviewed by the Audit committee periodically.

The carrying amount of financial assets represents the maximum credit exposure.

Particulars	Reference	Carrying Amount	
		As at March 31, 2018	As at March 31, 2017
Trade receivables	(i)	677.97	564.26
Investments	(ii)	65.63	29.09
Loans	(iii)	8.70	9.19
Cash and cash equivalents	(iv)	7.78	6.14
Bank balances other than mentioned in cash and cash equivalents	(iv)	3.10	2.35
Security deposits	(v)	20.03	25.66
Advances recoverable	(v)	5.05	5.98
Interest receivable	(v)	0.44	0.57
Total		788.70	643.24

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

(i) Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including end-user customers, their geographic location, industry, trading history with the Company and existence of previous financial difficulties. With respect to other financial assets, the Company does not expect any credit risk against such assets except as already assessed. The Company is monitoring the economic environment in the country and is taking actions to limit its exposure to customers with customers experiencing particular economic volatility.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivable and other financial assets, which comprise large number of small balances, based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Further, the Company also makes an allowance for doubtful debts on a case to case basis.

The maximum exposure to credit risk for trade and other receivables are as follows:

	As at March 31, 2018	As at March 31, 2017
Not more than 180 days	671.24	538.40
More than 180 days	9.66	27.74
Sub-total	680.90	566.14
Less: Loss allowance in accordance with expected credit loss model	(2.93)	(1.88)
Total	677.97	564.26

The management also assesses the credit losses on account of the financial guarantees extended by the Company. The management evaluates the credit risk associated with these companies, ability of them to repay the debts and probable exposure of the Company, in case a group Company fails to make payment when due in accordance with the original or modified terms of a debt instrument of such group Company.

(ii) Investments

Investments of surplus funds are made only with approval of Board of Directors. Investments primarily include investments in equity instruments of various listed entities, power generation companies, mutual funds and other trade investments. The Company does not expect significant credit risks arising from these investments.

(iii) Loans

	As at March 31, 2018	As at March 31, 2017
Loans to related parties	5.82	5.81
Loans to employees	2.88	3.38
Net carrying amount	8.70	9.19

The balance is primarily constituted by loans given to related parties and to its employees. The Company does not expect any loss from non-performance by these counter-parties.

(iv) Cash and cash equivalents and Bank balances other than mentioned in cash and cash equivalents

The Company has its cash and bank balances deposited with credit worthy banks as at the reporting date. The Company does not expect any loss from non-performance by these counter-parties.

(v) Others

Other financial assets comprising of security deposits, interest receivable and advance recoverable primarily consists of deposits with TNEB for obtaining Electricity connections, rental deposits given for lease of premises. The Company does not expect any loss from non-performance by these counter-parties.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's objective is to maintain a current ratio with an optimal mix of short term loans and long term loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months and the management is confident that it can roll over its debts with existing lenders. The Board of Directors periodically reviews the Company's business requirements vis-a-vis the source of funding.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments

Particulars	Carrying amount	Less than 180 days	More than 180 days
	As at March 31, 2018		
Borrowings*	561.94	384.17	177.77
Derivative liabilities	9.51	9.51	-
Premium on financial guarantee	2.88	0.32	2.56
Interest accrued but not due on borrowings	1.12	1.12	-
Trade payables	353.88	353.88	-
Liability towards supplier bills discounted	17.06	17.06	-
Unclaimed dividend	3.10	3.10	-
Employee benefits payable	30.25	24.70	5.55
Other payables	41.43	41.43	-
Total	1,021.17	835.29	185.88
	As at March 31, 2017		
Borrowings*	626.15	388.08	238.07
Derivative liabilities	10.62	10.62	-
Premium on financial guarantee	0.36	0.36	-
Interest accrued but not due on borrowings	2.37	2.37	-
Trade payables	299.27	299.27	-
Liability towards supplier bills discounted	12.23	12.23	-
Unclaimed dividend	2.35	2.35	-
Employee benefits payable	29.14	23.87	5.27
Other payables	33.84	33.84	-
Total	1,016.33	772.99	243.34

*excluding contractual interest payments

D Offsetting financial assets and financial liabilities

The Company does not have any financial instruments that are offset or are subject to enforceable master netting arrangements and other similar agreements.

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

35 Contingencies and commitments	As at March 31, 2018	As at March 31, 2017
a) Contingent liabilities		
- Claims against the company not acknowledged as debt		
Legal claims		
- Sales Tax / entry Tax - under appeal	32.11	23.63
- Excise Duty / Customs Duty / Service Tax - under appeal	13.99	8.28
- Income-tax - under appeal	1.83	0.27
- Others	-	4.04
The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in this standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.		
- Guarantees		
On Letters of guarantee	175.58	65.43
- Other money for which the Company is contingently liable		
On Letters of credit	0.41	-
On partly paid shares of The Adyar Property Holding Company Limited (aggregating to ₹ 1,225/-)*	0.00	0.00
* Amount less than ₹ 0.01		
b) Contingent assets		
Claim of additional compensation against land acquisition	0.23	0.23
c) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	149.08	42.18

36 Related party disclosures

Related Parties:

(I) Where Control exists:

(A) Ultimate holding Company

- (1) TV Sundram Iyengar & Sons Private Limited, Madurai, India

(B) Subsidiary Companies

Indian Subsidiaries

- (1) Sundram Fasteners Investments Limited, Chennai;
- (2) TVS Upasana Limited, Chennai;
- (3) Sundram Non-Conventional Energy Systems Limited, Chennai;
- (4) Sundram Precision Components Limited, Chennai and
- (5) TVS Infotech Limited, Chennai.

Foreign Subsidiaries

- (1) Sundram International Limited, UK and
- (2) Sundram International Inc, Michigan, USA

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

(C) Step down subsidiary companies

Indian Subsidiary

- (1) TVS Next Private Limited, Chennai (Subsidiary of TVS Infotech Limited, Chennai)

Foreign Subsidiaries

- (1) Sundram Fasteners (Zhejiang) Limited, Zhejiang, Peoples Republic of China (Subsidiary of Sundram International Limited, UK);
- (2) Cramlington Precision Forge Limited, Northumberland, United Kingdom (Subsidiary of Sundram International Limited, UK) and
- (3) TVS Infotech Inc., Michigan, USA (Subsidiary of TVS Infotech Limited, Chennai, India)

(II) Other Related Parties:

(A) Key Management Personnel (KMP)

- (1) Mr Suresh Krishna
- (2) Ms Arathi Krishna
- (3) Ms Arundathi Krishna
- (4) Mr S Meenakshisundaram* and
- (5) Mr R Dilip Kumar*

Non-executive directors

- (1) Mr K Ramesh
- (2) Mr S Mahalingam (from January 30, 2018)
- (3) Mr Heramb R Hajarnavis (from September 20, 2017)
- (4) Mr B Muthuraman
- (5) Mr R Srinivasan
- (6) Mr V Narayanan
- (7) Mr M Raghupathy (upto September 22, 2017)
- (8) Mr R Ramakrishnan (upto September 22, 2017)
- (9) Mr C V Karthik Narayanan (upto December 13, 2017) and
- (10) Ms Preethi Krishna (from July 5, 2017)

(B) Relatives of KMP

- (1) Ms Usha Krishna
- (2) Ms Preethi Krishna and
- (3) Mr K Ramesh

*Key Managerial Personnel as per Companies Act, 2013

(III) Subsidiaries / joint ventures / associates of holding companies:

- (1) Southern Roadways Limited, Madurai, India
- (2) The Associated Auto Parts Private Limited, Mumbai, India
- (3) Sundaram-Clayton Limited, Chennai, India
- (4) Madurai Trans Carrier Limited, Chennai, India
- (5) TVS Electronics Limited, Chennai, India
- (6) TVS Motor Company Limited, Chennai, India
- (7) Lucas TVS Limited, Chennai, India
- (8) TVS Training and Services Limited, Chennai, India
- (9) Lucas Indian Services Limited, Mumbai, India
- (10) India Motor Parts & Accessories Limited, Chennai, India
- (11) Delphi TVS Diesel Systems Limited, Chennai, India
- (12) Wheels India Limited, Chennai, India
- (13) Brakes India Private Limited, Chennai, India
- (14) TVS Logistics Services Limited, Madurai, India and
- (15) India Nippon Electricals Limited, Chennai, India

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

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

Nature of transaction	Subsidiary Companies	Ultimate holding company	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries / joint ventures / Associates of ultimate holding companies
Purchases					
Goods and materials	35.80	0.01	-	-	1.08
	(28.32)	(0.01)	-	-	(1.27)
Shares by cash	-	-	-	-	-
	(3.06)	-	-	-	-
Fixed assets	-	-	-	-	-
	-	(0.15)	-	-	-
Sales					
Goods and materials	12.48	76.83	-	-	156.50
	(12.33)	(90.36)	-	-	(155.23)
Fixed assets	-	-	-	-	-
	(0.00)*	-	-	-	-
Services					
Rendered	0.97	-	-	-	-
	(0.90)	-	-	-	-
Received	12.90	0.00*	-	-	3.93
	(10.52)	(0.32)	-	-	(4.86)
Finance					
Interest on Inter-corporate deposit	0.47	-	-	-	-
	(0.49)	-	-	-	-
Dividend received	9.26	-	-	-	-
	(0.79)	-	-	-	-
Dividend paid	-	25.06	0.06	0.04	23.86
	-	(9.06)	(0.02)	(0.01)	(8.63)
Others					
Leasing inward or outward / hire purchase arrangements	0.59	-	1.13	0.06	-
	(0.75)	-	(0.18)	(0.06)	-
Guarantees and collaterals furnished or availed	112.53	-	-	-	-
	(65.43)	-	-	-	-
Management contracts, including deputation of employees and sitting fees	-	-	38.55	-	-
	-	-	(31.71)	-	-
Outstanding balances					
Outstanding loan, due to the Company	5.82	-	-	-	-
	(5.81)	-	-	-	-
Due to the Company	2.58	10.46	-	-	38.33
	(1.90)	(9.42)	-	-	(36.35)
Due by the Company	3.25	0.00*	33.50	-	0.58
	(5.99)	(0.16)	(27.50)	-	(0.49)

(Previous year figures are in brackets)

* Amount less than ₹ 0.01

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

(V) Particulars of loans, guarantees and investments under Section 186 of the Companies Act, 2013 during the financial year ended March 31, 2018

Name of the body corporate	Nature of relationship	Nature of transaction	Amount of transaction	Purpose for which the loan/ security/ acquisition/ guarantee utilised by recipient
Beta Wind Farm Private Limited, Chennai, India	NA	Acquisition	0.45	Investment in equity shares for purchase of power under group captive basis.
Sundaram Money Fund Scheme of Sundaram Asset Management Co Limited., Chennai, India	NA	Investment in Mutual Funds	620.50	Treasury investments
TVS Upasana Limited, Chennai, India	Wholly-owned subsidiary	Guarantee	48.00	For availing term loan facility from Bank
Sundram Fasteners (Zhejiang) Limited, Peoples Republic of China	Step down subsidiary	Guarantee	64.53	For availing term loan facility from Bank

(VI) Terms and conditions of transactions with related parties

- Transactions with related parties are at arm's length and all the outstanding balances are unsecured.

37 Leases

The Company has taken various premises including godowns, offices, flats, machinery and other assets under lease for which lease agreements are generally cancellable in nature and are renewable by mutual consent on agreed upon terms. Accordingly, the following disclosure have been made only to the extent of leases are non-cancellable in nature and outstanding as at the reporting date.

	Year ended March 31, 2018	Year ended March 31, 2017
a) Future minimum lease payments		
Not later than one year	0.50	0.98
Later than one year and not later than five years	0.72	3.19
More than five years	-	-
b) Operating lease payments recognised in statement of profit and loss amounted to ₹ 4.48 (March 31, 2017 ₹ 3.97)		
c) General description of leasing agreements:		
• Leased assets: Godowns, offices, flats, machinery and others		
• Future Lease rentals are determined on the basis of agreed terms.		
• At the expiry of lease terms, the Company has an option to return the assets or extend the term by giving notice in writing.		

38 Transfer pricing

The Company's international transactions with related parties are at arm's length as per the independent accountants report for the year ended March 31, 2017. Management believes that the Company's international transactions with related parties for the year ended March 31, 2018 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

39 Events after the reporting period

The Board of Directors of the Company has declared interim dividend in its meeting held on May 9, 2018 as disclosed under note 14B(i).

40 Prior year comparatives

The previous year standalone financial statements have been audited by a firm other than B S R & Co. LLP. Prior year figures have been reclassified wherever necessary to conform to current year's classification.

The notes from 1 to 40 are an integral part of these standalone financial statements.

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

ICAI Firm registration No.: 101248W/W-100022

S SETHURAMAN

Partner

Membership No.: 203491

Place : Chennai

Date : May 9, 2018

For and on behalf of the Board of Directors of

SUNDRAM FASTENERS LIMITED

CIN: L35999TN1962PLC004943

SURESH KRISHNA

Chairman

(DIN: 00046919)

ARUNDATHI KRISHNA

Joint Managing Director

(DIN: 00270935)

ARATHI KRISHNA

Managing Director

(DIN: 00517456)

S MEENAKSHISUNDARAM

Chief Financial Officer

ACA Membership No.: 021555

R DILIP KUMAR

Vice President - Finance & Company Secretary

ACS Membership No.: A19802

Independent Auditor's Report

To the Members of Sundram Fasteners Limited

Report on the Audit of Consolidated Indian Accounting Standards ('Ind AS') financial statements

We have audited the accompanying Consolidated Ind AS financial statements of **Sundram Fasteners Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2018, the consolidated statement of profit and loss, the consolidated statement of changes in equity and the consolidated cash flow statement, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Ind AS financial statements").

Management's responsibility for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS 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 state of affairs, consolidated profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group 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 Consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS 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 Consolidated Ind AS 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 the Company's directors, as well as evaluating the overall presentation of the Consolidated Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group to cease to continue as a going concern.

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 the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated Ind AS 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 as at March 31, 2018, and their consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the financial statements/ financial information of seven subsidiaries, whose financial statements/ financial information reflect total assets of ₹ 619.51 crores, total revenues of ₹ 315.51 crores and net cash outflows amounting to ₹ 9.68 crores as of and for the year ended March 31, 2018, as considered in the Consolidated Ind AS financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated Ind AS 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-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India, whose financial statements and other financial information as at December 31, 2017, have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

(b) We did not audit the financial statements / financial information of two subsidiaries, whose financial statements / financial information reflect total assets of ₹ 7.14 crores, total revenues of ₹ 23.06 crores and net cash inflows amounting to ₹ 1.52 crores as of and for the year ended March 31, 2018, as considered in the Consolidated Ind AS financial statements. These financial statements / financial information are unaudited and have been furnished to us by the management and our opinion on the Consolidated Ind AS 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) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements / financial information are not material to the Group.

(c) The Consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another auditor who expressed an unmodified opinion on those statements on May 24, 2017.

Our opinion above on the Consolidated Ind AS 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 / financial information certified by the management.

Report on other legal and regulatory requirements

1. As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph 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 purpose of our audit of the aforesaid Consolidated Ind AS financial statements;

(b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS 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 (including other comprehensive income), the consolidated statement of changes in equity 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 Ind AS financial statements;
- (d) in our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act;
- (e) on the basis of written representations received from the directors of the Holding Company as on March 31, 2018, taken on record by the board of directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the group companies incorporated in India are disqualified as on March 31, 2018 from being appointed as a director in terms of section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
- (i) the Consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group
- refer Note 36 to the Consolidated Ind AS financial statements;
- (ii) the Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2018;
- (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India, wherever such amounts were required to be transferred; and
- (iv) the disclosures in the Consolidated Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made since they do not pertain to the financial year ended March 31, 2018. However, amounts as appearing in the audited Consolidated Ind AS financial statements for the period ended March 31, 2017 have been disclosed - refer note 14 of consolidated Ind AS financial statements.
- for B S R & Co. LLP*
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022
S Sethuraman
Partner
Membership No.: 203491
- Place : Chennai
Date : May 9, 2018
-

Annexure A to the Independent Auditor's Report

To the Members of Sundram Fasteners Limited on the Consolidated Ind AS financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls with reference to financial statements under clause (j) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Sundram Fasteners Limited** ("the Holding Company"), as of March 31, 2018 in conjunction with our audit of the Consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective board of directors of the Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company and subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively as at March 31, 2018 for ensuring the orderly and efficient conduct of its business, including adherence to respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company and subsidiary companies incorporated in India, internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the standards on auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgment, 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 and the audit evidence obtained by the other auditors in terms of their report referred to in the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiary company's incorporated in India, internal financial controls system with reference to financial statements.

Meaning of Internal financial controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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.

for B S R & Co. LLP
Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022

S Sethuraman
Partner

Membership No.: 203491

Place : Chennai

Date : May 9, 2018

Annexure B to the Independent Auditor's Report

To the Members of Sundram Fasteners Limited on the Consolidated Ind AS financial statements for the year ended March 31, 2018

Inherent Limitations of Internal financial controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 Holding Company and its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control with reference to financial statements criteria established by the Holding Company and its

subsidiary incorporated in India considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to three subsidiary companies and one step-down subsidiary, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

for B S R & Co. LLP
Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022

S Sethuraman
Partner

Membership No.: 203491

Place : Chennai

Date : May 9, 2018

Sundram Fasteners Limited

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(All amounts are in crores of Indian Rupees, except share data and as stated)

	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,143.80	1,018.14
Capital work-in-progress	4	110.88	69.19
Investment property	5	8.57	8.88
Goodwill	6	3.34	3.34
Other intangible assets	6	0.51	0.74
Financial assets			
- Investments	7	66.59	29.78
- Loans	8	2.05	2.61
- Others	9	23.84	29.53
Deferred tax assets, net	18	0.37	0.25
Other tax assets, net	10	32.79	26.32
Other non-current assets	11	141.00	118.34
		1,533.74	1,307.12
Current assets			
Inventories	12	523.18	449.03
Financial assets			
- Investments	7	3.52	2.68
- Trade receivables	13	793.61	654.14
- Cash and cash equivalents	14	30.65	37.14
- Bank balance other than those mentioned in cash and cash equivalents	14	4.51	2.41
- Loans	8	1.14	1.07
- Others	9	9.70	8.62
Other tax assets, net	10	1.09	1.12
Other current assets	11	86.28	64.39
		1,453.68	1,220.60
		2,987.42	2,527.72
Total assets			
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15A	21.01	21.01
Other equity		1,510.09	1,215.12
Total equity attributable to equity owners of the company		1,531.10	1,236.13
Non-controlling Interest		7.51	6.75
Total equity		1,538.61	1,242.88
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	16	218.08	150.03
- Trade payables	20	0.24	0.26
Provisions	17	8.93	8.23
Deferred tax liabilities, net	18	123.85	72.65
Other tax liabilities, net	19	6.39	2.25
		357.49	233.42
Current Liabilities			
Financial liabilities			
- Borrowings	16	382.74	469.69
- Trade payables	20	450.43	350.87
- Other financial liabilities	21	208.04	182.42
Other current liabilities	22	14.28	24.85
Provisions	17	20.14	14.57
Other tax liabilities, net	19	15.69	9.02
		1,091.32	1,051.42
		1,448.81	1,284.84
		2,987.42	2,527.72

Significant accounting policies

3

The notes from 1 to 41 are an integral part of these standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of

SUNDRAM FASTENERS LIMITED

CIN: L35999TN1962PLC004943

for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration No.: 101248W/W-100022

SURESH KRISHNA

Chairman

(DIN: 00046919)

ARATHI KRISHNA

Managing Director

(DIN: 00517456)

S SETHURAMAN

Partner

Membership No.: 203491

ARUNDATHI KRISHNA

Joint Managing Director

(DIN: 00270935)

S MEENAKSHISUNDARAM

Chief Financial Officer

ACA Membership No.: 021555

R DILIP KUMAR

Vice President - Finance & Company Secretary

ACS Membership No.: A19802

Place : Chennai

Date : May 9, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in crores of Indian Rupees, except share data and as stated)

	Note	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Revenue from operations	23	3,887.81	3,541.95
Other income	24	23.20	15.41
Total income		3,911.01	3,557.36
Expenses			
Cost of materials consumed	25	1,520.00	1,260.64
Changes in inventories of finished goods and work-in-progress	26	(27.77)	(19.50)
Excise duty		56.58	239.05
Employee benefits expense	27	413.00	377.00
Finance costs	28	37.45	39.13
Depreciation and amortisation expense	29	112.33	104.49
Other expenses	30	1,245.49	1,095.66
Total expenses		3,357.08	3,096.47
Profit before exceptional items and tax		553.93	460.89
Exceptional item	34	-	(2.37)
Profit before tax		553.93	458.52
Tax expense			
a) Current tax	18	148.98	112.29
b) Deferred tax		16.78	8.05
Total tax expense		165.76	120.34
Profit for the year		388.17	338.18
Attributable to:			
Owners of the parent		386.57	337.51
Non- controlling interest		1.60	0.67
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Re-measurement gain / (loss) on defined benefit plans		0.51	(1.55)
(ii) Income tax effect on above		0.33	(0.29)
(iii) Fair value gain on equity instruments		36.39	4.99
(iv) Income tax effect on above		(11.65)	-
		25.58	3.15
Items that will be reclassified to profit or loss			
(i) Exchange differences on translation of foreign operations		0.32	(0.18)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
		0.32	(0.18)
Total comprehensive income for the year		414.07	341.15
(Comprising of profit and other comprehensive income for the year)			
Attributable to:			
Owners of the parent		412.47	340.99
Non-controlling interest		1.60	0.16
Earnings per equity share	31		
Basic (in ₹)		18.40	16.06
Diluted (in ₹)		18.40	16.06

Significant accounting policies

3

The notes from 1 to 41 are an integral part of these standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of

SUNDRAM FASTENERS LIMITED

CIN: L35999TN1962PLC004943

for B S R & Co. LLP

Chartered Accountants

ICAI Firm registration No.: 101248W/W-100022

SURESH KRISHNA

Chairman

(DIN: 00046919)

ARATHI KRISHNA

Managing Director

(DIN: 00517456)

S SETHURAMAN

Partner

Membership No.: 203491

ARUNDATHI KRISHNA

Joint Managing Director

(DIN: 00270935)

S MEENAKSHISUNDARAM

Chief Financial Officer

ACA Membership No.: 021555

R DILIP KUMAR

Vice President - Finance & Company Secretary

ACS Membership No.: A19802

Place : Chennai

Date : May 9, 2018

Sundram Fasteners Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in crores of Indian Rupees, except share data and as stated)

A. Equity share capital	Note	Amount
Balance as at April 1, 2016	15A	21.01
Changes in equity share capital during the year		-
Balance as at March 31, 2017	15A	21.01
Changes in equity share capital during the year		-
Balance as at March 31, 2018	15A	21.01

B. Other equity

Particulars	Note	Attributable to owners of the Company							Total other equity	Non-controlling interest	Total
		Reserves and surplus				Accumulated other comprehensive income					
		General reserve	Retained earnings	Special Economic Zone reinvestment reserve	Special reserve	Equity instruments	Foreign currency translation reserve	Other items			
Balances as at April 1, 2016		816.19	54.53	-	0.82	16.80	57.46	(13.22)	932.58	9.47	942.05
Profit for the year		-	337.51	-	-	-	-	-	337.51	0.67	338.18
Other comprehensive income for the year	15C	-	-	-	-	4.99	(0.19)	(1.99)	2.81	0.16	2.97
Transferred from retained earnings		250.00	(250.00)	-	-	-	-	-	-	-	-
Dividends (including dividend distribution tax)	15B	-	(43.10)	-	-	-	-	-	(43.10)	(0.85)	(43.95)
Other adjustments		-	(3.20)	-	-	-	(11.48)	-	(14.68)	(2.70)	(17.38)
Balances as at March 31, 2017		1,066.19	95.74	-	0.82	21.79	45.79	(15.21)	1,215.12	6.75	1,221.87
Profit for the year		-	386.57	-	-	-	-	-	386.57	1.60	388.17
Other comprehensive income for the year	15C	-	-	-	-	24.74	0.32	0.84	25.90	-	25.90
Transferred from retained earnings		274.25	(300.00)	25.75	-	-	-	-	-	-	-
Dividends (including dividend distribution tax)	15B	-	(118.81)	-	-	-	-	-	(118.81)	(0.84)	(119.65)
Other adjustments		-	2.02	-	-	-	(0.71)	-	1.31	-	1.31
Balances as at March 31, 2018		1,340.44	65.52	25.75	0.82	46.53	45.40	(14.37)	1,510.09	7.51	1,517.60

Significant accounting policies

3

The notes from 1 to 41 are an integral part of these standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of

SUNDRAM FASTENERS LIMITED

CIN: L35999TN1962PLC004943

for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration No.: 101248W/W-100022

SURESH KRISHNA

Chairman

(DIN: 00046919)

ARATHI KRISHNA

Managing Director

(DIN: 00517456)

S SETHURAMAN

Partner

Membership No.: 203491

ARUNDATHI KRISHNA

Joint Managing Director

(DIN: 00270935)

S MEENAKSHISUNDARAM

Chief Financial Officer

ACA Membership No.: 021555

R DILIP KUMAR

Vice President - Finance & Company Secretary

ACS Membership No.: A19802

Place : Chennai

Date : May 9, 2018

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in crores of Indian Rupees, except share data and as stated)

	Note	Year ended March 31, 2018	Year ended March 31, 2017
Cash flows from operating activities			
Profit before tax		553.93	458.52
Pre-acquisition loss		-	(0.12)
Adjustments for:			
Depreciation and amortisation expense		112.33	104.49
Provision for diminution in investments	34	-	2.37
Unrealised foreign exchange loss		1.86	11.56
Interest expense		37.45	39.13
Interest Income		(5.36)	(3.61)
Dividend income	24	(0.53)	(0.53)
Loss on sale of property and equipment	30	0.93	1.30
Financial guarantee expenses, net		0.86	0.31
Loss allowance / (write back) on trade receivables		2.76	(0.03)
Amortisation expense of leasehold land		0.42	0.28
Gain on sale of investments in mutual funds	24	(0.71)	(0.06)
Provision no longer required written back		-	(0.06)
Stock reserve		0.03	0.02
Fair value gain on financial instruments at fair value through profit or loss		(0.84)	(0.49)
Operating profit before working capital changes		703.13	613.08
Working capital adjustments			
Increase in inventories		(74.15)	(26.87)
Increase in financial assets		(132.67)	(113.73)
Increase/(decrease) in financial liabilities		105.68	(92.55)
Increase in other assets		(22.08)	(46.42)
(Decrease)/increase in other liabilities		(1.82)	20.25
Cash generated from / (used) in operating activities		578.09	353.76
Income tax paid, net		(121.66)	(110.20)
Net cash from operating activities (A)		456.43	243.56
Cash flows from investing activities			
Acquisition of property, plant and equipment and investment property (including capital work-in-progress and capital advances)		(301.29)	(239.79)
Proceeds from sale of property, plant and equipment		1.12	3.95
Acquisition of investments		(621.04)	(155.33)
Proceeds from sale of investments		621.32	151.30
Dividend received		0.53	0.53
Interest received		5.49	3.57
Deposits with banks (maturity more than 3 months but less than 12 months)		(1.34)	-
Net cash generated used in investing activities (B)		(295.21)	(235.77)

Sundram Fasteners Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	Note	Year ended March 31, 2018	Year ended March 31, 2017
Cash flows from financing activities			
Proceeds from borrowings		166.01	146.07
Repayment of borrowings		(173.50)	(52.90)
Redemption of preference shares		-	(4.53)
Dividend paid		(119.65)	(43.95)
Interest paid		(39.95)	(39.12)
Net cash generated used in financing activities (C)		(167.09)	5.57
Net increase/(decrease) in cash and cash equivalents (A+B+C)			
		(5.87)	13.36
Cash and cash equivalents at the beginning of the year		37.14	25.05
Effect of exchange differences on cash and cash equivalents held in foreign currency		(0.62)	(1.27)
Cash and cash equivalents at the end		30.65	37.14
Reconciliation of the cash and cash equivalents as per the cash flow statement			
Cash on hand	14	0.37	0.40
Balance with banks in current accounts	14	30.28	36.74
		30.65	37.14

Significant accounting policies

3

The notes from 1 to 41 are an integral part of these standalone financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors of
SUNDRAM FASTENERS LIMITED
CIN: L35999TN1962PLC004943

for B S R & Co. LLP
Chartered Accountants
ICAI Firm registration No.: 101248W/W-100022

SURESH KRISHNA
Chairman
(DIN: 00046919)

ARATHI KRISHNA
Managing Director
(DIN: 00517456)

S SETHURAMAN
Partner
Membership No.: 203491

ARUNDATHI KRISHNA
Joint Managing Director
(DIN: 00270935)

S MEENAKSHISUNDARAM
Chief Financial Officer
ACA Membership No.: 021555

Place : Chennai
Date : May 9, 2018

R DILIP KUMAR
Vice President - Finance & Company Secretary
ACS Membership No.: A19802

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in crores of Indian Rupees, except share data and as stated)

1. Corporate information

Sundram Fasteners Limited (“the Company”) is domiciled in India, with its registered office situated at No. 98-A, VII Floor, Dr. Radhakrishnan Salai, Mylapore, Chennai 600004. The Company has been incorporated under the provisions of the Companies Act, 1956 and its equity shares are listed on the National Stock Exchange (‘NSE’) and the Bombay Stock Exchange (‘BSE’) in India. These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the ‘Group’). The Group is primarily engaged in manufacture and sale of bolts and nuts, water and oil pumps, sintered products, cold extruded components, hot and warm forged parts, radiator caps and other parts which have applications mainly in automobile industry.

2. Basis of preparation

2.1 Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the ‘Act’) and other relevant provisions of the Act.

The consolidated financial statements for the year ended March 31, 2018 (including comparatives) are authorised by the Board on May 9, 2018.

Details of the Group’s accounting policies are included in note 3.

2.2 Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees which is also the Group’s functional currency. All amounts have been presented in crores of Indian Rupees (₹), except share data and as otherwise stated.

2.3 Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for the following items;

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

2.4 Use of estimates and judgments

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Significant management judgment

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 39 leases: whether an arrangement contains a lease; and
- Note 39 lease classification

Assumptions and estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is mentioned below. Actual results may be different from these estimates.

2.4.1 Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilized.

In addition, careful judgment is exercised in assessing the impact of any legal or economic limits or uncertainties in various tax issues. (also refer note 18)

2.4.2 Impairment of financial and non-financial assets

In assessing impairment, management has estimated economic use of assets, the recoverable amount of each asset or cash-generating units based on expected future cash flows and use an interest rate to discount them. Estimation of uncertainty relates to assumptions about future operating cash flows and determination of a suitable discount rate. (also refer note 3.8)

2.4.3 Useful lives of depreciable assets

Management reviews its estimate of useful lives of depreciable assets at each reporting date, based on expected utility of assets. Uncertainties in these estimates relate to technological obsolescence that may change utility of assets (also refer note 3.3.4)

2.4.4 Inventories

Management has carefully estimated the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market-driven changes.

2.4.5 Defined benefit obligation (DBO)

The actuarial valuation of the DBO is based on a number of critical underlying management’s assumptions such as standard rates of inflation, mortality, discount rate and

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (also refer note 17)

2.4.6 Recognition and measurement of provisions and contingencies

Key assumptions about the likelihood and magnitude of an outflow of resources (also refer note 3. 11 and 36)

2.5 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. The inputs used to measure the fair value of assets or a liability fall into different levels of the fair value hierarchy. Accordingly, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the low level input that is significant to the entire measurement.

Management uses various valuation techniques to determine fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management based on its assumptions on observable data as far as possible but where it is not available, the management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.6. Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

3. Summary of accounting policies

These consolidated financial statements have been prepared applying significant accounting policies and measurement bases summarized below.

1. Basis of consolidation

Business combinations

As part of its transition to Ind AS, the Group has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, to only those business combinations that occurred on or after April 1, 2015. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured subsequently and settlement is accounted for within equity. Other contingent consideration is re-measured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

ii. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

iv. Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence or joint control ceases.

v. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2. Revenue recognition

2.1 Sale of products:

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. It includes excise duty but excludes value added tax, sales tax, service tax and goods and service tax. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the

amount of revenue can be measured reliably. The timing of transfers of risks and rewards varies depending on the individual terms of sale.

2.2 Revenue from Services:

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date based on agreements with customer. The stage of completion is assessed by reference to surveys of work performed.

2.3 Interest and dividend income:

Dividend income is recognised in statement of profit and loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2.4 Rental Income

The Group earns rental income from operating leases of its investment property (also refer note 5). Rental income from investment property is recognised in statement of profit and loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Rental income from leasing is also recognised in a similar manner.

3. Property, plant and equipment

3.1 Recognition and measurement

Free hold land is stated at historical cost. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises:

1. purchase price, including import duties and non-refundable taxes on purchase (goods and service tax, value added tax), after deducting trade discounts and rebates.

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

2. any directly attributable cost of bringing the item to its working condition for its intended use estimated costs of dismantling and removing the item and restoring the site on which it is located.

3. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Any gain / loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

3.2 Subsequent expenditure

Subsequent costs are included in asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group.

3.3 Component accounting

The component of assets are capitalized only if the life of the components vary significantly and whose cost is significant in relation to the cost of the respective asset, the life of the component in assets are determined based on technical assessment and past history of replacement of such components in the assets. The carrying amount of any component accounted for as separate asset is derecognised when replaced.

3.4 Depreciation:

- Depreciation is recognized on a straight-line basis, over useful life of buildings and other equipment as prescribed under Schedule II of Companies Act, 2013, except in respect of certain assets, where useful life is different from those prescribed under Schedule II.
- Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shifts) as evaluated on technical assessment on straight line method, in accordance with Part A of Schedule II to the Companies Act, 2013.
- The estimated useful life of the property, plant and equipment on technical assessment followed by the Group is furnished below:

Asset category	Management estimate of useful life (in years)
Buildings	3-60
Plant and machinery	8-30
Furniture and fixtures	8-10
Office equipment	3-10
Vehicles	8-10

d. The residual value for all the above assets are retained at 5% of the cost.

e. Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if necessary, for each reporting period.

f. On property, plant and equipment added/ disposed off during the year, depreciation is charged on pro-rata basis for the period for which the asset was purchased and used.

4. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation.

The Group has depreciated assets based on Straight line method as per Schedule II to the Companies Act 2013. Any gain or loss on disposal of an investment property is recognised in the statement of profit and loss.

5. Inventories

Inventories are valued at lower of cost and net realizable value including necessary provision for obsolescence. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The comparison of cost and net realisable value is made on an item by item basis. The cost of raw materials, components, consumable stores and spare parts are determined using the weighted average method and includes freight, taxes and duties, net of duty credits wherever applicable. Finished goods, including stock in trade and work in progress are valued at lower of cost and net realisable value. Cost includes all direct costs including excise duty and applicable manufacturing overheads incurred in bringing them to their present location and condition.

5.1 Raw materials

Raw materials are valued at cost of purchase net of duties and includes all expenses incurred in bringing such materials to the location of its use.

5.2 Work-in-progress and finished goods

Work-in-progress and finished goods include conversion costs in addition to the landed cost of raw materials.

5.3 Stores, spares and tools

Stores, spares and tools cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

6. Leases

6.1 Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of arrangement that contains a lease, payments and other consideration required by such an arrangement are separated into those for lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

6.2 Assets held under leases

i. Assets leased out

As per terms of lease agreements there is no substantial transfer of risk and reward of the property to the lessee. Accordingly such leased out assets are treated as belonging to the Group.

ii. Assets taken on lease

As per the terms of lease agreements there is no substantial transfer of risk and reward of the property to the Group and hence such leases are treated as operating lease.

The payments on operating lease are recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Associated costs, such as maintenance and insurance, are expensed.

6.3 Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

7. Financial instruments

7.1 Recognition and initial measurement

Trade receivables are initially recognised when they are originated.

All other financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs,

except for those carried at fair value through profit or loss which are measured initially at fair value.

The 'trade payable' is in respect of the amount due on account of goods purchased in the normal course of business. They are recognised at their transaction and services availed value if the transaction do not contain significant financing component.

7.2 Financial assets

7.2.1 Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified and measured based on the entity's business model for managing financial asset and contractual cash flow characteristics of financial asset at:

- a. Those to be measured at Fair value through other comprehensive Income (FVOCI)
 - b. Those to be measured at Fair value through profit and loss (FVTPL) and;
 - c. Those measured at amortized cost.
- i. Financial assets at amortised cost

Includes assets that are held within a business model where objective is to hold financial assets to collect contractual cash flows and contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

These assets are measured subsequently at amortized cost using the effective interest method. Interest income, foreign exchange gains and losses, if any and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in statement of profit and loss.

- ii. Financial assets at Fair Value Through Other Comprehensive Income

Includes assets that are held within a business model where objective is both collecting contractual cash flows and selling financial assets along with contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding. The Group has made an irrevocable election to present in other comprehensive income changes in the fair value of an investment in an equity instrument that is not held for trading. This selection is made on an instrument-by-instrument basis.

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless it clearly represents a recovery of part of cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

iii. Financial assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortised cost or FVOCI. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. These are measured at fair value with gains or losses recognized in the statement of profit and loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance in respect of FVTPL at each reporting period is evaluated based on expected credit losses for next 12 months and credit risk exposure. The Group also measures loss allowance for financial instrument at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The allowance shall be recognised in statement of profit or loss.

7.2.2 Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness. These arrangements have been entered into to mitigate currency exchange risk arising from certain legally binding sales and purchase orders denominated in foreign currency. For the reporting periods under review, the Group has not designated any forward currency contracts as hedging instruments.

7.2.3 De-recognition of financial assets

A financial asset is derecognised only when;

- a. The Group has transferred the rights to receive cash flows from the financial asset or
- b. The Group retains the contractual rights to receive the cash flows of the financial asset, but expects a contractual obligation to pay the cash flows to one or more recipients.

Where entity has transferred an asset, the Group examines and assesses whether it has transferred substantially all risk and rewards of ownership of financial asset. In such cases, financial asset is derecognised. Where entity has not transferred substantially all risks and rewards of ownership of financial asset, such financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risk and rewards of ownership of the financial asset, the financial asset is derecognised, if the

Group has not retained control of the financial asset. Where the Group retains control of the financial asset is continued to be recognised to the extent of continuing involvement in the financial asset.

7.3 Financial Liabilities

7.3.1 Classification 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 Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

7.3.2 Subsequent measurement

Financial liabilities are measured subsequently at amortised 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 statement of profit and loss.

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because, the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

7.3.3 De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

7.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

8. Impairment

8.1 Impairment of financial instruments

The Group recognise loss allowance for expected credit loss on financial assets measured at amortised cost.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty;
- a breach of contract such as a default or being past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are credit losses that result from all possible default events over expected life of financial instrument.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information. The Group assumes that credit risk on a financial asset has increased significantly if it is past due.

The Group considers a financial asset to be in default when:

- the recipient is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is past due.

8.1.1 Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

8.1.2 Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

8.1.3 Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

8.2 Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro-rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine recoverable amount. Such a reversal is made only to an extent that asset's carrying amount does not

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

exceed carrying amount that would have been determined, net of depreciation/ amortisation, if no impairment loss was recognised.

9. Income Taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax is recognised in respect of temporary difference between carrying amount of assets and liabilities for financial reporting purposes and corresponding amounts used for tax purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised / recognised, are reviewed at each reporting date and are recognised/ reduced to an extent that it is probable / no longer probable respectively that related tax benefit will be realised.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future income tax liability.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the

liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by same tax authority on same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or its tax assets and liabilities will be realised simultaneously.

10. Post-employment benefits and short-term employee benefits

a. Short term employee benefit obligations:

Short term employee benefit obligations are those that are expected to be settled within 12 months after end of reporting period. They are recognised up to end of the reporting period at amounts expected to be paid at the time of settlement.

With respect to bonus, the Group recognises a liability and an expense for bonus. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

b. Other long term employee benefit obligations:

These obligation represent liability towards compensated absences that are not expected to be settled wholly within a period of 12 months after end of the period in which the employees render the related service. They are, therefore, recognised and provided for at the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in balance sheet if entity does not have an unconditional right to defer settlement for at least twelve months after reporting period, regardless of when the actual settlement is expected to occur.

c. Post-employment obligation:

The Group operates the post-employment schemes comprising of defined benefit and contribution plans and such as gratuity and group terminal benefit plan, provident fund contributions for its eligible employees.

i. Gratuity/group terminal benefit obligation:

The liability or asset recognised in the balance sheet in respect of these defined benefit obligation is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

benefit obligation is calculated annually by an Independent actuary using projected unit credit method. The present value of defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on the government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is included in employee benefit expenses in the Statement of Profit and Loss. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in present value of the defined benefit obligation resulting from plan amendment or curtailment are recognised immediately in the statement of profit and loss.

ii. Provident Fund:

The eligible employees of the Group are entitled to receive benefits in respect of provident fund, partly a defined benefit obligation and partly a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employee's salary. The provident fund contributions are made partly to Employees' Provident Fund Organisation and partly to an irrevocable trust set up by the Group. The Group is liable for annual contributions and any shortfall in the fund assets based on the Government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year in which it is incurred.

11. Provisions and contingent liabilities

a. Provisions:

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

11.1.1 Provision for warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighing of all possible outcomes by their associated probabilities.

11.1.2 Onerous contract

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

b. Contingent liabilities:

Whenever there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability.

c. Contingent assets:

The Group does not recognise contingent assets. These are assessed continually to ensure that the developments are appropriately disclosed in these consolidated financial statements.

12. Earnings per share

Basic earnings per share are 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.

13. Cash and cash equivalents and cash flow statement

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

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is appropriately classified for the effects of transactions of

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

non-cash nature and any deferrals or accruals of past or future receipts or payments. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of three months or less.

14. Segment reporting

The Group is engaged in the manufacture and sale of bolts and nuts, water and petrol pumps, sintered products, cold extruded components, hot & warm forged parts, radiator caps and other parts which largely have applications primarily in automobile industry and thus the Group has only one reportable segment.

15. Government grants

Government grants and subsidies are recognised when there is reasonable assurance that the conditions attached to them will be complied and grant/subsidy will be received. Government grants relating to income are deferred and recognized in the statement of profit and loss over the period necessary to match them with the costs that they intended to compensate and presented in other operating revenues. Grants that compensate the Group for expenses incurred are recognised in profit or loss as other operating revenue on a systematic basis in the periods in which such expenses are recognised.

16. Foreign currency transactions and foreign operations

Foreign currency transactions

In preparing consolidated financial statements, transactions in currencies other than Group's functional currency (i.e. foreign currencies) are recognised at rates of exchange prevailing on date of transactions or an average rate if average rate approximates actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at exchange rate when fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

Foreign currency operations

The assets and liabilities of foreign operations (subsidiaries, associates, joint arrangements, branches) including goodwill and fair value adjustments arising on acquisition, are translated into ₹, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into ₹ at the

exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Foreign currency translation differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

17. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred under finance costs. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to interest costs.

3A. New standards and amendments to existing standards issued but not yet effective

New standard - Ind AS 115, Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 on Revenue, Ind AS 11 on Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. This standard is effective from annual periods beginning on or after April 1, 2018 and will be applied accordingly. In this regard, the Group is in process of carrying out assessment of potential impact on adoption of Ind AS 115 on accounting policies followed and accordingly impact on its consolidated financial statements on initial application of this standard is not reasonably estimable at present.

Amendment to existing standard - Ind AS 21 – The Effect of Changes in Foreign Exchange Rates

The amendment to Ind AS 21 clarifies on accounting of transactions that include receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. In this regard, the Group is in the process of carrying out its assessment of potential impact on adoption of this amendment on accounting policies followed in its consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

4 a) Property, plant and equipment

Gross block	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
As at April 1, 2016	43.18	147.62	808.59	3.79	14.38	3.25	1,020.81
Acquisition through business combination*	-	-	0.32	0.09	0.06	0.05	0.52
Additions	-	18.61	188.37	1.53	3.15	3.26	214.92
Disposal	-	(0.01)	(7.30)	(0.03)	(0.10)	(0.66)	(8.10)
Exchange difference on translation of foreign operations	-	(0.62)	(4.41)	(0.04)	(0.02)	(0.01)	(5.10)
As at March 31, 2017	43.18	165.60	985.57	5.34	17.47	5.89	1,223.05
Additions	-	39.99	190.29	1.91	4.52	2.31	239.02
Disposal	-	-	(2.93)	(0.04)	(0.46)	(0.80)	(4.23)
Exchange difference on translation of foreign operations	-	0.06	0.66	0.01	0.02	0.01	0.76
As at March 31, 2018	43.18	205.65	1,173.59	7.22	21.55	7.41	1,458.60
Accumulated depreciation							
As at April 1, 2016	-	5.95	94.49	0.59	3.17	0.51	104.71
Acquisition through business combination*	-	-	0.06	0.02	0.02	0.02	0.12
Depreciation charge for the year	-	6.41	92.68	0.68	3.45	0.66	103.88
Disposal	-	-	(2.47)	(0.03)	(0.07)	(0.26)	(2.83)
Other Adjustments	-	-	(0.02)	-	-	-	(0.02)
Exchange difference on translation of foreign operations	-	(0.06)	(0.84)	(0.01)	(0.01)	(0.03)	(0.95)
As at March 31, 2017	-	12.30	183.90	1.25	6.56	0.90	204.91
Depreciation charge for the year	-	7.34	99.20	0.89	3.47	0.85	111.75
Disposal	-	-	(1.78)	(0.02)	(0.17)	(0.21)	(2.18)
Other Adjustments	-	-	(0.01)	-	-	0.01	-
Exchange difference on translation of foreign operations	-	0.02	0.29	0.01	-	-	0.32
As at March 31, 2018	-	19.66	281.60	2.13	9.86	1.55	314.80
Net block							
As at March 31, 2017	43.18	153.30	801.67	4.09	10.91	4.99	1,018.14
As at March 31, 2018	43.18	185.99	891.99	5.09	11.70	5.86	1,143.80
b) Capital work-in-progress							
As at March 31, 2017	-	7.58	59.83	-	1.78	-	69.19
As at March 31, 2018	-	45.89	64.76	-	0.23	-	110.88

* Acquisition of TVS Next Private Limited (formerly known as Blisslogix Technology Solutions Private Limited)

a) Plant and equipment includes net block of assets leased out amounting to ₹ 6.28 (March 31, 2017: ₹ 4.30)

b) Refer note 16 for assets pledged as securities for borrowings

c) Refer note 36(c) for capital commitments

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

5 Investment property

Gross block	Land	Building	Total
As at April 1, 2016	2.72	7.04	9.76
Additions	-	-	-
Exchange difference on translation of foreign operations	-	(0.26)	(0.26)
As at March 31, 2017	2.72	6.78	9.50
Additions	-	-	-
Exchange difference on translation of foreign operations	-	0.02	0.02
As at March 31, 2018	2.72	6.80	9.52
Accumulated depreciation			
As at April 1, 2016	-	0.32	0.32
Depreciation for the year	-	0.32	0.32
Exchange difference on translation of foreign operations	-	(0.02)	(0.02)
As at March 31, 2017	-	0.62	0.62
Depreciation for the year	-	0.32	0.32
Exchange difference on translation of foreign operations	-	0.01	0.01
As at March 31, 2018	-	0.95	0.95
Net block			
As at March 31, 2017	2.72	6.16	8.88
As at March 31, 2018	2.72	5.85	8.57

Notes:

1. Information regarding income and expenditure of investment property

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rental income from the investment property	0.60	0.58
Less: Expenses that:		
Contribute to the rental income (including repairs and maintenance)	0.01	0.01
Profit before depreciation	0.59	0.57
Less: Depreciation	0.32	0.32
Profit	0.27	0.25

2. The fair value of investment property is not significant and accordingly related disclosures have not been made in the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

6 Intangible assets

	Gross block	Goodwill	Other intangible assets - Software	Total
As at April 1, 2016		-	1.43	1.43
Acquisition through business combination*		3.34	-	3.34
Additions		-	-	-
Disposal		-	-	-
Exchange differences on translation of foreign operations		-	(0.07)	(0.07)
As at March 31, 2017		3.34	1.36	4.70
Additions		-	0.01	0.01
Disposal		-	(0.02)	(0.02)
Exchange differences on translation of foreign operations		-	0.01	0.01
As at March 31, 2018		3.34	1.36	4.70
Accumulated amortisation				
As at April 1, 2016		-	0.34	0.34
Amortisation charge for the year		-	0.30	0.30
Exchange differences on translation of foreign operations		-	(0.02)	(0.02)
As at March 31, 2017		-	0.62	0.62
Amortisation charge for the year		-	0.25	0.25
Disposal		-	(0.02)	(0.02)
Exchange differences on translation of foreign operations		-	0.01	0.01
As at March 31, 2018		-	0.86	0.86
Net block				
As at March 31, 2017		3.34	0.74	4.08
As at March 31, 2018		3.34	0.51	3.85

* Acquisition of TVS Next Private Limited (formerly known as Blisslogix Technology Solutions Private Limited)

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	As at March 31, 2018	As at March 31, 2017
7 Non-current investments		
I) Investments measured at fair value through other comprehensive income		
Investments in equity instruments		
(i) Quoted		
a) 75,000 (March 31, 2017: 75,000) fully paid equity shares of ₹ 2/- each in Housing Development Finance Corporation Limited, Mumbai	13.69	11.27
b) 2,500 (March 31, 2017: 2,500) fully paid equity shares of ₹ 2/- each in HDFC Bank Limited, Mumbai	0.47	0.36
c) 20,439 (March 31, 2017: 20,439) fully paid equity shares of ₹ 10/- each in IDBI Bank Limited, Mumbai	0.15	0.15
d) 6,188 (March 31, 2017: 3,094) fully paid-up equity shares of ₹ 5/- in India Nippon Electricals Limited, Chennai	0.29	0.17
e) 7,800 (March 31, 2017: 7,800) equity shares of ₹ 10/- each fully paid-up in Sundaram Brake Linings Limited, Chennai	0.39	0.32
	14.99	12.27
(ii) Unquoted		
1,25,000 (March 31, 2017: 1,25,000) equity shares of ₹ 10/- each in Madras Engineering Industries Private Limited, Chennai	43.53	9.87
	43.53	9.87
Total of (I)	58.52	22.14
II) Investments measured at cost		
(A) Investment in venture capital fund		
168 units (March 31, 2017: 168 units) of ₹ 100/- each in the ICICI Emerging Sectors Fund, Bengaluru **	-	-
	-	-
(B) Other investments		
a) Capital Contribution in PGSD engineering LLP, New Delhi (extent of holding - 19%)**	-	-
b) 35 (March 31, 2017: 35) equity shares of ₹ 100/- each (₹ 65/- paid-up) in The Adyar Property Holding Co. Limited aggregating ₹ 2,275/-**	-	-
	-	-
Total of (II)	-	-
III) Investments measured at fair value through statement of profit or loss		
Investments in equity instruments		
Unquoted		
(i) Power generation companies*		
a) 12,935 (March 31, 2017: 12,935) Class A equity shares of ₹ 10/- each and 3,24,169 (March 31, 2017: 3,24,169) Class B equity shares of ₹ 10/- each in PPS Enviro Power Private Limited., Hyderabad	1.23	1.23
b) 18,40,221 (March 31, 2017: 19,50,891) equity shares of ₹ 10/- each in Clarion Wind Farm Private Limited, Chennai	1.84	1.95
c) 12,91,976 (March 31, 2017: 10,50,000) Class A equity shares of ₹ 10/- each in Beta Wind Farm Private Limited, Chennai	2.45	2.00
d) 11,00,000 (March 31, 2017: 11,00,000) equity shares of ₹ 10/- each in Gayatri Green Power Limited, Chennai	1.10	1.10
e) 2,229 (March 31, 2017: 2,229) equity shares of ₹ 10/- each in Suryadev Alloys and Power Private Limited, Chennai	0.03	0.03

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	As at March 31, 2018	As at March 31, 2017
f) 46,602 (March 31, 2017 : Nil) equity shares of ₹ 10/- each in Beta Wind Farm Private. Limited, Chennai	0.09	-
g) 3,000 (March 31, 2017: 3,000) class A fully paid up equity shares of ₹ 10/- each in Clean Switch India Private Limited, Chennai	0.05	0.05
h) 140,000 (March 31, 2017: 140,000) class B fully paid up equity shares of ₹ 10/- each in Clean Switch India Private Limited, Chennai *The right to sell/ transfer these shares are subject to terms and conditions of respective shareholder agreement.	0.14	0.14
(ii) Other investments		
3,51,00,000 (March 31, 2017: 3,51,00,000) equity shares of ₹ 1/- each in Madurai Trans Carrier Limited, Chennai (extent of holding -19.5%), Less: impairment loss of ₹ 2.37/- (March 31, 2017: ₹ 2.37/-)	1.14	1.14
Total (III)	8.07	7.64
Total (I+II+III)	66.59	29.78
** Amount less than ₹ 0.01		
Aggregate amount of quoted investments and market value thereof	14.99	12.27
Aggregate value of unquoted investments	51.60	17.51
Aggregate amount of impairment in value of investments	2.37	2.37

7 Current investments

Investments measured at fair value through statement of profit or loss

Investments in equity instruments

(i) Quoted

a) 1,320 (March 31, 2017: 600) equity shares of ₹ 1/- each (previous year: ₹ 10/-) fully paid-up of State Bank of India	0.03	0.04
b) 1 (March 31, 2017: 1) equity share of ₹ 5/- each fully paid-up in Maruti Suzuki India Limited, New Delhi **	-	-
c) 1,000 (March 31, 2017: 1,000) equity shares of ₹ 2/- each, fully paid-up of Sterling Tools Limited	0.04	0.02
d) 83 (March 31, 2017: 83) equity shares of ₹ 10/- each, fully paid-up of Lakshmi Precision Screws Limited **	-	-
e) 500 (March 31, 2017: 500) equity shares of ₹ 2/- each, fully paid-up of Simmonds-Marshall Limited	0.01	-
f) 25 (March 31, 2017: 25) equity shares of ₹ 2/- each, fully paid-up of Bharat Forge Limited **	-	-
g) 13,900 (March 31, 2017: 13,900) equity shares of ₹ 10/- each, fully paid-up of Sundaram Brake Linings Limited	0.70	0.57
h) 1,994 (March 31, 2017: 1,994) equity shares of ₹ 5/- each, fully paid-up of Sundaram Clayton Limited	0.96	0.73
i) 1,994 (March 31, 2017: 1,994) equity shares of ₹ 5/- each, fully paid-up of WABCO-INDIA Limited	1.58	1.16
j) 1,968 (March 31, 2017: 1,968) equity shares of ₹ 10/- each, fully paid-up of India Motor Parts and Accessories Limited	0.20	0.16
	3.52	2.68
** Amount less than ₹ 0.01		
Aggregate amount of quoted investments and market value thereof	3.52	2.68
Aggregate value of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	As at March 31, 2018		As at 31 March 2017	
	Non-current	Current	Non-current	Current
8 Loans				
(Unsecured considered good, unless otherwise stated)				
Loans to employees	2.05	1.14	2.61	1.07
	2.05	1.14	2.61	1.07

9 Other financial assets

(Unsecured considered good, unless otherwise stated)

Security deposits	21.55	-	27.35	0.01
Advances recoverable	-	5.33	-	6.35
Interest receivable	-	0.48	-	0.61
Other receivables	2.29	3.89	2.18	1.65
	23.84	9.70	29.53	8.62

The Group's exposure to credit risk and market risk are disclosed in note 35C.

10 Other tax assets, net

Advance income tax, net of provision

	32.79	1.09	26.32	1.12
	32.79	1.09	26.32	1.12

11 Other assets

(Unsecured considered good, unless otherwise stated)

Prepaid expenses	5.21	7.90	5.45	8.81
Capital advance	42.47	-	22.00	-
Balance with statutory/government authorities	49.42	1.55	48.56	3.04
Advances recoverable	0.64	47.54	1.05	45.00
Advances to suppliers	-	24.50	-	6.32
Unamortised cost of leasehold land	43.26	0.34	41.28	0.32
Other advances	-	4.45	-	0.90
	141.00	86.28	118.34	64.39

12 Inventories

(Valued at lower of cost and net realisable value)

Raw materials and components (includes in transit of ₹ 19.87 (March 31, 2017: ₹ 14.08))	167.94	126.54
Work-in-progress	128.59	101.99
Finished goods (includes in transit of ₹ 2.28 (March 31, 2017: ₹ 2.92))	175.47	178.41
Stores and spares	16.89	11.55
Loose tools	34.29	30.54
	523.18	449.03

For the carrying value of inventories pledged as securities for borrowings, refer note 16

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	As at March 31, 2018	As at March 31, 2017
13 Trade receivables		
Unsecured, considered good	793.61	654.14
Doubtful	5.71	2.95
	799.32	657.09
Loss allowance		
Doubtful	(5.71)	(2.95)
Net trade receivables	793.61	654.14
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties (refer note 37)	52.22	48.00
Loss allowance	-	-
	52.22	48.00
Movement in loss allowance of trade receivables		
Opening balance	2.95	2.85
Amount written-off	(1.88)	(2.85)
Impairment loss	4.64	2.95
Closing balance	5.71	2.95

The Group's exposure to credit risks and loss allowances related to traded receivables are disclosed in note 35C

14 Cash and cash equivalents

Cash on hand	0.37	0.40
Balance with banks in current accounts	25.76	33.11
Deposits with banks (original maturity of 3 months or less)	4.52	3.63
Total cash and cash equivalents (A)	30.65	37.14
Bank balance other than mentioned in cash and cash equivalents		
Earmarked balances with banks - dividend warrant accounts	3.10	2.35
Deposits with banks (maturity more than 3 months but less than 12 months)	1.41	0.06
Total bank balance other than those mentioned in cash and cash equivalents (B)	4.51	2.41
Total (A) + (B)	35.16	39.55

Note:

The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made since they do not pertain to the financial year ended March 31, 2018. However amounts as appearing in the audited consolidated financial statements for the year ended March 31, 2017 have been disclosed hereunder

Disclosure required pursuant to G.S.R. 307(E) and G.S.R. 308(E) dated March 30, 2017

Particulars	Specified Bank	Other	Total
	Notes	denomination	
Closing cash on hand as on November 8, 2016	0.10	0.06	0.16
Add: Permitted receipts *	0.06	0.41	0.47
Less: Permitted payments	(0.01)	(0.34)	(0.35)
Less: Amount deposited in banks	(0.15)	-	(0.15)
Closing cash on hand as on December 30, 2016	-	0.13	0.13

*Permitted receipts of specified bank notes represents amount of advances given to employees prior to November 8, 2016 which were returned.

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	As at March 31, 2018	As at March 31, 2017
15 Share capital and other equity		
A Share capital		
Authorised		
25,00,00,000 (March 31, 2017: 25,00,00,000) equity shares of ₹ 1/- each	25.00	25.00
Issued, subscribed and fully paid-up		
21,01,28,370 (March 31, 2017: 21,01,28,370) equity shares of ₹ 1/- each fully paid-up	21.01	21.01
	21.01	21.01

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the commencement and end of the year	21,01,28,370	21.01	21,01,28,370	21.01
b) Shares held by ultimate holding company/holding/associates				
Equity shares				
Equity shares of ₹ 1/- each fully paid-up held by T V Sundram Iyengar & Sons Private Limited, Madurai	5,33,12,000	5.33	5,33,12,000	5.33

c) Shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2018		As at March 31, 2017	
	Nos.	% holding	Nos.	% holding
Equity shares of ₹ 1/- each fully paid-up held by				
T V Sundram Iyengar & Sons Private Limited, Madurai	5,33,12,000	25.37%	5,33,12,000	25.37%
Southern Roadways Limited, Madurai	5,07,73,280	24.16%	5,07,73,280	24.16%
HDFC Trustee Company Limited, Mumbai	1,45,21,102	6.91%	1,88,96,927	8.99%
	11,86,06,382	56.44%	12,29,82,207	58.52%

d) Rights, preferences and restrictions

Equity 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. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

e) 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, 2018:

- (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

f) Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	As at March 31, 2018	As at March 31, 2017
Total debt (in the form of external borrowings)	700.02	700.51
Cash and cash equivalents	(30.65)	(37.14)
Net debt	669.37	663.37
Equity attributable to equity holders of the parent	1,531.10	1,236.13
Overall financing	1,531.10	1,236.13
Gearing ratio	43.72%	53.66%

C = (A/B)*100

B Other equity

(i) Dividends

The following dividends were declared and paid by the Group during the year:

	Year ended March 31, 2018	Year ended March 31, 2017
Attributable to Owners of the Company		
First interim dividend of ₹ 1.90/- (March 31, 2017: ₹ 1.70/-) per equity share for the respective years	39.92	35.72
Dividend distribution tax on above	8.18	7.38
Final dividend of ₹ 2.80/- per equity share	58.84	-
Dividend distribution tax on above	11.87	-
	118.81	43.10
Attributable to Non-controlling interests		
Dividend of ₹ 30/- (March 31, 2017: ₹ 30/-) per equity share declared by subsidiary Sundram Non-Conventional Energy Systems Limited	0.70	0.71
Dividend distribution tax on above	0.14	0.14
	0.84	0.85
	119.65	43.95

After the reporting dates the following dividends (excluding dividend distribution tax) were proposed by the directors subject to the approval at the annual general meeting (except for interim dividend); these dividends have not been recognised as liabilities and would attract dividend distribution tax when declared or paid.

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	Year ended March 31, 2018	Year ended March 31, 2017
Final dividend of ₹ Nil (March 31, 2017: ₹ 2.80/-) per equity share	-	58.84
Second interim dividend of ₹ 2.70/- (March 31, 2017: ₹ Nil) per equity share	56.73	-
	56.73	58.84

(ii) Special Economic Zone reinvestment reserve

This represents reserves created pursuant to the requirements of Income-tax Act, 1961 for claiming certain tax benefits.

(iii) Analysis of items of OCI (net of tax)

a Equity instrument through OCI

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the equity.

b Remeasurement of defined benefit liability

Remeasurement of defined benefit liability comprises of actuarial gain or losses and return on plan assets (excluding interest income).

c Exchange difference on translation of foreign operations

These comprise of all exchange differences arising from translation of financial statements of foreign operations.

	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
16 Borrowings				
Financial liabilities at amortised cost				
a) Secured				
Term loan				
From banks in local currency (refer note (i) below)	69.47	0.25	74.69	0.49
From banks in foreign currency (refer note (i) below)	97.04	-	130.86	-
Working capital loans				
Working capital facility from bank (refer note (ii) below)	-	122.26	-	93.66
	166.51	122.51	205.55	94.15
Less: Current maturities of long term borrowings	(99.20)	-	(80.79)	-
	67.31	122.51	124.76	94.15
b) Unsecured				
Term loan from banks (refer note (i) below)	150.77	-	25.27	-
Working capital facility from bank (refer note (ii) below)	-	259.73	-	375.04
Loan from other parties	-	0.50	-	0.50
	150.77	260.23	25.27	375.54
Total	218.08	382.74	150.03	469.69

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

(i) Term loan from banks include

- (a) An outstanding ECB loan from a bank amounts to USD 5 million, equivalent to ₹ 31.86 (March 31, 2017: USD 10 million, equivalent to ₹ 66.00), net of initial transaction costs, repayable over 3 equal yearly instalments commencing from July 2016. The loan is secured by a first pari passu charge on movable fixed assets, both present and future. The interest rate is linked to Libor + agreed spread p.a.
- (b) An outstanding foreign currency term loan from a bank amounts to USD 10 million, equivalent to ₹ 65.18, is repayable in July 2018 (March 31, 2017: USD 10 million, equivalent to ₹ 64.86). The loan is secured by a second pari passu charge on movable fixed assets, both present and future. The interest rate is linked to Libor + agreed spread p.a.
- (c) An outstanding of another ECB loan amounts to USD 15 million equivalent to ₹ 97.77, repayable over 3 equal yearly instalments commencing from July 2021. The loan is unsecured. The interest rate is linked to Libor + agreed spread p.a.
- (d) Term loan of ₹ 40.00 as at March 31, 2017 taken from a bank in local currency has been closed during the year.
- (e) An outstanding term loan from a bank amounts to ₹ 48.00 (March 31, 2017: ₹ 25.69), repayable over 8 equal half yearly installments commencing from May 2019. The loan is secured by exclusive mortgage on the factory land and building at SIPCOT, Oragadam and first pari passu charge on moveable fixed assets of the company. The interest rate is linked to MCLR + agreed spread.
- (f) An outstanding term loan from a bank amounts to ₹ 0.25 (March 31, 2017: ₹ 0.49), repayable over 12 quarterly installments, commencing from August 8, 2016. The loan is secured against laptops.
- (g) An outstanding term loan from bank amounts to RMB 13,084,250 equivalent to ₹ 12.85 (March 31, 2017: Nil). The loan is secured by land use right, factory buildings, plant and equipments. The interest rate is linked to base rate + agreed spread p.a.
- (h) An outstanding of another term loan amounts to GBP 6,146,655 equivalent to ₹ 53.00 (March 31, 2017: GBP 3,025,495 equivalent to ₹ 34.27), repayable in 2 equal installments of 50% each, the first being on August 19, 2020 and the second on July 19, 2021. These loans are unsecured, ranking pari passu with the claims of all other unsecured and unsubordinated creditors. The interest rate is linked to Libor + agreed spread p.a.
- (i) An outstanding term loan from a bank amounts to GBP 1 million, equivalent to ₹ 8.62 (March 31, 2017: Nil), repayable in 8 equal installments, starting on September 6, 2018 and every three months after this date until the loan is fully repaid on September 6, 2020.

This arrangement contains a negative pledge preventing the borrower Company from creating or allowing to subsist and security over any of its assets. The borrower Company is also prevented from entering into any sale and leaseback or debt factoring arrangements as a method of raising financial indebtedness or of financing the acquisition of an asset. There is additional security in the form of fixed charges over all freehold and leasehold property, book and other debts, chattels, goodwill and uncalled capital, both at the time of the agreement and in the future. There are also floating charges over all assets and undertakings at the time of the agreement and in the future. The interest rate is linked to Libor + agreed spread p.a.

(ii) Working capital loans from banks include

- (a) The working capital facilities of ₹ 72.40 (March 31, 2017: 22.41) outstanding carrying interest rate ranging from 8.10% - 15% p.a. These facilities are repayable on demand, partly secured by pari-passu first charge on current assets viz., stocks of raw materials, work-in-progress and finished goods.
- (b) A preshipment packing credit loan is availed in local currency and foreign currency amounting to ₹ 294.73 (March 31, 2017: 368.99) They are partly secured by pari-passu first charge on current assets viz., stocks of raw materials, work-in-progress and finished goods. Preshipment packing credit (secured & unsecured) is repayable within 360 days and carries interest in the range of 1.80% to 5.00 %.
- (c) A buyers credit of ₹ 63.89 as at March 31, 2017 taken from banks in foreign currency have been closed during the year.
- (d) A working capital facilities of ₹ 0.40 (March 31, 2017: 4.55) outstanding carrying interest rate ranging from 7.75% - 9.75% p.a. These facilities are secured by hypothecation of current assets viz., of stocks of raw materials, work-in-progress, finished goods and receivables.

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

(e) An export packing credit loan amounts to ₹ 7.00 (March 31, 2017: 7.00). They are secured by hypothecation of current assets consisting of stocks of raw materials, work-in-progress, finished goods and receivables. Export packing credit is repayable within 360 days and carries interest of 4.5%.

(f) A working capital facilities of ₹ 1.79 (March 31, 2017: 1.86) carrying interest rate of MCLR + agreed spread p.a. These facilities are repayable on demand, secured against book debts.

(g) A working capital facilities of GBP 657,458, equivalent to ₹ 5.67 (March 31, 2017: Nil) carrying interest rate being base rate + agreed spread p.a.

The Group's exposure to liquidity, interest rate and currency risk related to borrowings are disclosed in note 35C.

(iii) Net debt reconciliation

	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents	30.65	37.14
Current borrowings	(382.74)	(469.69)
Non-current borrowings	(317.28)	(230.81)
Net debt	(669.37)	(663.37)

	Other assets	Liabilities from financing activities		Total
	Cash and cash equivalents	Current borrowings	Non-current borrowings	
Net debt as at April 1, 2017	37.14	(469.69)	(230.81)	(663.37)
Net cash flows	(6.49)	88.18	(95.63)	(13.94)
Foreign exchange adjustments	-	(1.23)	9.72	8.49
Other non-cash movements	-	-	(0.56)	(0.56)
Net debt as at March 31, 2018	30.65	(382.74)	(317.28)	(669.37)

17 Provisions	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
Provision for employee benefits				
Provision for gratuity*	2.43	6.92	3.59	5.84
Provision for compensated absences	6.50	1.87	4.64	0.72
Provision for others	-	11.35	-	8.01
	8.93	20.14	8.23	14.57

* includes also provision towards group terminal benefits

a) Provision for employee benefits

Defined benefit plans:

The Group operates post-employment defined benefit plans comprising of gratuity plan, group terminal benefit plan and an exempted provident fund managed through trust. The post employment benefit in the form of gratuity is managed and administered by Life Insurance Corporation of India. The provident fund contributions to trust are managed through trust investments in addition to contribution of a portion of its provident fund liability to Employees' Provident Fund Organisation. The group terminal benefit plan is made available to certain class of employees and the same is unfunded. The Group obtains, wherever applicable, an actuarial valuation from an independent actuary using projected unit credit method to determine the liability as at the reporting date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

The post-employment defined benefit plans operated by the Group are as follows:

i) Gratuity

The following tables summarises 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.

The Group, for its applicable Companies, has its defined benefit gratuity plan as per the Payment of Gratuity Act, 1972. Under this legislation, employee who has completed five years of service is entitled to specific benefit. The level of benefit provided depends on the employee's length of service and salary at retirement / termination age. The gratuity plan is a funded plan and the Group makes its contributions to a recognised fund in India.

The Group's Gratuity plan valuation report includes employee benefits of the holding Company and its subsidiaries (i) TVS Upasana Limited, Chennai; (ii) Sundram Precision Components Limited, Chennai; (iii) Sundram Non-Conventional Energy Systems Limited, Chennai and (iv) TVS Infotech Limited, Chennai. Based on an entity specific actuarial valuation obtained in this respect, the following table sets out the amounts recognised in the Group's financial statements in this regard as at balance sheet date:

Particulars	Year ended March 31,2018	Year ended March 31,2017
Amount recognised in statement of profit and loss	3.73	1.75
Amount recognised in other comprehensive income	(0.63)	2.39
Total expense	3.10	4.14
Net employee benefit expense		
Current service cost	3.31	3.43
Interest cost on benefit obligation	0.42	(1.69)
	3.73	1.75
Recognised in other comprehensive income		
Actuarial loss arising from change in financial assumptions	4.25	5.33
Actuarial gain arising from experience adjustments	(4.88)	(2.94)
Actuarial (gain)/ loss	(0.63)	2.39

The following table sets out the defined obligation and funded status including that relating to its related entities

	As at March 31, 2018	As at March 31, 2017
Net defined obligation		
Present value of defined benefit obligation	48.91	46.75
Fair value of plan assets	(41.54)	(39.18)
	7.37	7.57
Changes in present value of the defined benefit obligation are as follows:		
Balance at the beginning of the year	46.75	42.57
Interest cost	3.27	3.43
Current service cost	3.09	3.21
Benefits paid	(3.90)	(5.13)
Actuarial gain on obligation	(0.30)	2.67
Balance at the end of the year	48.91	46.75

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	As at March 31, 2018	As at March 31, 2017
Changes in the fair value of plan assets are as follows:		
Balance at the beginning of the year	39.18	38.71
Expected return on plan assets	3.10	3.19
Mortality charges and taxes	-	-
Contribution made by the employer	3.14	2.46
Benefits paid	(3.88)	(5.07)
Acquisition adjustment	-	(0.11)
Balance at the end of the year	41.54	39.18
Plan assets comprises of :		
% of Investment with insurer	100	100
Principal actuarial assumptions used		
Discount rate	7.80%	7.00%
Salary escalation rate	8.00%	5.00%
Attrition rate	10.00%	10.00%
Classification		
- Current	6.49	5.56
- Non-current	1.08	2.19

Sensitivity

	March 31, 2018		March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate				
> Sensitivity level	1.00%	1.00%	1.00%	1.00%
> Impact on defined benefit obligation	(12.96)	12.68	2.13	8.13
Salary escalation rate				
> Sensitivity level	0.50% to 1.00%	0.50% to 1.00%	0.50% to 1.00%	0.50% to 1.00%
> Impact on defined benefit obligation	10.80	(11.50)	9.27	(8.59)

ii) Group terminal benefit

Group terminal benefit relates to post-employment benefit paid to certain class of employees upon their retirement/ death. The level of benefit provided depends on the employee's length of service at retirement/ termination age. The following table sets out the status of the group terminal benefit plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	Year ended March 31, 2018	Year ended March 31, 2017
Net employee benefit expense		
Current service cost	0.09	0.12
Interest cost on benefit obligation	0.11	0.09
	0.20	0.21

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	Year ended March 31, 2018	Year ended March 31, 2017
Recognised in other comprehensive income		
Actuarial loss arising from change in financial assumptions	(0.05)	-
Actuarial gain arising from experience adjustments	0.17	-
	0.12	-
Changes in present value of the defined benefit obligation are as follows:		
Defined benefit obligation at the beginning of the year	1.64	1.61
Interest cost	0.11	0.11
Current service cost	0.09	0.12
Benefits paid	(0.25)	(0.20)
Actuarial loss on obligation	0.12	-
Defined benefit obligation at the year end	1.70	1.64
Principal actuarial assumptions used		
Discount rate	7.80%	7.00%
Attrition rate	10.00%	10.00%
Remaining working lives for selected class of employees (in years)	5.49	10.00
Classification		
- Current	0.43	0.28
- Non-current	1.27	1.36

Note: The impact on defined benefit obligation, if any arising from change in underlying assumptions are not considered as significant and accordingly, sensitivities have not been presented.

All the above figures are aggregation of actuarial valuation report obtained with respect to the Company and applicable domestic subsidiaries.

iii) Provident fund

All eligible employees of the Group are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and employer (at a determined rate) contribute monthly. The company also contributes as specified under the law, in case of certain class of employees, to a provident fund trust set up and to respective Regional Provident Fund Commissioner. The Company's contribution to the Provident Fund, where set up as a trust, is liable for future provident fund benefits to the extent of its annual contribution and any shortfall in fund assets based on government specified minimum rates of return relating to current period service and recognizes such contributions and shortfall, if any as an expense in the year incurred. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest. Such contributions made into the fund and to the Regional Provident Fund Commissioner during the year are recognized as an expense in the statement of profit and loss.

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	As at March 31, 2018	As at March 31, 2017
Principal actuarial assumptions used		
Discount rate	7.80%	7.20%
Interest rate declared by EPFO	8.55%	8.65%
Remaining working lives of employees (in years)	7.63	13.00

iv) Compensated absences

The Group's net obligation in respect of compensated absences is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method.

	Year ended March 31, 2018	Year ended March 31, 2017
Recognised in statement of profit and loss:		
Current Service cost	1.00	0.16
Interest cost on benefit obligation	0.32	0.01
Net actuarial loss recognised	2.09	0.04
	3.41	0.21
Recognised in other comprehensive income		
Actuarial loss arising from change in financial assumptions	-	-
Actuarial gain arising from experience adjustments	-	(0.84)
	-	(0.84)

Principal actuarial assumptions used:

	As at March 31, 2018	As at March 31, 2017
Discount rate	7.20% - 7.80%	6.75% - 7.00%
Salary escalation rate	8.00%	5.00% - 10.00%
Attrition rate	10% - 34%	10% - 20%

b) Provision for others

	As at March 31, 2018	As at March 31, 2017
Opening balance	8.02	8.52
Provision made during the year	3.33	0.01
Provision utilised / reversed during the year	-	(0.52)
Closing balance	11.35	8.01

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	Year ended March 31, 2018	Year ended March 31, 2017
18 Income tax		
A Amounts recognised in statement of profit and loss		
Current tax (a)		
Current period	148.98	112.29
Deferred tax (b)		
Attributable to - origination and reversal of temporary differences	16.78	8.05
Tax expense (a) + (b)	165.76	120.34

B Income tax recognised in other comprehensive income

	As at March 31, 2018			As at March 31, 2017		
	Amount	Tax (expense) / benefit	Net of tax	Amount	Tax (expense) / benefit	Net of tax
Fair value of investments	36.39	(11.65)	24.74	4.99	-	4.99
Remeasurements of defined benefit liability	0.51	0.33	0.84	(1.55)	(0.29)	(1.84)
	36.90	(11.32)	25.58	3.44	(0.29)	3.15

C Income tax recognised directly in equity

Year ended March 31, 2018	Year ended March 31, 2017
-	-

D Reconciliation of effective tax rate

	Year ended March 31, 2018		Year ended March 31, 2017	
	%	Amount	%	Amount
Profit before tax		553.93		458.52
Tax using the Group's domestic tax rate	34.61%	191.70	34.61%	158.68
Effect of:				
- Deduction under section 10AA of the Income Tax Act, 1961	(6.19%)	(34.31)	(6.74%)	(30.89)
- Expenditure on research and development	(0.61%)	(3.40)	(1.35%)	(6.20)
- Others	2.12%	11.77	(0.27%)	(1.25)
Effective tax rate / tax expense	29.93%	165.76	26.25%	120.34

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

E Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

(a) Deferred tax liabilities, net

	Deferred tax assets		Deferred tax liabilities		Net deferred tax (assets) / liabilities	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Property, plant and equipment and investment property	-	-	120.27	110.16	120.27	110.16
Exchange difference on translation of foreign operations	-	-	(0.29)	(0.34)	(0.29)	(0.34)
Investments measured at fair value through OCI	-	-	11.65	-	11.65	-
Amortisation of borrowings under effective interest rate method	-	-	0.25	0.42	0.25	0.42
Provision for employee benefits	(2.92)	(1.98)	-	-	(2.92)	(1.98)
Premium on financial guarantee	(0.15)	-	-	-	(0.15)	-
Others	(2.89)	(10.59)	-	-	(2.89)	(10.59)
	(5.96)	(12.57)	131.88	110.24	125.92	97.67
Minimum alternative tax *	(2.07)	(25.02)	-	-	(2.07)	(25.02)
	(8.03)	(37.59)	131.88	110.24	123.85	72.65

Movement in temporary differences for the year ended March 31, 2018

	Balance as at April 1, 2017	Recognized in profit and loss during 2017-18	Recognized in OCI during 2017-18	Other adjustments	Balance as at March 31, 2018
Property, plant and equipment and investment property	110.16	10.13	-	(0.02)	120.27
Exchange difference on translation of foreign operations	(0.34)	-	-	0.05	(0.29)
Investments measured at fair value through OCI	-	-	11.65	-	11.65
Amortisation of borrowings under effective interest rate method	0.42	(0.17)	-	-	0.25
Provision for employee benefits	(1.98)	(0.64)	(0.30)	-	(2.92)
Premium on financial guarantee	-	(0.15)	-	-	(0.15)
Others	(10.59)	7.71	-	(0.01)	(2.89)
	97.67	16.88	11.35	0.02	125.92
Minimum alternative tax	(25.02)	-	-	22.95	(2.07)
	72.65	16.88	11.35	22.97	123.85

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

Movement in temporary differences for the year ended March 31, 2017

	Balance as at April 1, 2016	Recognized in profit and loss during 2016-17	Recognized in OCI during 2016-17	Other adjustments	Balance as at March 31, 2017
Property, plant and equipment and investment property	100.61	9.54	-	0.01	110.16
Exchange difference on translation of foreign operations	(0.01)	-	-	(0.33)	(0.34)
Gain / (loss) on foreign exchange fluctuation	(0.24)	0.24	-	-	-
Amortisation of borrowings under effective interest rate method	0.60	(0.18)	-	-	0.42
Provision for employee benefits	(2.17)	(0.04)	0.23	-	(1.98)
Others	(9.09)	(1.49)	(0.01)	-	(10.59)
	89.70	8.07	0.22	(0.32)	97.67
Minimum alternative tax	(32.00)	-	-	6.98	(25.02)
	57.70	8.07	0.22	6.66	72.65

(b) Deferred tax assets, net

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax assets		Deferred tax liabilities		Net deferred tax (assets) / liabilities	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Property, plant and equipment and investment property	(0.30)	(0.16)	-	-	(0.30)	(0.16)
Provision for employee benefits	(0.07)	(0.09)	-	-	(0.07)	(0.09)
	(0.37)	(0.25)	-	-	(0.37)	(0.25)
Minimum alternative tax *	-	-	-	-	-	-
	(0.37)	(0.25)	-	-	(0.37)	(0.25)

Movement in temporary differences for the year ended March 31, 2018

	Balance as at April 1, 2017	Recognized in profit and loss during 2017-18	Recognized in OCI during 2017-18	Other adjustments	Balance as at March 31, 2018
Property, plant and equipment and investment property	(0.16)	(0.14)	-	-	(0.30)
Provision for employee benefits	(0.09)	0.04	(0.02)	-	(0.07)
	(0.25)	(0.10)	(0.02)	-	(0.37)

Movement in temporary differences for the year ended March 31, 2017

	Balance as at April 1, 2016	Recognized in profit and loss during 2016-17	Recognized in OCI during 2016-17	Other adjustments	Balance as at March 31, 2017
Property, plant and equipment and investment property	(0.15)	(0.01)	-	-	(0.16)
Provision for employee benefits	(0.14)	(0.02)	0.07	-	(0.09)
	(0.29)	(0.03)	0.07	-	(0.25)

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

F Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future long term capital gain will be available against which the Group can use the benefits therefrom:

	As at March 31, 2018		As at March 31, 2017	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Long term capital loss *	5.74	1.99	5.74	1.99
Business loss other than speculative business loss #	9.29	2.32	11.56	2.89

* The long term capital loss expire in FY 2023-24

The business loss will expire over the period by 2023-24

	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
19 Other tax liabilities, net				
Provision for taxation, net of advance income tax	6.39	15.69	2.25	9.02
	6.39	15.69	2.25	9.02
20 Trade payables				
Dues to related parties (refer note 37)	-	0.59	-	0.65
Dues to micro and small enterprises (refer note below)	-	5.70	-	4.33
Dues to others	0.24	444.14	0.26	345.89
	0.24	450.43	0.26	350.87

Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development (MSMED) Act, 2006

	As at 31 March 2018	As at 31 March 2017
i. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	5.70	4.33
ii. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii. The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year and;	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	As at 31 March 2018	As at 31 March 2017
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
	5.70	4.33

The above disclosures are provided by the Group based on the information available with the Group in respect of the registration status of its vendors/suppliers.

The Group's exposure to currency risks and liquidity risk related to trade payables are disclosed in note 35C.

21 Other financial liabilities	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
a) Financial liabilities at fair value through profit or loss				
Derivative liabilities*	-	9.51	-	12.27
Premium on financial guarantee	-	0.85	-	0.36
b) Financial liabilities at amortised cost				
Current maturities of term loans from banks (refer note 16)	-	99.20	-	80.79
Interest accrued but not due on borrowings	-	2.01	-	2.57
Liability towards supplier bills discounted	-	17.06	-	12.23
Unclaimed dividend	-	3.10	-	2.35
Employee benefits payable	-	33.15	-	32.20
Other payables	-	43.16	-	39.66
	-	208.04	-	182.42

* This includes fair value of forward contracts entered with banks for the purpose of hedging repayments of foreign currency borrowings from banks.

The Group's exposure to currency risk and liquidity risk related to other financial liability are disclosed in note 35C.

	As at March 31, 2018	As at March 31, 2017
22 Other current liabilities		
Advance from customer	2.16	11.67
Statutory dues	11.60	12.59
Others	0.52	0.59
	14.28	24.85

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	Year ended March 31, 2018	Year ended March 31, 2017
23 Revenue from operations		
(a) Sale of products:		
(i) Domestic	2,402.48	2,044.10
Add: Excise duty	55.39	234.55
	2,457.87	2,278.65
(ii) Export	1,279.40	1,149.05
	3,737.27	3,427.70
(b) Rendering of services	39.59	38.83
(c) Other operating revenue (refer note below)	110.95	75.42
	3,887.81	3,541.95
Note:		
Other operating revenue		
(i) Scrap sales	68.56	46.62
Add: Excise duty	1.19	4.50
	69.75	51.12
(ii) Export incentives	40.89	23.63
(iii) Others	0.31	0.67
	110.95	75.42
24 Other income		
Interest income on		
- bank deposits	0.26	-
- others	5.09	3.61
Net foreign exchange gain	13.05	-
Dividend income	0.53	0.53
Fair value gain on financial instruments at fair value through profit or loss	0.84	0.49
Profit on sale of investment in mutual funds	0.71	0.06
Miscellaneous income	2.72	10.72
	23.20	15.41
25 Cost of raw materials consumed		
Opening stock of raw materials and components	126.54	114.20
Less: Exchange rate fluctuation on account of foreign currency translation	(14.14)	(14.13)
Add : Purchases during the year	1,555.46	1,273.28
Less: Closing stock of raw materials and components	167.94	126.54
Less: Exchange rate fluctuation on account of foreign currency translation	(20.08)	(13.83)
	1,520.00	1,260.64

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	Year ended March 31, 2018	Year ended March 31, 2017
26 Changes in inventories of finished goods and work-in-progress		
A) Opening stock:		
Work-in-progress	101.99	99.82
Finished goods	178.41	170.53
Less: Excise duty on finished goods	4.41	7.81
Less: Exchange rate fluctuation on account of foreign currency translation	(0.37)	(5.01)
	275.62	257.53
B) Closing stock:		
Work-in-progress	128.59	101.99
Finished goods	175.47	178.41
Less: Excise duty on finished goods	-	4.41
(Less)/ Add: Exchange rate fluctuation on account of foreign currency translation	(0.67)	1.04
	303.39	277.03
Total (A- B)	(27.77)	(19.50)

27 Employee benefits expense

Salaries and wages	348.42	321.94
Expenses related to post-employment benefit plan	3.93	1.96
Contribution to provident and other funds (refer note below)	20.17	21.27
Staff welfare expenses	40.48	31.83
	413.00	377.00

Note:

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards post-employee benefits and employee provident fund, which is partly defined benefit obligation and partly defined contribution plan. The same is charged to statement of profit and loss as and when it is accrued. The amount recognised as expense towards such provident fund contribution have been disclosed under "Contribution to provident and other funds".

28 Finance costs

Interest expense on financial liabilities measured at amortised cost	23.37	32.59
Applicable net loss on foreign currency transactions and translation to the extent regarded as borrowing costs	14.04	6.38
Other borrowing costs	0.04	0.16
	37.45	39.13

29 Depreciation and amortisation expense

Depreciation on property, plant and equipment	111.75	103.88
Depreciation on investment property	0.32	0.32
Amortization on intangible assets	0.25	0.30
	112.33	104.49

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	Year ended March 31, 2018	Year ended March 31, 2017
30 Other expenses		
Consumption of stores, tools and spares	414.45	354.03
Power and fuel	160.94	149.57
Rent	10.38	10.06
Rates and taxes	18.85	25.19
Repairs and maintenance		
- building	27.66	27.36
- plant and equipment	41.93	36.83
- others	8.76	7.27
Sub-contract expenses	349.94	292.94
Payment to auditors (refer note below)	1.04	1.12
Net foreign exchange loss	0.30	11.80
Research and development expenditure (refer note 32)	13.45	12.95
Expenditure on corporate social responsibility (refer note 33)	5.82	3.01
Freight and cartage inward	84.69	66.17
Loss on sale of property, plant and equipment	0.93	1.30
Finance guarantee expenses	0.86	0.31
Miscellaneous expenses	105.49	95.75
	1,245.49	1,095.66
Payment to auditors *		
As auditor	0.81	0.64
Taxation matters	0.09	0.09
Other services	0.05	0.28
Reimbursement of expenses	0.09	0.11
	1.04	1.12

* Payments for the year ended March 31, 2017 and partly for the year ended March 31, 2018 include fees and reimbursement paid to predecessor auditors

31 Earnings per equity share (EPS)

Net profit attributable to owners of the parent (A)	386.57	337.51
Weighted average number of equity shares outstanding as at reporting date (B)	21,01,28,370	21,01,28,370
Basic EPS (A/B) (in ₹)	18.40	16.06
Diluted EPS		

The Group does not have any potential equity shares. Accordingly, basic and diluted EPS would remain the same.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

	Year ended March 31, 2018	Year ended March 31, 2017
32 Details of research and development expenditure*		
i) Capital expenditure	0.94	2.49
ii) Revenue expenditure		
a) Cost of materials consumed	0.63	0.64
b) Salaries and wages	8.06	7.63
c) Staff welfare expenses	0.03	0.04
d) Consumption of stores, tools and spares	2.98	3.76
e) Repairs and maintenance		
– building	0.04	0.28
– plant and equipment	0.16	0.17
– other assets	-	0.06
f) Sub-contract expenses	0.89	1.09
g) Freight and cartages outward	0.01	0.01
h) Other expenses	0.65	0.56
i) Sale of products	-	(1.28)
	13.45	12.95
Total research and development expenditures [(i) +(ii)]	14.39	15.44
* The research and development expenditure are incurred by the Company on projects approved by Department of Scientific and Industrial Research.		
33 Expenditure on corporate social responsibility*		
a) Amount required to be spent by the Group during the year	5.81	4.22
b) Amount spent during the year:		
i) Construction / acquisition of asset	-	0.37
ii) On purposes other than (i) above		
a) Education	3.70	1.55
b) Healthcare	1.63	1.45
c) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art	0.49	-
	5.82	3.00
	5.82	3.37
* The above aggregated CSR expenditure disclosed are relating to holding company and TVS Upasana Limited.		
34 Exceptional items		
Provision for diminution in value of investments	-	2.37
	-	2.37

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

35 Financial instruments - fair values and risk management

A Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy

Particulars	Note	March 31, 2018				March 31, 2017			
		FVTPL	FVOCI	Amortised cost	Total	FVTPL	FVOCI	Amortised cost	Total
Financial Assets									
Investments	7	11.59	58.52	-	70.11	10.32	22.14	-	32.46
Trade receivables	13	-	-	793.61	793.61	-	-	654.14	654.14
Loans	8	-	-	3.19	3.19	-	-	3.68	3.68
Cash and cash equivalents	14	-	-	30.65	30.65	-	-	37.14	37.14
Bank balance other than those mentioned in cash and cash equivalents	14	-	-	4.51	4.51	-	-	2.41	2.41
Security deposits	9	-	-	21.55	21.55	-	-	27.36	27.36
Advances recoverable	9	-	-	5.33	5.33	-	-	6.35	6.35
Interest receivable	9	-	-	0.48	0.48	-	-	0.61	0.61
Other financial assets	9	2.29	-	3.89	6.18	2.18	-	1.65	3.83
Total financial assets		13.88	58.52	863.21	935.62	12.50	22.14	733.34	767.98

Financial liabilities									
Borrowings	16	-	-	600.82	600.82	-	-	619.72	619.72
Derivative financial liabilities	21	9.51	-	-	9.51	12.27	-	-	12.27
Trade payables	20	-	-	450.67	450.67	-	-	351.13	351.13
Premium on financial guarantee	21	-	-	0.85	0.85	-	-	0.36	0.36
Current maturities of term loans from banks	21	-	-	99.20	99.20	-	-	80.79	80.79
Interest accrued but not due on borrowings	21	-	-	2.01	2.01	-	-	2.57	2.57
Liability towards supplier bills discounted	21	-	-	17.06	17.06	-	-	12.23	12.23
Unclaimed dividend	21	-	-	3.10	3.10	-	-	2.35	2.35
Employee benefits payable	21	-	-	33.15	33.15	-	-	32.20	32.20
Other payables	21	-	-	43.16	43.16	-	-	39.66	39.66
Total financial liabilities		9.51	-	1,250.02	1,259.52	12.27	-	1,141.01	1,153.28

Fair value measurement hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

35A Accounting classification and fair values (continued)

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

Particulars	Note	March 31, 2018				March 31, 2017			
		Carrying amount	Fair Value			Carrying amount	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets									
Investments	7	70.11	-	11.59	58.52	32.46	-	10.32	22.14
Trade receivables #	13	793.61	-	-	-	654.14	-	-	-
Loans #	8	3.19	-	-	-	3.68	-	-	-
Cash and cash equivalents #	14	30.65	-	-	-	37.14	-	-	-
Bank balance other than those mentioned in cash and cash equivalents #	14	4.51	-	-	-	2.41	-	-	-
Security deposits #	9	21.55	-	-	-	27.36	-	-	-
Advances recoverable #	9	5.33	-	-	-	6.35	-	-	-
Interest receivable #	9	0.48	-	-	-	0.61	-	-	-
Other financial assets	9	6.18	-	2.29	-	3.83	-	2.18	-
Total financial assets		935.62	-	13.89	58.52	767.98	-	12.50	22.14
Financial liabilities									
Borrowings	16	600.82	-	-	-	619.72	-	-	-
Derivative liabilities	21	9.51	-	9.51	-	12.27	-	12.27	-
Trade payables #	20	450.67	-	-	-	351.13	-	-	-
Premium on financial guarantee	21	0.85	-	0.85	-	0.36	-	0.36	-
Current maturities of term loans from banks	21	99.20	-	-	-	80.79	-	-	-
Interest accrued but not due on borrowings #	21	2.01	-	-	-	2.57	-	-	-
Liability towards supplier bills discounted #	21	17.06	-	-	-	12.23	-	-	-
Unclaimed dividend #	21	3.10	-	-	-	2.35	-	-	-
Employee benefits payable #	21	33.15	-	-	-	32.20	-	-	-
Other payables #	21	43.16	-	-	-	39.66	-	-	-
Total financial liabilities		1,259.52	-	10.36	-	1,153.28	-	12.63	-

For those financial assets and liabilities, which are not carried at its fair value, disclosure of fair value is not required as the carrying amounts approximates the fair values.

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

B MEASUREMENT OF FAIR VALUES

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in balance sheet including the related valuation techniques used

Type	Valuation technique used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investments	Market comparison technique: The valuation model is based on market multiple derived from quoted prices of companies comparable to the investee and the expected EBITDA of the investee. The estimate is adjusted for the effect of non-marketability of the equity securities.	- EBITDA margin - Adjusted market multiple - Adjustment for non-marketability of equity securities	The estimated fair value would increase/ (decrease) if: - EBITDA margin were higher/ (lower) - Adjusted market multiple were higher/ (lower) - Adjustment for non-marketability of equity securities were lower/ (higher)
Derivative liabilities	Market comparison technique: The fair value is determined using quoted forward exchange rates at the reporting dates based on information obtained from respective bankers.	Not applicable	Not applicable

C FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks arising from financial instruments:

- Market risk
- Credit risk
- Liquidity risk

Financial risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Group's risk management policies. The Group's senior management advises on financial risks and the appropriate financial risk governance framework for the Group.

The Group's risk management policies established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Group's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support the operations of its group companies. The Group's principal financial assets include loans, trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments, such as foreign exchange forward contracts to hedge foreign currency risk exposure. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

The sources of risks which the Group is exposed to and their management are given below:

a) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings. The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings, import of raw materials and spare parts, capital expenditure, export sales and the Group's net investments in foreign subsidiaries.

The Group manages its foreign currency risk by hedging transactions through forward contracts, for the repayment of short and long term borrowings and payables arising out of procurement of raw materials and other components. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure.

Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated at the closing rate. Unhedged foreign currency risk exposure at the end of the reporting year has been expressed in ₹.

	Short term exposure				Long-term exposure			
	USD	GBP	EUR and others	Total	USD	GBP	EUR and others	Total
March 31, 2018								
Financial assets	240.94	5.78	47.33	294.05	3.38	250.00	-	253.38
Financial liabilities	124.40	1.33	14.46	140.19	97.70	-	-	97.70
	116.54	4.45	32.87	153.86	(94.32)	250.00	-	155.68
March 31, 2017								
Financial assets	235.02	9.43	39.28	283.72	1.69	250.00	-	251.69
Financial liabilities	11.11	0.52	9.30	20.93	58.44	-	-	58.44
	223.91	8.91	29.98	262.79	(56.75)	250.00	-	193.25

Foreign currency sensitivity

The following table illustrates the sensitivity of profit and equity with respect to the Group's financial assets and financial liabilities and the ₹/USD exchange rate and ₹/GBP exchange rate 'all other things being equal'. If the Indian Rupee had strengthened / weakened against respective currencies by 5% and GBP or USD by 5% during the year ended March 31, 2018 (March 31, 2017: 5%), then this would have had the following impact on profit before tax and equity:

The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

	Strengthening		Weakening	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Increase / (decrease) in profit and equity				
USD	1.11	8.36	(1.11)	(8.36)
GBP	12.72	12.95	(12.72)	(12.95)
EUR and others	1.64	1.50	(1.64)	(1.50)
	15.47	22.81	(15.47)	(22.81)

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

Derivative instruments

The Group holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposure arising from settlement of borrowings. The counterparties of these contracts are generally banks. These derivative financial instruments are determined using quoted forward exchange rates at the reporting dates based on information obtained from respective bankers.

	Year ended March 31, 2018		Year ended March 31, 2017	
	Less than 180 days	More than 180 days	Less than 180 days	More than 180 days
Forward exchange contracts maturing				
Net exposure	75.38	-	109.59	75.38
Average ₹/ USD forward contract rate	75.38	-	70.48	75.38

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. At March 31, 2018, approximately 31% (March 31, 2017: 63%) of the Group's borrowings are at a fixed rate of interest.

Interest rate exposure

Particulars	Floating rate borrowings	Fixed rate borrowings	Total borrowings
INR	122.84	217.50	340.34
USD	279.54	-	279.54
GBP and others	80.14	-	80.14
As at March 31, 2018	482.52	217.50	700.02
INR	37.14	377.65	414.79
USD	196.55	63.88	260.43
GBP and others	25.29	-	25.29
As at March 31, 2017	258.98	441.53	700.51

Interest rate sensitivity

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% for the year ended March 31, 2018 and March 31, 2017. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	As at March 31, 2018		As at March 31, 2017
Increase	+1%	4.83	2.59
Decrease	-1%	(4.83)	(2.59)

The Company does not expect any change in interest rates on fixed rate borrowings and accordingly have not presented any sensitivities on such borrowings.

iii) Equity price risk

The Group invests in listed and unlisted equity instruments. All investments in equity portfolio are reviewed and approved by the board of directors.

At the reporting date, the exposure to listed equity securities at fair value was ₹ 18.51 (March 31, 2017: ₹ 14.95)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including, foreign exchange transactions and other financial instruments.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Group's trade receivables, certain loans and advances and other financial assets. The Group enters into long-term contracts with its customers whereby it mitigates the risk exposure on high risk customers. Further, none of the customers contributes to more than 10% of the Group's total revenues as continuous efforts are made in expanding its customer base. Outstanding customer receivables are regularly monitored and reviewed by the Audit committee periodically.

The carrying amount of financial assets represents the maximum credit exposure.

Particulars	Reference	Carrying amount	
		As at March 31, 2018	As at March 31, 2017
Trade receivables	(i)	793.61	654.14
Investments	(ii)	70.11	32.46
Loans	(iii)	3.19	3.68
Cash and cash equivalents	(iv)	30.65	37.14
Bank balances other than mentioned in cash and cash equivalents	(iv)	4.51	2.41
Security deposits	(v)	21.55	27.36
Advances recoverable	(v)	5.33	6.35
Interest receivable	(v)	0.48	0.61
Other financial assets		6.18	3.83
Total		935.62	767.98

(i) Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including end-user customers, their geographic location, industry, trading history with the Company and existence of previous financial difficulties. With respect to other financial assets, the Group does not expect any credit risk against such assets except as already assessed. The Group is monitoring the economic environment in the country and is taking actions to limit its exposure to customers with customers experiencing particular economic volatility.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivable and other financial assets, which comprise large number of small balances, based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Further, the Group also makes an allowance for doubtful debts on a case-to-case basis.

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

The maximum exposure to credit risk for trade and other receivables are as follows:

	As at March 31, 2018	As at March 31, 2017
Not more than 180 days	784.21	623.19
More than 180 days	15.11	33.90
Sub-total	799.32	657.09
Less: Loss allowance in accordance with expected credit loss model	(5.71)	(2.95)
Total	793.61	654.14

The Group management also assesses the credit losses on account of the financial guarantees extended by the Group. The Group management evaluates the credit risk associated with these companies, ability of them to repay the debts and probable exposure of the Company in case a group company fails to make payment when due in accordance with the original or modified terms of a debt instrument of such Group Company.

(ii) Investments

Investments of surplus funds are made only with the approval of board of directors. Investments primarily include investments in equity instruments of various listed entities, power generation companies, mutual funds and other trade investments. The Group does not expect significant credit risks arising from these investments.

(iii) Loans

	As at March 31, 2018	As at March 31, 2017
Loans to employees	3.19	3.67
Net carrying amount	3.19	3.67

The balance is primarily constituted by loans given to its employees. The Company does not expect any loss from non-performance by these employees.

(iv) Cash and cash equivalents and bank balances other than mentioned in cash and cash equivalents

The Group has its cash and bank balances deposited with creditworthy banks as at the reporting date. The Group does not expect any loss from non-performance by these counter-parties.

(v) Others

Other financial assets comprising of security deposits, interest receivable and advance recoverable primarily consists of deposits with TNEB for obtaining electricity connections, rental deposits given for lease of premises. The Group does not expect any loss from non-performance by these counter-parties.

c) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Group management monitors the liquidity position of the Group through rolling forecasts on the basis of expected cash flows.

The Group's objective is to maintain a current ratio with an optimal mix of short term loans and long term loans. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months and the management is confident that it can roll over its debts with existing lenders. The Board of Directors periodically reviews the Group's business requirements vis-a-vis the source of funding.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at March 31, 2018	Carrying amount	Less than 180 days	More than 180 days
Borrowings*	700.02	401.94	298.08
Derivative liabilities	9.51	9.51	-
Trade payables	450.67	450.43	0.24
Premium on financial guarantee	0.85	0.85	-
Interest accrued but not due on borrowings	2.01	2.01	-
Liability towards supplier bills discounted	17.06	17.06	-
Unclaimed dividend	3.10	3.10	-
Employee benefits payable	33.15	34.68	(1.53)
Other payables	43.16	43.16	-
Total	1,259.52	962.73	296.79

As at March 31, 2017	Carrying amount	Less than 180 days	More than 180 days
Borrowings*	700.51	411.48	289.03
Derivative liabilities	12.27	12.27	-
Trade payables	351.13	351.13	-
Premium on financial guarantee	0.36	0.36	-
Interest accrued but not due on borrowings	2.57	2.57	-
Liability towards supplier bills discounted	12.23	12.23	-
Unclaimed dividend	2.35	2.35	-
Employee benefits payable	32.20	32.43	(0.23)
Other payables	39.66	27.51	12.15
Total	1,153.28	852.33	300.95

* Excluding contractual interest payments

D Offsetting financial assets and financial liabilities

The Group does not have any financial instruments that are offset or are subject to enforceable master netting arrangements and other similar agreements.

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

36 Contingencies and commitments

(to the extent not provided for)

a) Contingent liabilities

- Claims against the company not acknowledged as debt

	Year ended March 31, 2018	Year ended March 31, 2017
- Sales tax / entry tax - under appeal	37.96	30.37
- Excise duty / Customs duty / Service tax - under appeal	13.99	8.36
- Income-tax - under appeal	3.38	1.77
- Others	-	4.04
	55.33	44.54

The group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in this consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

- Guarantees excluding financial guarantees for which impairment is not considered

- On Letters of guarantee	0.50	0.10
---------------------------	------	------

- Other money for which the Group is contingently liable

- On letters of credit	7.01	0.11
- On partly paid shares of The Adyar Property Holding Company Limited (aggregating to ₹ 1,225/-)*	-	-

* Amount less than ₹ 0.01

b) Contingent assets

Claim of additional compensation against land acquisition	0.23	0.23
---	------	------

c) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for	188.55	43.79
--	--------	-------

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

37 RELATED PARTY DISCLOSURES

Related Parties :

(I) Where Control exists:

(A) Ultimate holding Company

- (1) TV Sundram Iyengar & Sons Private Limited, Madurai, India

(B) Subsidiary Companies

Indian Subsidiaries

- (1) Sundram Fasteners Investments Limited, Chennai, India;
- (2) TVS Upasana Limited, Chennai, India;
- (3) Sundram Non-Conventional Energy Systems Limited, Chennai, India;
- (4) Sundram Precision Components Limited, Chennai, India and
- (5) TVS Infotech Limited, Chennai, India.

Foreign Subsidiaries

- (1) Sundram International Limited, UK and
- (2) Sundram International Inc, Michigan, USA

(C) Step down subsidiary companies

Indian Subsidiary

- (1) TVS Next Private Limited, Chennai, India (Subsidiary of TVS Infotech Limited, Chennai, India)

Foreign Subsidiaries

- (1) Sundram Fasteners (Zhejiang) Limited, Zhejiang, Peoples Republic of China (Subsidiary of Sundram International Limited, UK);
- (2) Cramlington Precision Forge Limited, Northumberland, United Kingdom (Subsidiary of Sundram International Limited, UK) and
- (3) TVS Infotech Inc., Michigan, USA (Subsidiary of TVS Infotech Limited, Chennai, India)

(II) Other Related Parties:

(A) Key Managerial Personnel (KMP)

- (1) Mr Suresh Krishna
- (2) Ms Arathi Krishna
- (3) Ms Arundathi Krishna
- (4) Mr S Meenakshisundaram* and
- (5) Mr R Dilip Kumar*
- (6) Mr Vinod Krishnan#
- (7) Mr Jegan Selvaraj \$

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

Non-executive directors

- (1) Mr K Ramesh
- (2) Mr S Mahalingam (from January 30, 2018)
- (3) Mr Heramb R Hajarnavis (from September 20, 2017)
- (4) Mr B Muthuraman
- (5) Mr R Srinivasan
- (6) Mr V Narayanan
- (7) Mr M Raghupathy (upto September 22, 2017)
- (8) Mr R Ramakrishnan (upto September 22, 2017)
- (9) Mr C V Karthik Narayanan (upto December 13, 2017)
- (10) Ms Preethi Krishna (from July 05, 2017)

(B) Relatives of KMP

- (1) Ms Usha Krishna
- (2) Ms Preethi Krishna and
- (3) Mr K Ramesh

* Key Managerial Personnel as per Companies Act, 2013

Key Management Personnel of TVS Infotech Limited

\$ Key Management Personnel of TVS Next Private Limited

(III) Subsidiaries / joint ventures / associates of holding companies:

- (1) Southern Roadways Limited, Madurai, India
- (2) Sundram Industries Private Limited Madurai, India
- (3) The Associated Auto Parts Private Limited, Mumbai, India
- (4) Sundaram-Clayton Limited, Chennai, India
- (5) Madurai Trans Carrier Limited, Chennai, India
- (6) TVS Electronics Limited, Chennai, India
- (7) TVS Motor Company Limited, Chennai, India
- (8) Lucas TVS Limited, Chennai, India
- (9) TVS Training and Services Limited, Chennai, India
- (10) Lucas Indian Services Limited, Mumbai, India
- (11) India Motor Parts & Accessories Limited, Chennai, India
- (12) Delphi TVS Diesel Systems Limited, Chennai, India
- (13) Wheels India Limited, Chennai, India
- (14) Brakes India Limited, Chennai, India
- (15) Brakes India Private Limited, Chennai, India
- (16) TVS Logistics Services Limited, Madurai, India and
- (17) India Nippon Electricals Limited, Chennai, India

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

37 RELATED PARTY DISCLOSURES

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

Nature of transaction	Ultimate holding company	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries / joint ventures / Associates of ultimate holding company
Purchases				
Goods and materials	0.01	-	-	1.08
	(0.01)	-	-	(1.27)
Shares by cash	-	-	-	-
	-	-	-	-
Fixed assets	-	-	-	-
	(0.15)	-	-	-
Sales				
Goods and materials	76.83	-	-	173.47
	(90.36)	-	-	(171.84)
Fixed assets*	-	-	-	-
	-	-	-	-
Services				
Rendered	-	-	-	-
	-	-	-	-
Received	0.00*	-	-	3.94
	(0.32)	-	-	(4.86)
Finance				
Interest on Inter-corporate deposit	-	-	-	-
	-	-	-	-
Dividend received	-	-	-	-
	-	-	-	-
Dividend paid	25.06	0.06	0.04	24.57
	(9.06)	(0.02)	(0.01)	(9.34)
Others				
Leasing inward or outward/ hire purchase arrangements	-	1.13	0.06	0.01
	-	(0.18)	(0.06)	(0.01)
Guarantees and collaterals furnished or availed	-	-	-	-
	-	-	-	-
Management contracts, including deputation of employees and sitting fees	-	39.21	-	-
	-	(32.42)	-	-
Outstanding balances				
Due to the Company	10.46	-	-	41.76
	(9.42)	-	-	(38.58)
Due by the Company	0.00*	34.00	-	0.59
	(0.16)	(28.00)	-	(0.49)

(Previous year figures are in brackets)

* Amount less than ₹ 0.01

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

(V) Particulars of loans, guarantees and investments under Section 186 of the Companies Act, 2013 during the financial year ended March 31, 2018

Name of the body corporate	Nature of relationship	Nature of transaction	Amount of transaction	Purpose for which the loan/ security/ acquisition/ guarantee utilised by recipient
Beta Wind Farm Private Limited, Chennai, India	NA	Acquisition	0.45	Investment in equity shares for purchase of power under group captive basis.
Sundaram Money Fund Scheme of Sundaram Asset Management Co Limited, Chennai, India	NA	Investment in Mutual Funds	620.50	Treasury investments

(VI) Terms and conditions of transactions with related parties

- Transactions with related parties are at arm's length and all the outstanding balances are unsecured.

38 a) GROUP INFORMATION

Information about subsidiaries

The Group's subsidiaries as at March 31, 2018 and March 31, 2017 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the Company	Principal activities	Country of incorporation	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
			March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Sundram Fasteners Investments Limited, Chennai	Financial Services	India	100.00%	100.00%	0.00%	0.00%
Sundram International Limited, UK	Non-trading holding company that holds investments in Cramlington Precision Forge Limited and Sundram Fasteners (Zhejiang) Limited.	United Kingdom	100.00%	100.00%	0.00%	0.00%
Sundram Fasteners (Zhejiang) Limited, China (wholly owned subsidiary of Sundram International Limited, UK)	Manufacture of high tensile fasteners and bearing housings.	China	100.00%	100.00%	0.00%	0.00%
Cramlington Precision Forge Limited, United Kingdom (wholly owned subsidiary of Sundram International Limited, UK)	Manufacture of precision forged (warm) components for application in heavy vehicles for on-highway and off-highway applications	United Kingdom	100.00%	100.00%	0.00%	0.00%
TVS Upasana Limited, Chennai (Formerly Upasana Engineering Ltd)	Manufacture of Spokes and Nipples, Automobile Kits, Dowels and Rollers Small Screws, Tools and Cold Extruded Parts	India	100.00%	100.00%	0.00%	0.00%
Sundram Non-Conventional Energy Systems Limited, Chennai	Generation of power using other non-conventional sources	India	52.94%	52.94%	47.06%	47.06%
Sundram International Inc., USA	Supply of special fasteners to General Motors, USA.	United States of America	100.00%	100.00%	0.00%	0.00%
Sundram Precision Components Limited, Chennai	Manufacturer of guide valves	India	100.00%	100.00%	0.00%	0.00%
TVS Infotech Limited, Chennai	Software services	India	66.31%	66.31%	33.69%	33.69%
TVS Infotech Inc. USA (wholly owned subsidiary of TVS Infotech Limited, Chennai)	Software services	United States of America	66.31%	66.31%	33.69%	33.69%
TVS Next Private Limited, Chennai	Software services	India	59.68%	59.68%	40.32%	40.32%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

38 b) ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 OF ENTITIES CONSOLIDATED AS SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Sl. No.	Name of the entity in the Group	Net assets (Total assets minus total outside liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As a % of consolidated net assets	Amount	As a % of consolidated profit or (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
	Parent Company								
1	Sundram Fasteners Limited								
	Balance as at March 31, 2018	103.28%	1,589.00	94.67%	367.47	98.06%	25.40	94.88%	392.87
	Balance as at March 31, 2017	105.65%	1,313.06	93.29%	315.48	85.29%	2.54	93.22%	318.02
	Indian subsidiaries								
2	Sundram Fasteners Investments Limited, Chennai								
	Balance as at March 31, 2018	0.43%	6.67	(0.00%)	(0.00)	0.73%	0.19	0.04%	0.19
	Balance as at March 31, 2017	0.52%	6.48	0.00%	0.01	5.88%	0.17	0.05%	0.18
3	TVS Upasana Limited, Chennai								
	Balance as at March 31, 2018	4.16%	64.04	4.49%	17.45	(0.10%)	(0.02)	4.21%	17.42
	Balance as at March 31, 2017	4.06%	50.50	3.27%	11.07	(1.40%)	(0.04)	3.23%	11.03
4	Sundram Non-Conventional Energy Systems Limited, Chennai								
	Balance as at March 31, 2018	0.25%	3.91	0.54%	2.09	-	-	0.50%	2.09
	Balance as at March 31, 2017	0.29%	3.63	0.59%	1.99	-	-	0.58%	1.99
5	Sundram Precision Components Limited, Chennai								
	Balance as at March 31, 2018	0.87%	13.42	0.50%	1.94	(0.01%)	(0.00)	0.47%	1.94
	Balance as at March 31, 2017	1.40%	17.39	0.75%	2.54	(0.39%)	(0.01)	0.74%	2.52
6	TVS Infotech Limited, Chennai								
	Balance as at March 31, 2018	0.88%	13.53	0.04%	0.15	0.27%	0.07	0.07%	0.23
	Balance as at March 31, 2017	1.07%	13.30	0.04%	0.14	19.91%	0.59	0.21%	0.73
7	TVS Next Private Limited, Chennai								
	Balance as at March 31, 2018	0.05%	0.70	0.18%	0.71	(0.23%)	(0.06)	0.16%	0.65
	Balance as at March 31, 2017	0.00%	0.05	(0.19%)	(0.63)	(3.56%)	(0.11)	(0.22%)	(0.74)
	Foreign subsidiaries								
8	Sundram Fasteners (Zhejiang) Limited, China								
	Balance as at March 31, 2018	11.63%	178.93	3.43%	13.31	1.70%	0.44	3.32%	13.75
	Balance as at March 31, 2017	11.13%	138.38	2.19%	7.40	(7.63%)	(0.23)	2.10%	7.17
9	Cramlington Precision Forge Limited, UK								
	Balance as at March 31, 2018	1.21%	18.67	(1.18%)	(4.59)	(0.33%)	(0.08)	(1.13%)	(4.67)
	Balance as at March 31, 2017	1.82%	22.68	0.44%	1.48	0.15%	(0.00)	0.44%	1.49
10	Sundram International Inc., USA								
	Balance as at March 31, 2018	(0.00%)	(0.05)	(0.00%)	(0.01)	(0.00%)	(0.00)	(0.00%)	(0.01)
	Balance as at March 31, 2017	(0.00%)	(0.04)	(0.00%)	(0.01)	0.01%	(0.00)	(0.00%)	(0.01)
11	TVS Infotech Inc., USA								
	Balance as at March 31, 2018	0.16%	2.47	0.22%	0.84	0.01%	0.00	0.20%	0.84
	Balance as at March 31, 2017	0.13%	1.61	(0.05%)	(0.18)	0.70%	0.02	(0.05%)	(0.16)
12	Sundram International Limited, UK								
	Balance as at March 31, 2018	14.61%	224.82	(0.19%)	(0.72)	(0.16%)	(0.04)	(0.18%)	(0.76)
	Balance as at March 31, 2017	17.58%	218.47	(0.09%)	(0.30)	0.78%	0.02	(0.08%)	(0.28)
13	Non-controlling interests in all subsidiaries								
	Balance as at March 31, 2018	0.49%	7.51	0.41%	1.60	-	-	0.39%	1.60
	Balance as at March 31, 2017	0.54%	6.75	0.20%	0.67	(16.88%)	(0.50)	0.05%	0.16
14	Sub total								
	Balance as at March 31, 2018	138.02%	2,123.62	103.11%	400.24	100.00%	25.90	102.91%	426.14
	Balance as at March 31, 2017	144.20%	1,792.27	100.43%	339.65	82.85%	2.46	100.28%	342.11
15	Less: Effect of inter company adjustments / eliminations								
	Balance as at March 31, 2018	38.02%	585.03	3.11%	12.07	-	-	2.92%	12.07
	Balance as at March 31, 2017	44.20%	549.39	0.43%	1.46	(17.15%)	(0.51)	0.28%	0.95
16	Total								
	Balance as at March 31, 2018	100.00%	1,538.61	100.00%	388.17	100.00%	25.90	100.00%	414.07
	Balance as at March 31, 2017	100.00%	1,242.88	100.00%	338.18	100.00%	2.97	100.00%	341.15

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(All amounts are in crores of Indian Rupees, except share data and as stated)

39 LEASES

The Group has taken various premises including godowns, offices, flats, machinery and other assets under lease. These lease agreements are generally cancellable in nature and are renewable by mutual consent on agreed upon terms. Accordingly, the following disclosures have been made only to the extent of leases that are non-cancellable in nature and outstanding as at the reporting date.

	Year ended March 31, 2018	Year ended March 31, 2017
a) Future minimum lease payments		
Not later than 1 year	3.13	3.19
Later than one year and not later than five years	5.81	7.44
More than five years	3.89	4.51
	12.83	15.14

b) Operating lease payment recognised in the statement of profit and loss amounting to ₹ 6.92 (March 31, 2017 ₹ 8.13).

c) General description of leasing agreements:

- Leased assets: godowns, offices, flats, machinery and others.
- Future lease rentals are determined on the basis of agreed terms.
- At the expiry of lease terms, the Group has an option to return the assets or extend the term by giving notice in writing.

40 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company has declared interim dividend in its meeting held on May 9, 2018 as disclosed under note 15B(i).

41 PRIOR YEAR COMPARATIVES

The previous year consolidated financial statements have been audited by a firm other than B S R & Co. LLP. Previous year figures have been reclassified wherever necessary to conform to current years' classification / presentation.

The notes from 1 to 41 are an integral part of these consolidated financial statements

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants
ICAI Firm registration No.: 101248W/W-100022

S SETHURAMAN

Partner
Membership No.: 203491

Place : Chennai
Date : May 9, 2018

For and on behalf of the Board of Directors of
SUNDRAM FASTENERS LIMITED
CIN: L35999TN1962PLC004943

SURESH KRISHNA

Chairman
(DIN: 00046919)

ARUNDATHI KRISHNA

Joint Managing Director
(DIN: 00270935)

ARATHI KRISHNA

Managing Director
(DIN: 00517456)

S MEENAKSHISUNDARAM

Chief Financial Officer
ACA Membership No.: 021555

R DILIP KUMAR

Vice President - Finance & Company Secretary
ACS Membership No.: A19802

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)
(All amounts are in crores of Indian Rupees, except share data and as stated)

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

S. No.	Particulars	Domestic Subsidiaries					Foreign Subsidiaries					(₹ in crores)
		TVS Upasana Limited	Sundram Precision Components Limited	Sundram Conventional Energy Systems Limited	Sundram Fasteners Investments Limited	TVS Infotech Limited	TVS Next Private Limited	Cramington Precision Forge Limited	TVS Infotech Inc.	Sundram Fasteners (Zhejiang) Limited	Sundram International Inc	
1	Name of the Subsidiary	01/04/2017 to 31/03/2018	01/04/2017 to 31/03/2018	01/04/2017 to 31/03/2018	01/04/2017 to 31/03/2018	01/04/2017 to 31/03/2018	01/01/2017 to 31/12/2017	01/04/2017 to 31/03/2018	01/01/2017 to 31/12/2017	01/04/2017 to 31/03/2018	01/01/2017 to 31/12/2017	
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	INR	INR	INR	INR	INR	GBP	USD	RMB	USD	GBP	
3	Reporting currency	Refer Note 3 below										
4	Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	11.90	7.00	0.50	2.49	28.47	12.07	2.40	150.56	1.19	0.03	
5	Share capital	52.14	6.42	3.41	4.18	(14.95)	6.60	0.07	28.36	(1.24)	224.79	
6	Reserves & surplus	159.68	17.04	4.34	6.67	16.56	50.27	7.13	255.72	0.02	278.36	
7	Total assets	95.63	3.62	0.43	0.00	3.03	31.60	4.66	76.80	0.07	53.53	
8	Total Liabilities	3.69	0.09	-	4.03	5.64	-	-	-	-	278.34	
9	Investments	155.41	26.45	3.46	0.01	7.28	82.17	23.06	187.75	-	-	
10	Turnover	25.50	2.66	2.85	(0.00)	0.30	(5.83)	0.87	17.93	(0.01)	(0.72)	
11	Profit / (Loss) before taxation	8.06	0.73	0.77	-	0.14	(1.24)	0.03	4.62	-	-	
12	Provision for taxation	17.45	1.93	2.09	(0.00)	0.16	(4.59)	0.84	13.31	(0.01)	(0.72)	
13	Profit / (Loss) after taxation	-	-	-	-	-	-	-	-	-	-	
14	Proposed dividend	100.00%	100.00%	52.94%	100.00%	66.31%	100.00%	66.31%	100.00%	100.00%	100.00%	
14	% of shareholding											
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. Currency												
Closing Rate												
USD												
GBP												
RMB												
65.18												
86.23												
9.82												

Part 'B' - Associates and Joint Ventures

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

1. There is no associate or joint venture which is yet to commence operations.

2. There is no associate or joint venture which have been liquidated or sold during the year.

SURESH KRISHNA
Chairman
(DIN: 00046919)

ARATHI KRISHNA
Managing Director
(DIN: 00517456)

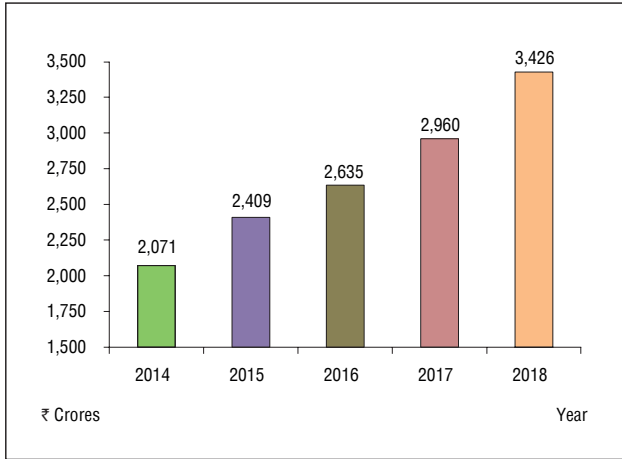
S MEENAKSHISUNDARAM
Chief Financial Officer
ACA Membership No.: 021555

ARUNDATHI KRISHNA
Joint Managing Director
(DIN: 00270935)

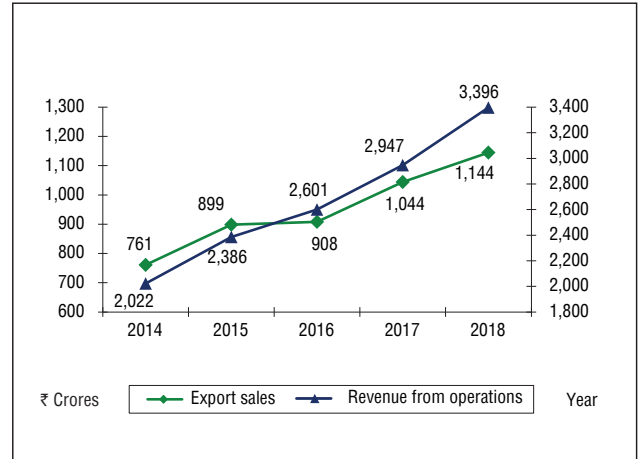
R DILIP KUMAR
Vice President - Finance &
Company Secretary
ACS Membership No.: A19802

Place : Chennai
Date : May 9, 2018

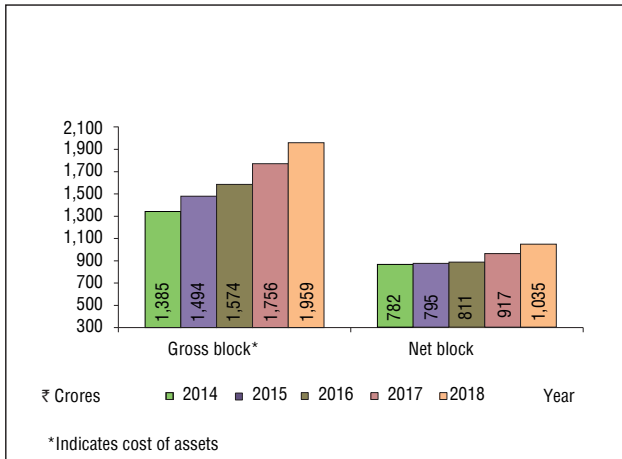
Total Revenue*



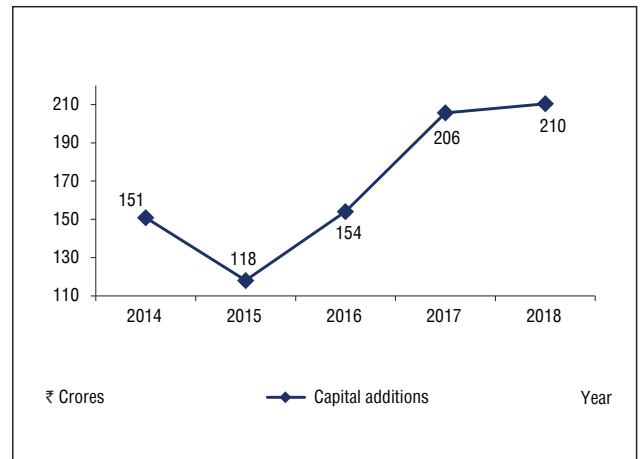
Export Sales and Revenue from Operations*



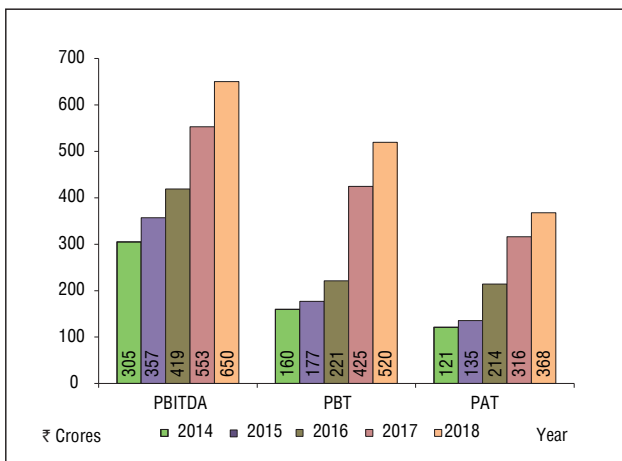
Gross and Net Block of Property, Plant and Equipment



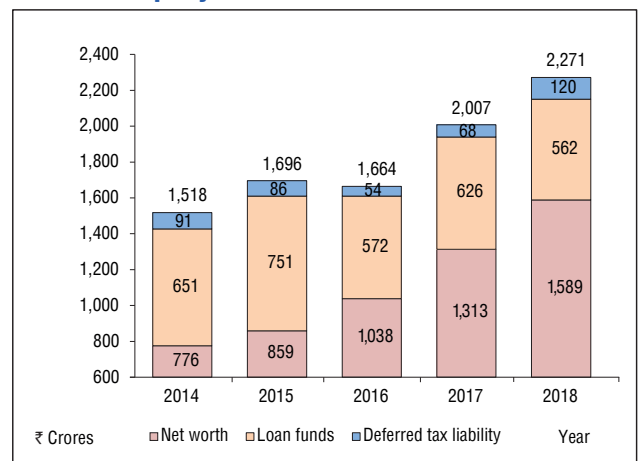
Capital Expenditure



Profits



Funds Employed



*Revenue from Operations and Total Revenue are net of excise duty
Financials from the years 2016 are as per Ind AS