Sundram Fasteners Limited

ANNUAL REPORT

for the year ended
March 31, 2019

BOARD OF DIRECTORS

Sri SURESH KRISHNA
Chairman

Ms ARATHI KRISHNA
Managing Director

Ms ARUNDATHI KRISHNA
Joint Managing Director

Sri K RAMESH

Ms PREETHI KRISHNA

Independent Directors

Sri V NARAYANAN (upto September 21, 2018)

Sri R SRINIVASAN
Sri B MUTHURAMAN

Sri HERAMB R HAJARNAVIS

Sri S MAHALINGAM

Dr NIRMALA LAKSHMAN (w.e.f. September 20, 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
Telangana: Bonthapally
Uttarakhand: Rudrapur

FACTORIES *(In India - through subsidiaries)*

Tamil Nadu : Vallam Vadagal, Sriperumbudur
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

` crores

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16*	2016-17*	2017-18*	2018-19*
Operating results										
Revenue from operations #	1,334	1,811	2,147	2,069	2,022	2,386	2,601	2,947	3,420	**4,002**
Total revenue #	1,339	1,815	2,165	2,096	2,071	2,409	2,635	2,960	3,449	**4,034**
EBITDA	172	235	313	283	305	357	419	553	650	**769**
Interest	17	36	92	81	59	82	61	36	32	**39**
EBDT	155	199	221	202	246	275	358	517	618	**730**
Depreciation	47	55	64	72	76	88	92	90	98	**110**
EBIT	125	180	249	211	229	269	327	463	552	**659**
Profit before tax	108	144	157	131	160	177	221	425	520	**620**
Tax	33	39	45	36	39	42	7	109	152	**183**
Profit after tax	75	105	112	95	121	135	214	316	368	**437**
Financial status										
Net fixed assets	580	640	713	729	803	810	865	967	1,066	**1,425**
Investments	142	142	142	132	123	117	309	320	359	**361**
Net current assets	407	609	696	719	592	769	490	720	846	**1,066**
Share capital	21	21	21	21	21	21	21	21	21	**21**
Reserves and surplus	459	534	612	673	755	838	1,017	1,292	1,568	**1,886**
Net worth	480	555	633	694	776	859	1,038	1,313	1,589	**1,907**
Loan funds	568	750	829	795	651	751	572	626	562	**801**
Deferred tax liability	81	86	89	91	91	86	54	68	120	**144**
Total capital employed	1,129	1,391	1,551	1,580	1,518	1,696	1,664	2,007	2,271	**2,852**
Performance parameters - %										
EBITDA to revenue from operations	12.9	12.9	14.6	13.7	15.1	15.0	16.1	18.8	19.1	**19.2**
EBIT to revenue from operations	9.4	9.9	11.6	10.2	11.3	11.3	12.6	15.7	16.3	**16.5**
PBT to revenue from operations	8.1	8.0	7.3	6.3	7.9	7.4	8.5	14.4	15.3	**15.5**
EBITDA / average capital employed [ROCE]	15.0	18.6	21.3	18.1	19.7	22.2	24.9	30.1	30.4	**30.0**
EBIT / average capital employed	10.9	14.3	17.0	13.5	14.8	16.7	19.5	25.2	25.8	**25.7**
PAT / average net worth	16.6	20.4	18.9	14.3	16.4	16.6	22.6	26.9	25.4	**25.0**
EPS - `	3.57	5.02	5.36	4.52	5.75	6.44	10.18	15.01	17.49	**20.80**
Dividend per share - `	0.90	1.25	1.40	1.40	1.70	1.75	** 3.05	** 1.70	** 4.70	**** 4.70**
Dividend payout ratio	25.21	24.91	26.13	30.95	29.55	27.17	** 29.95	** 11.32	** 26.87	**** 22.59**
Book value per share - `	22.85	26.41	30.15	33.04	36.91	40.88	49.40	62.50	75.67	**90.77**
Market value per share - `	51.60	51.05	55.35	40.50	62.80	174.50	170.80	386.00	551.30	**566.45**

* 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 56th Annual General Meeting to the Members

NOTICE is hereby given that the **Fifty Sixth** 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 **Thursday, August 8, 2019 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, 2019 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, 2019 together with the Auditor’s 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 Preethi Krishna, who retires by rotation, as a Director of the Company.

   “**RESOLVED THAT** Ms Preethi Krishna (DIN 02037253) who retires by rotation and being eligible for re-appointment be and 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, 2020.

   “**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, 2020, 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 be and is hereby ratified.”

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

4. To re-appoint Sri R Srinivasan (DIN: 00043658) as a Non Executive Independent Director of the Company for a term of two consecutive years commencing from September 22, 2019 to September 21, 2021.

   “**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17(1A) and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sri R Srinivasan *(holding DIN 00043658)* aged 77 years, be and is hereby re-appointed as a Non-Executive Independent Director of the Company, to hold office for a term of two (2) consecutive years commencing from September 22, 2019 to September 21, 2021 and to receive remuneration by way of fees and other remuneration as may be payable, reimbursement of expenses for participation in the meetings of the board and / or committees and / or general meetings in terms of applicable provisions of the Companies Act, 2013 as determined by the board and / or committee from time to time.”

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

5. To issue Non-Convertible Debentures upto ` 500 crores on private placement basis.

   “RESOLVED THAT pursuant to the provisions of Sections 23, 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014, including any statutory modification, amendment, substitution or re-enactment thereof, for the time being in force and pursuant to Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and other applicable Regulations / Guidelines and subject to the relevant provisions of the Memorandum and Articles of Association of the Company, approval of the members of the Company is hereby accorded to the Board of Directors of the Company, (hereinafter referred to as “the Board”) to issue / offer / invite for subscription and to allot Secured Redeemable Non-Convertible Debentures (“NCDs”) including but not limited to subordinate debt, bonds and / or other debt securities (hereinafter collectively referred as “Securities”), *on private placement basis,* listed or unlisted, in physical or dematerialised form, in one or more tranches within a period of one year from the date of passing of this special resolution to eligible person(s), upto a limit of ` 500 Crores (Rupees Five Hundred Crores), within the overall borrowing limits of the Company approved by the members of the Company.

   RESOLVED FURTHER THAT the Board is hereby authorised to determine the terms of the issue including providing security on any of the Company's assets, the class of investors to whom such Securities to be issued, timing of the issue, total amount to be raised by issuance of Securities, the number of Securities, face value, tranches, issue price, tenor, interest rate, premium / discount, appointment of trustee(s), listing and to do all such acts, deeds, filings, matters and execute all such deeds, documents, instruments and writings as may be required, with powers on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard, as the Board may, in its sole and absolute discretion deems fit and to delegate all or any of its powers herein conferred to any Committee of the Board of Directors and / or officer(s) of the Company, to the extent permissible under law, as it may in its absolute discretion deem necessary.

By Order of the Board

R DILIP KUMAR
Vice President – Finance &
Company Secretary

Chennai
May 9, 2019

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 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, 2020.

For the financial years ended March 31, 2014 to March 31, 2019, 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, 2020 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. The Board recommends the ratification.

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.

Agenda No. 4

Sri R Srinivasan is a Non-Executive Independent Director of the Company. He is also the Chairman of the Audit Committee and the Nomination and Remuneration Committee. He joined the Board of Sundram Fasteners Limited in March 1995. He has expertise in engineering and general management. He was the former Managing Director of Widia India Limited (Now renamed as Kennametal India Limited). He is also presently a Director in several prominent Boards like TTK Prestige Limited, Kirloskar Oil Engines Limited. He has managerial experience spanning over 52 years. Sri R Srinivasan was appointed as a non-executive and Independent Director by the shareholders' at the 51st Annual General Meeting held on September 22, 2014, for a consecutive term of five years from September 22, 2014 to September 21, 2019, not liable to retire by rotation.

Sri R Srinivasan is proposed to be re-appointed as a Non-Executive Independent Director for the second term of two consecutive years, commencing from September 22, 2019 to September 21, 2021 on such remuneration by way of fees and other remuneration as may be payable, reimbursement of expenses for participation in the meetings of the Board and / or Committees as determined by the Board and / or Committee from time to time.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Sri R Srinivasan for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Sri R Srinivasan, a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and as per Regulation 34(3) read with Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that he is not debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

The proposed resolution seeks the approval of members by way of a special resolution for the re-appointment of Sri R Srinivasan as an Independent Director of the Company pursuant to Section 149(10) and other applicable provisions of the Companies Act, 2013 and Rules made thereunder. Sri R Srinivasan will not be liable to retire by rotation.

In the opinion of the Board of Directors, Sri R Srinivasan, the Independent Director proposed to be re-appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the management.

A copy of the letter of appointment of Sri R Srinivasan as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during the normal business hours on working days up to the date of the Annual General Meeting.

The Board of Directors considers that in view of the managerial experience and expertise of Sri R Srinivasan, his continued association with the company would be of immense benefit and hence propose to avail the services of Sri R Srinivasan as an Independent Director.

Sri R Srinivasan is aged more than 75 years and hence his appointment as a Non-Executive Independent Director, requires the approval of members by way of a special resolution, pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended on May 9, 2018.

Except Sri R Srinivasan, being an appointee, none of the Directors / Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution.

The Board recommends the resolution set forth in Item No.4 of the notice for approval by shareholders.

Agenda No. 5

The Board of Directors of the Company at their meeting held on May 9, 2019 has, subject to the approval of Members, accorded its consent to raise funds through issue of Non-Convertible Debentures (NCDs) / Bonds / Sub-ordinated Debt Instruments to eligible investor(s) on private placement basis, at such terms and conditions and at such price(s) in compliance with the requirements of regulatory authorities, if any and as may be finalized by the Board and / or Committee of Directors. The amount to be raised by way of issue of NCDs on a private placement basis however shall not exceed ` 500 Crores (Rupees Five Hundred Crores Only) in aggregate.

The objective of raising funds through issue of debentures is to augment the long-term resources of the Company / to finance the capital expenditure / business opportunities that may emerge from time to time and / or for general corporate purposes.

The Company may offer or invite subscription for NCDs, in one or more series / tranches on private placement basis. The Company may also list these NCDs in any one or more Stock Exchanges.

Section 42 of the Companies Act, 2013 read with Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, permits a Company to pass a previous special resolution once in a year for all the offers or invitation for non-convertible debentures to be made during the year through a private placement basis in one or more tranches.

Necessary approvals for borrowings and creation of charges as required under Section 180(1)(c) of the Companies Act, 2013 have already been obtained from the members in the 51st Annual General Meeting held on September 22, 2014 upto a limit of Rs 1,000 crores in excess of the aggregate of the paid-up capital and free reserves of the Company. The proposed issue of NCDs are within the above mentioned limits.

The consent of Members is therefore sought for the proposed issue of NCDs, and to authorize the Board (including any Committee of the Board) to issue NCDs on private placement basis, in one or more tranches, during a period of one year from the date of passing this special resolution, with the authority to the Board of Directors / any Committee of the Board to determine the terms and conditions, including the issue price of the NCDs, bonds and / or other debt securities and submit necessary application for listing of NCDs with any one or more Stock Exchanges.

By Order of the Board

R DILIP KUMAR
Vice President – Finance &
Company Secretary

Chennai
May 9, 2019

PARTICULARS OF DIRECTORS SEEKING RE-APPOINTMENT (AGENDA NO 2 & 4) AS REQUIRED TO BE FURNISHED UNDER THE SECRETARIAL STANDARD ON GENERAL MEETINGS / REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

AGENDA NO. 2

Name	Ms Preethi Krishna
Age	54 years
DIN	02037253
Qualification	B.Sc., (Physics), Stella Maris College, M.A. Public Management, University of Madras MBA, (Simon School of Business, University of Rochester, New York, USA.)
Experience	1988-89 – Sundram Fasteners Limited 1991-94 – Whirlpool Corporation, Benton Harbor, USA
Date of first appointment on the Board	July 5, 2017
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Related to the Chairman / Managing Directors of the Company.
Number of meetings of the Board attended during the year	4 (Four) during the financial year 2018 - 2019 out of 5 meetings 1 (One) during the financial year 2019 - 2020 out of 1 meeting
Other Directorships, Memberships / Chairmanship of Committees of other Boards	TVS Infotech Inc., Director
Nature of expertise in specific functional area	Corporate Strategy and General Management

AGENDA NO. 4

Name	Sri R Srinivasan
Age	77 years
DIN	00043658
Qualification	Graduate in Engineering
Experience	Sri R Srinivasan has managerial experience spanning over 52 years. He was the former Managing Director of Widia India Limited (Now renamed as Kennametal India Limited).
Date of first appointment on the Board	March 6, 1995
Shareholding in the Company	9,200 Equity Shares of ` 1/- each (joint-holder)
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Nil

<table>
<tr><td>Number of meetings of the Board attended during the year</td><td>5 (Five) during the financial year 2018 - 2019 out of 5 meetings
1 (One) during the financial year 2019 - 2020 out of 1 meeting</td></tr>
<tr><td>Other Directorships, Memberships / Chairmanship of Committees of other Boards</td><td><table>
<tr><th>Directorship</th><th>Committee Membership</th></tr>
<tr><td>ACE Designers Limited
Kirloskar Oil Engines Limited
Murugappa Morgan Thermal Ceramics Limited
TTK Prestige Limited
Yuken India Limited
Sterling Abrasives Limited
Taegu Tec India Private Limited
Indian Machine Tool Manufacturers Association</td><td>Audit Committee (Chairman) in Kirloskar Oil Engines Limited.
Nomination & Remuneration Committee (Chairman) and Audit Committee (Member) in TTK Prestige Limited.
Nomination & Remuneration Committee (Chairman) and Audit Committee (Member) in Yuken India Limited.
Audit Committee (Chairman) and Nomination & Remuneration Committee (Member) in Ace Designers Limited.
Audit Committee (Chairman) in Sterling Abrasives Limited.</td></tr>
</table></td></tr>
<tr><td>Nature of expertise in specific functional area</td><td>Engineering and General Management</td></tr>
</table>

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.**

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 Nos 3, 4 and 5 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	2nd Interim	28-05-2012	04-07-2019
2012-2013	1st Interim	08-11-2012	15-12-2019
2012-2013	2nd Interim	30-05-2013	06-07-2020
2013-2014	1st Interim	01-11-2013	08-12-2020
2013-2014	2nd Interim	29-05-2014	05-07-2021
2014-2015	1st Interim	06-11-2014	13-12-2021
2014-2015	2nd Interim	29-05-2015	05-07-2022
2015-2016	1st Interim	02-11-2015	09-12-2022
2015-2016	2nd Interim	09-03-2016	15-04-2023
2016-2017	Interim	02-11-2016	03-12-2023
2016-2017	Final	24-08-2017	27-09-2024
2017-2018	1st Interim	02-11-2017	09-12-2024
2017-2018	2nd Interim	09-05-2018	15-06-2025
2018-2019	1st Interim	29-10-2018	05-12-2025
2018-2019	2nd Interim	09-05-2019	15-06-2026

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 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), 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 has transferred 2,19,793 equity shares to the IEPF Authority before the due date with respect to 2nd Interim Dividend for the Financial Year 2010-2011 and 1st Interim Dividend for the Financial Year 2011-12.

10. 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 ***abridged version of the Annual Report*** and the Notice of the Annual General Meeting are being sent in the permitted modes of dispatch.

11. 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.

12. Members may also note that the Notice of the Annual General Meeting and the Annual Report will also be available on the Company's website www.sundram.com for download. The physical copies of such documents will also be available at the company's registered office in Chennai for inspection during normal business hours on working days. Members desiring to receive the abridged / full version of the annual report 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 letters to investorshelpdesk@sfl.co.in / srirams@integratedindia.in

13. **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 as amended from to time 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 56th 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 eservices i.e. IDEAS, you can login at https://eservices.nsdl.com / with your existing IDEAS login. Once you login to NSDL eservices after using your login credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

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.

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

   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.

   Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   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.

14. **Other information**

i. The remote e-voting period commences on **Monday, August 5, 2019 (9.00 am – Indian Standard Time) and ends on Wednesday, August 7, 2019 (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 1, 2019** 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 1, 2019**.

iii. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date **August 1, 2019,** 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 and remote e-voting process in a fair and transparent manner.

vi. The Chairman shall, at the Annual General Meeting, 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 AGM 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 8, 2019**. 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 or a person authorized by him in writing. 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
May 9, 2019

ANNUAL GENERAL MEETING

Day / Date / Time : Thursday, August 8, 2019 Time: 10.00 am

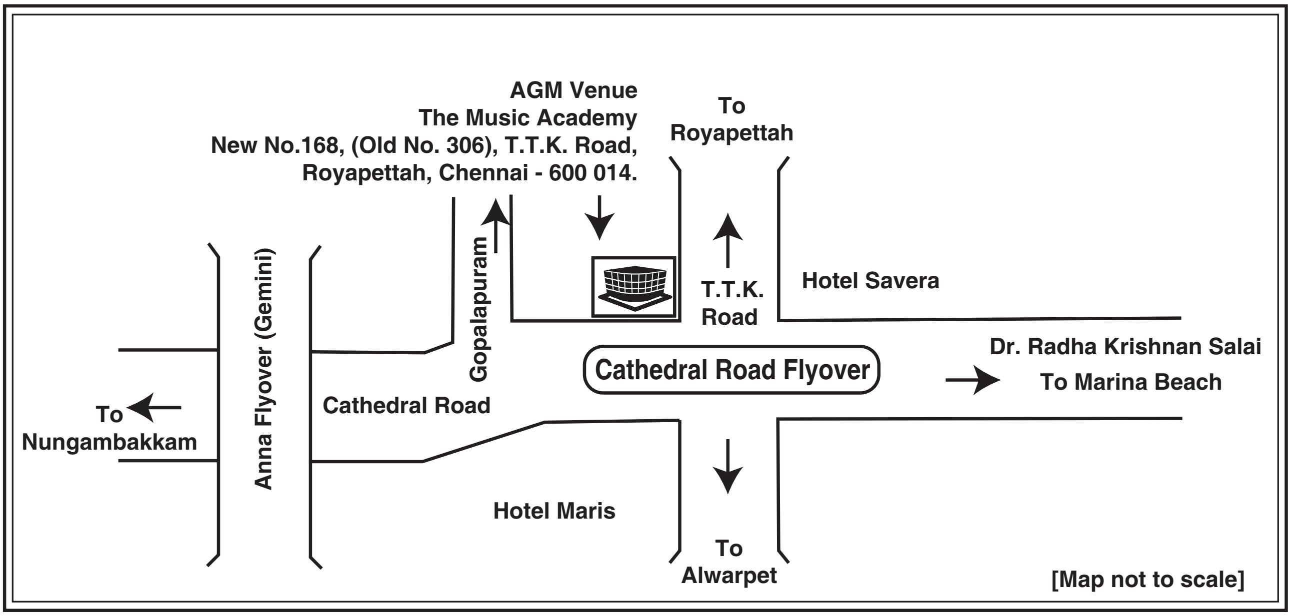
Venue : The Music Academy - T T Krishnamachari Auditorium (Main Hall), New No. 168, T T K Road, Royapettah, Chennai - 600 014

E-VOTING PERIOD

Commences on : Monday, August 5, 2019 at 9.00 am

Closes on : Wednesday, August 7, 2019 at 5.00 pm

Route Map to 56th 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 Sixth Annual Report together with the audited financial statements for the year ended March 31, 2019.

FINANCIAL HIGHLIGHTS (STANDALONE)		**` in crores**
	2018-19	2017-18
Revenue from operations	**4,002.34**	3,419.79
Other income	**31.94**	29.62
Total revenue (net of excise duty)	**4,034.28**	3,449.41
Total expenditure	**3,265.45**	2,799.05
Gross profit before interest, depreciation and taxes	**768.83**	650.36
Less: Interest	**31.02**	18.80
Exchange losses / (gains)	**7.94**	13.76
Depreciation	**109.85**	98.07
Profit before tax	**620.02**	519.73
Less: Provision for tax	**182.90**	152.26
Profit after tax	**437.12**	367.47
Add: Balance brought forward	**171.36**	220.82
Balance available for appropriation	**608.48**	588.29
Appropriations		
Interim / Final dividends	**98.76**	98.76
Tax on Interim dividends	**20.14**	18.17
Transfer to reserves	**300.00**	300.00
Transfer from special economic zone reinvestment reserve	**(10.75)**	-
Transfer from other comprehensive income to reserves	**13.68**	-
Balance carried forward	**186.65**	171.36
	608.48	588.29

TRANSFER TO RESERVES

The Company has transferred ` 300.00 Crores to Reserves.

DIVIDEND

The Board had earlier during the year, declared an interim dividend of ` 2.00/- per share (200%) and the same was paid on November 22, 2018. The Directors have decided to pay a Second Interim Dividend of ` 3.10 per share, which, together with the first interim dividend, declared and paid earlier, would amount to a total dividend of ` 5.10/- per share for the financial year 2018-2019.

ABRIDGED FINANCIAL STATEMENT

In terms of the provision of Section 136(1) of the Companies Act, 2013, Rule 10 of Companies (Accounts) Rules, 2014 and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has decided to circulate the Abridged financial statement to the shareholders for the financial year 2018-2019, who have not registered their e-mail id.

Members who desire to obtain the full version of the report may write to the Corporate Secretarial Department at the registered office address and will be provided with a copy of the same. Full version of the Annual Report will also be available on the Company’s website, www.sundram.com

CONSOLIDATED FINANCIAL STATEMENT

In addition to the financial statements, the audited Consolidated Financial Statement of the Company and all of the subsidiaries prepared in the same form and manner as that of its own and in accordance with the applicable Accounting Standards (Ind AS), 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 in respect of each of subsidiary on its website, www.sundram.com. The Company shall provide a copy of audited / unaudited financial statement, as the case may be, as prepared in respect of each of its subsidiary, 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. 43 to 47).

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.

Ms Preethi Krishna, Director (DIN: 02037253) 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 Preethi Krishna and other relevant information have been furnished in the notice convening the AGM.

Sri V Narayanan (DIN 00081673), Independent Director, retired from the Board effective, September 22, 2018. The Company has benefited immensely through his association and the Board of Directors place on record their sincere thanks for the services rendered by him as a Director.

Dr Nirmala Lakshman, Director, (DIN 00141632) has been appointed as a Non-Executive Independent Director effective, September 20, 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. In terms of the requirement of Section 134(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the same is available on the Company's website, www.sundram.com.

BOARD MEETINGS

During the year, five 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. 60).

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, 2019.

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

Salient features of the Policy:

The policy is to ensure that the remuneration is in line with best comparable market practices, as well as competitive *vis-à-vis* that of comparable companies both in India and other international markets, which will have a motivating effect to act as a driving force to ensure long term availability of talent and also retention of the best talents. The Policy will have due regard to the situation of the specific regions in which the Company operates.

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. 65 & 66).

The Nomination and Remuneration Policy is available on the Company's website at:- https://sundram.com/pdf/corporate/NominationandRemunerationPolicy.pdf

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 during the year. Form AOC-2 as required under Section 134 (3)(h) of the Act is enclosed vide **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 vide **Annexure - IV.**

RISK MANAGEMENT

Pursuant to Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors at their meeting held on February 1, 2019 has constituted the Risk Management Committee. Sri Suresh Krishna, Chairman, Ms. Arathi Krishna, Managing Director and Ms. Arundathi Krishna, Joint Managing Director are members of the Committee.

Brief description of terms of reference:-

i. continuous review of business parameters on a regular basis by the management, including commodity hedging positions in a more transparent, detailed and uniform manner.

ii. exercising prudence while incurring capital expenditure or outlays on new projects.

iii. entering into long term contracts with customers to underwrite the capacities created

iv. adoption of a diversified business model in terms of products, market segments, geography and customers to ensure that Company is able to withstand any instability in the entire business eco-system

v. judicious approach to proportionate sourcing of inputs from indigenous and overseas markets in order to take advantage of commodity prices and exchange rate movements

vi. monitoring, reviewing and hedging foreign exchange risks in accordance with the risk management policy

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 salient features of the Policy are to actively engage and extend support to the communities in which it operates and thus build a better, sustainable way of life by supporting the weaker sections of the society and thus contribute to the human development, to impel measures and to provide solutions that will balance economic, social and environmental issues and to work together with our employees with a commitment for adhering to responsible business practices in terms of quality management, environmental sustainability and support to the community.

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 7 Domestic Subsidiaries and 5 Overseas Subsidiaries. The financial performance of the subsidiaries during financial year 2018-19 are given hereunder:-

The Company, by way of initial subscription to the Memorandum of Association, has subscribed to 10,000 equity shares of 'Sunfast TVS Limited'. Sunfast TVS Limited has been incorporated as a new wholly-owned subsidiary of the Company under the Companies Act, 2013 with effect from April 8, 2019.

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.

The revenue from operations from CPFL, UK during the year under review was at ` 11,936.91 lakhs as against ` 8,217.48 lakhs in the previous year. The net profit / (loss) was at ` (699.85) lakhs as against ` (458.72) lakhs in the previous year.

The revenue from operations from SFZL, China during the year under review was at ` 26,035.51 lakhs as against ` 18,832.33 lakhs in the previous year. The net profit was at ` 1,803.64 lakhs as against ` 1,331.43 lakhs in the previous year.

The revenue from operations from Sundram International Limited, a wholly-owned subsidiary during the year under review was at ` 170.32 lakhs as against ` 118.65 lakhs in the previous year. The net profit / (loss) was at ` (33.75) lakhs as against ` (72.20) 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 ` 17,218.98 lakhs as against ` 15,482.98 lakhs in the previous year. The net profit was at ` 1,604.69 lakhs as against ` 1,744.52 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 ` 2,606.84 lakhs as against ` 2,585.81 lakhs in the previous year. The net profit was at ` 151.59 lakhs as against ` 193.00 lakhs in the previous year. The application with respect to the amalgamation of SPCL ('Transferor Company') with Sundram Fasteners Limited ('Transferee Company') was filed by the transferor company during the financial year with the National Company Law Tribunal, Chennai Bench (NCLT). The final hearing by the NCLT with respect to the amalgamation of transferor company with the transferee company was held during April 2019. The matter was heard and the NCLT has sanctioned the scheme of amalgamation of SPCL with SFL and their respective shareholders, with Appointed Date as April 11, 2019.

The revenue from operations from Sundram Non-Conventional Energy Systems Limited, a subsidiary during the year under review was at ` 286.68 lakhs as against ` 364.36 lakhs in the previous year. The net profit was at ` 162.76 lakhs as against ` 208.53 lakhs in the previous year.

The revenue from operations from Sundram Fasteners Investments Limited, a wholly-owned subsidiary during the year under review was at ` 0.98 lakhs as against ` 0.52 lakhs in the previous year. The net profit / (loss) was at ` (0.34) lakhs as against ` (0.41) lakhs in the previous year.

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 ` 667.98 lakhs as against ` 786.59 lakhs in the previous year. The net profit was at ` 76.96 lakhs as against ` 15.49 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 ` 2,191.56 lakhs as against ` 1,579.60 lakhs during the year under review. The net profit / (loss) was at ` 83.15 lakhs as against ` 70.69 lakhs in the previous year.

The application with respect to the amalgamation of TVSN ('Transferor Company') with TVS Infotech Limited ('Transferee Company') was filed by the transferor company during the financial year with the National Company Law Tribunal, Chennai Bench (NCLT). The final hearing by the NCLT with respect to the amalgamation of transferor company with the transferee company was held during April 2019. The matter was heard and the NCLT has sanctioned the scheme of amalgamation of TVSN with TVS Infotech Limited and their respective shareholders, with Appointed Date as April 01, 2018.

The revenue from operations from TVS Infotech Inc, a step-down subsidiary during the year under review was at ` 1,835.91 lakhs as against ` 2,306.45 lakhs in the previous year. The net profit was at ` 62.14 lakhs as against ` 84.07 lakhs in the previous year.

The revenue from operations from all the subsidiaries of the Company in aggregate during the year under review was at ` 550.42 Crores resulting in overall contribution of 12.00% of the consolidated revenue and 5.00% of the consolidated net profits.

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.196).

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 2018-2019.

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.

Pursuant to Section 136 (1) of the Companies Act, 2013, the report of the Board of Directors is being sent to the shareholders of the Company excluding the statement prescribed under Rule 5 of the Companies (Appointment and Remuneration) Rules, 2014. The statement is available for inspection by the shareholders at the Registered Office of the Company during business hours.

STATUTORY AUDITORS

Pursuant to Section 139 of the Companies Act, 2013, 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).

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 2018-2019. 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 2019-2020. Necessary consent has been received from them to act as Secretarial Auditors.

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 2019-2020. 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. As specified by the Central Government under Section 148(1) of the Companies Act, 2013, the cost records are required to be maintained by the Company and accordingly such accounts and records are made and maintained.

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. In compliance with the provisions under Section 4 of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, Internal Complaints Committee (ICC) of the Company has been constituted to redress complaints regarding sexual harassment. No complaint was received during the calendar year 2018.

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.

The Board of Directors during the financial year 2018-2019 has amended the Whistle Blower Policy pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended on December 31, 2018 notified by the Securities and Exchange Board of India to enable employees to report instances of leak of unpublished price sensitive information. The amendment has come into effect from April 1, 2019.

INDUSTRIAL RELATIONS

Industrial relations continued to remain congenial during the current year. The Directors thank the employees for their contribution to the progress of the Company 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, 2019 — **SURESH KRISHNA**
Chennai — Chairman

Annexure - I

FORM NO.MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended March 31, 2019

[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, 2nd Floor, No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600 017 Telephone: +91 44 28140801-803 Email: sriramS@integratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S. No.	Name and description of main products / services	NIC Code of the Product / service	% of total turnover of the company
1	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: 56.43% Held through subsidiary: 11.23%	2(87)
6	TVS Next Private Limited 98A, VII Floor, Dr.Radhakrishnan Salai, Mylapore, Chennai-600 004	U72200TN2008PTC067744	Step down Domestic Subsidiary	67.66% out of 100%	2(87)(ii)
7	TVS Infotech Inc 7512, East Independence Blvd, Suite 102 Charlotte, NC 28227	-	Step down Overseas Subsidiary	67.66% out of 100%	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)

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) Bodies Corporate	104085280	-	104085280	49.53	104085280	-	104085280	49.53	Nil
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) 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	20417337	1500	20418837	9.72	21520885	1500	21522385	10.24	0.52
b) Banks / FI	2886153	2466	2888619	1.37	2895229	2466	2897695	1.38	0.01
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	8806466	-	8806466	4.19	8488812	-	8488812	4.04	(0.15)
g) FIIs	448188	-	448188	0.21	512793	-	512793	0.24	0.03
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	**32558144**	**3966**	**32562110**	**15.49**	**33417719**	**3966**	**33421685**	**15.90**	**0.41**
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.- Indian & Overseas	4847489	138024	4985513	2.37	5331287	136205	5467492	2.60	0.23
b) Individuals i) Individual shareholders holding nominal share capital up to Rs 1 lakh	38763909	3626351	42390260	20.18	39350369	2805810	42156179	20.06	(0.11)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	7736123	-	7736123	3.69	7928391	-	7928391	3.78	0.09
c) Others	18369084	-	18369084	8.74	17069343	-	17069343	8.13	(0.62)
Sub-Total (B)(2)	**69716605**	**3764375**	**73480980**	**34.98**	**69679390**	**2942015**	**72621405**	**34.57**	**(0.41)**
Total Public Shareholding (B) = (B)(1)+(B)(2)	**102274749**	**3768341**	**106043090**	**50.47**	**103097109**	**2945981**	**106043090**	**50.47**	**-**
C. Shares held by Custodian for GDRs and ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total = A+B+C	**206360029**	**3768341**	**210128370**	**100.00**	**207182389**	**2945981**	**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**									
Alternate investments fund	43729	-	43729	0.02	385881	-	385881	0.18	0.16
Clearing Member	168085	-	168085	0.08	45208	-	45208	0.02	(0.06)
Corporate CM / TM – Client Margin A/c	166432	-	166432	0.08	381009	-	381009	0.18	0.10
Corporate CM / TM – Client Beneficiary A/c	185255	-	185255	0.09	-	-	-	-	(0.09)
Foreign Port Folio Investor – Corporate - 1	1777287	-	1777287	0.85	697530	-	697530	0.33	(0.52)
Foreign Port Folio Investor – Corporate – 2	14834415	-	14834415	7.06	15335087	-	15335087	7.30	0.24
Foreign Port Folio Investor – Corporate – 3	1124348	-	1124348	0.54	82330	-	82330	0.04	(0.50)
Limited Liability Partnership	66940	-	66940	0.02	137204	-	137204	0.08	0.06
Trust	2593	-	2593	0.00	5094	-	5094	0.00	-
Total	**18369084**	-	**18369084**	**8.74**	**17069343**	-	**17069343**	**8.13**	**(0.61)**

(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.

(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, 2018 to March 31, 2019)	
		No. of Shares at the beginning (April 1, 2018)	% 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 01/04/2018	14521102	6.91				
	05/10/2018			122400	0.06	14643502	6.97
	12/10/2018			274000	0.13	14917502	7.10
	26/10/2018			14153	0.01	14931655	7.11
	02/11/2018			26100	0.01	14957755	7.12
	25/01/2019			(30000)	(0.01)	14927755	7.10
	Closing Balance as on 31/03/2019					14927755	7.10
2	AMANSA HOLDINGS PRIVATE LIMITED						
	PAN : AAKCA7237L						
	Opening Balance as on 01/04/2018	8496550	4.04				
	02/11/2018			5930	0.00	8502480	4.05
	18/01/2019			45930	0.02	8548410	4.07
	25/01/2019			312854	0.15	8861264	4.22
	01/02/2019			217641	0.10	9078905	4.32
	22/02/2019			51000	0.02	9129905	4.35
	01/03/2019			8766	0.00	9138671	4.35
	Closing Balance as on 31/03/2019					9138671	4.35
3	GOVINDLAL M PARIKH						
	PAN : AAEPP1312J						
	Opening Balance as on 01/04/2018	4543482	2.16				
	22/06/2018			(10000)	(0.01)	4533482	2.16
	06/07/2018			(20000)	(0.01)	4513482	2.15
	27/07/2018			(1755)	0.00	4511727	2.15
	03/08/2018			(50000)	(0.02)	4461727	2.12
	31/08/2018			(34087)	(0.02)	4427640	2.11
	22/03/2019			(3398)	0.00	4424242	2.11
	Closing Balance as on 31/03/2019					4424242	2.11
4	GENERAL INSURANCE CORPORATION OF INDIA						
	PAN : AAACG0615N						
	Opening Balance as on 01/04/2018	4110080	1.96				
	06/04/2018			(90623)	(0.04)	4019457	1.91
	13/04/2018			(14657)	(0.01)	4004800	1.91
	31/08/2018			(8117)	0.00	3996683	1.90
	07/09/2018			(35730)	(0.02)	3960953	1.89
	Closing Balance as on 31/03/2019					3960953	1.89

Sl. No.	NAME & PAN	Shareholding		Increase / Decrease in shareholding (transfer)		Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of Shares at the beginning (April 1, 2018)	% of total shares of the company	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
5	THE NEW INDIA ASSURANCE COMPANY LIMITED						
	PAN : AAACN4165C						
	Opening Balance as on 01/04/2018	3083356	1.47				
	04/05/2018			(2211)	0.00	3081145	1.47
	11/05/2018			(41839)	(0.02)	3039306	1.45
	18/05/2018			(5950)	0.00	3033356	1.44
	03/08/2018			(22146)	(0.01)	3011210	1.43
	10/08/2018			(32765)	(0.02)	2978445	1.42
	17/08/2018			(17465)	(0.01)	2960980	1.41
	24/08/2018			(16416)	(0.01)	2944564	1.40
	31/08/2018			(24492)	(0.01)	2920072	1.39
	07/09/2018			(26707)	(0.01)	2893365	1.38
	14/09/2018			(10295)	(0.01)	2883070	1.37
	07/12/2018			24856	0.01	2907926	1.38
	14/12/2018			19135	0.01	2927061	1.39
	Closing Balance as on 31/03/2019					2927061	1.39
6	LIFE INSURANCE CORPORATION OF INDIA						
	PAN : AAACL0582H						
	Opening Balance as on 01/04/2018	2833820	1.35				
	Closing Balance as on 31/03/2019			0	0.00	2833820	1.35
7	UTI MULTI CAP FUND						
	PAN : AAATU1088L						
	Opening Balance as on 01/04/2018	2138289	1.02				
	13/04/2018			3182	0.00	2141471	1.02
	27/04/2018			(210221)	(0.10)	1931250	0.92
	04/05/2018			(34329)	(0.02)	1896921	0.90
	17/08/2018			1888	0.00	1898809	0.90
	31/08/2018			(9000)	0.00	1889809	0.90
	12/11/2018			(8520)	0.00	1881289	0.90
	16/11/2018			(7322)	0.00	1873967	0.89
	23/11/2018			(85750)	(0.04)	1788217	0.85
	22/03/2019			(9000)	0.00	1779217	0.85
	Closing Balance as on 31/03/2019					1779217	0.85

Sl. No.	NAME & PAN	Shareholding		Increase / Decrease in shareholding (transfer)		Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of Shares at the beginning (April 1, 2018)	% of total shares of the company	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
8	GOVERNMENT PENSION FUND GLOBAL						
	PAN : AACCN1454E						
	Opening Balance as on 01/04/2018	1697579	0.81				
	27/04/2018			(20000)	(0.01)	1677579	0.80
	04/05/2018			(4567)	0.00	1673012	0.80
	11/05/2018			(13302)	(0.01)	1659710	0.79
	18/05/2018			(12776)	(0.01)	1646934	0.78
	20/07/2018			(2909)	0.00	1644025	0.78
	03/08/2018			(26446)	(0.01)	1617579	0.77
	23/11/2018			(100000)	(0.05)	1517579	0.72
	14/12/2018			(200000)	(0.10)	1317579	0.63
	21/12/2018			(177500)	(0.08)	1140079	0.54
	04/01/2019			(161500)	(0.08)	978579	0.47
	18/01/2019			(37900)	(0.02)	940679	0.45
	15/02/2019			(323100)	(0.15)	617579	0.29
	22/02/2019			5342	0.00	622921	0.30
	01/03/2019			10071	0.01	632992	0.30
	15/03/2019			852	0.00	633844	0.30
	22/03/2019			6453	0.00	640297	0.31
	29/03/2019			14979	0.01	655276	0.31
	Closing Balance as on 31/03/2019					655276	0.31
9	OCEAN DIAL GATEWAY TO INDIA MAURITIUS LIMITED						
	PAN : AACCI3546C						
	Opening Balance as on 01/04/2018	1500000	0.71				
	20/04/2018			(500000)	(0.24)	1000000	0.48
	15/06/2018			(74827)	(0.04)	925173	0.44
	22/06/2018			(19861)	(0.01)	905312	0.43
	13/07/2018			(19418)	(0.01)	885894	0.42
	27/07/2018			(85894)	(0.04)	800000	0.38
	01/03/2019			(72000)	(0.03)	728000	0.35
	08/03/2019			(90000)	(0.04)	638000	0.30
	Closing Balance as on 31/03/2019					638000	0.30

Sl. No.	NAME & PAN	Shareholding		Increase / Decrease in shareholding (transfer)		Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of Shares at the beginning (April 1, 2018)	% of total shares of the company	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
10	L&T MUTUAL FUND TRUSTEE LIMITED-L&T BUSINESS						
	PAN : AAATC4460E						
	Opening Balance as on 01/04/2018	1496976	0.71				
	20/04/2018			54786	0.03	1551762	0.74
	27/04/2018			(434672)	(0.21)	1117090	0.53
	04/05/2018			(5000)	0.00	1112090	0.53
	11/05/2018			(88799)	(0.04)	1023291	0.49
	18/05/2018			26652	0.01	1049943	0.50
	15/06/2018			28583	0.01	1078526	0.51
	22/06/2018			16764	0.01	1095290	0.52
	03/08/2018			97900	0.05	1193190	0.57
	31/08/2018			34000	0.02	1227190	0.58
	07/09/2018			34000	0.02	1261190	0.60
	12/10/2018			11338	0.01	1272528	0.61
	18/01/2019			6215	0.00	1278743	0.61
	25/01/2019			123127	0.06	1401870	0.67
	01/02/2019			13658	0.01	1415528	0.67
	15/03/2019			39000	0.02	1454528	0.69
	29/03/2019			(1500)	0.00	1453028	0.69
	Closing Balance as on 31/03/2019					1453028	0.69

(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	0.0005	1,200	0.0005
7		Sri R Srinivasan**, Director	9,200	0.0044	9,200	0.0044
8		Sri B Muthuraman, Director	-	-	-	-
9		Sri Heramb R. Hajarnavis, Director	-	-	-	-
10		Sri S Mahalingam, Director	-	-	-	-
11		Dr Nirmala Lakshman, Director***				
12		Sri S Meenakshisundaram, Chief Financial Officer	-	-	-	-
13		Sri R Dilip Kumar, Vice President – Finance & Company Secretary**	2,000	0.0000	2,000	0.0000

* Retired from the Board, effective September 22, 2018.

** Joint holder.

*** Appointed as a Non-Executive Independent Director effective September 20, 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, 2019)

` in lakhs

S. No.	Particulars	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
1	Indebtedness at the beginning of the financial year				
	i) Principal amount	204.44	357.50	-	561.94
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	0.51	0.61	-	1.12
	Total of (i) + (ii) + (iii)	**204.95**	**358.11**	**-**	**563.06**
2	Change in indebtedness during the financial year				
	- Addition	66.77	636.43	-	703.20
	- Reduction	204.44	259.73	-	464.17
	Net Change	**(137.67)**	**376.70**	**-**	**239.03**
3	Indebtedness at the end of the financial year				
	i) Principal amount	66.77	734.20	-	800.97
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	0.20	2.86	-	3.06
	Total of (i) + (ii) + (iii)	**66.97**	**737.06**	**-**	**804.03**

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 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	 99.47 6.35 -	 94.80 68.80 -	 95.16 54.29 -	 **289.43** **129.44** **-**
2	Stock Option	**-**	**-**	-	**-**
3	Sweat Equity	**-**	**-**	-	**-**
4	Commission - as % of profit	662.00	1655.50	1655.50	**3,973.00**
	Total (A)	767.82	1819.10	1804.95	**4,391.87**
	6.64% of the Net profits computed under Section 198 of the Companies Act, 2013				
	Ceiling as per the Act – **11% 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#	2.00
Sri R Srinivasan	4.10
Sri B Muthuraman	2.70
Sri Heramb R. Hajarnavis	3.90
Sri S Mahalingam	2.20
Dr Nirmala Lakshman*	2.10
TOTAL (1)	**17.00**
Non-Executive Directors	
Sri K Ramesh	0.50
Ms Preethi Krishna	2.00
TOTAL (2)	**2.50**
TOTAL (B)=(1) + (2)	**19.50**
Total Managerial Remuneration	**19.50**
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, 2018.

* Appointed as a Non-Executive Independent Director effective, September 20, 2018.

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) of the Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	 117.62 0.12 -	 60.11 1.06 -
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify	-	-
5	Others: Provident Fund Superannuation Contribution	 - -	 1.72 2.15
	Total	**117.74**	**65.04**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

During the year ended March 31, 2019, 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, 2019 **SURESH KRISHNA**
Chennai Chairman

Annexure - II

Particulars of loans, guarantees and investments under Section 186 of the Companies Act, 2013 during the financial year ended March 31, 2019

` in crores

Name of the body corporate	Nature of relationship	Nature of transaction	Amount of trans-action	Purpose for which the loan / security / acquisition/ guarantee utilised by recipient
M.M.S. Steel & Power Private Limited	NA	Acquisition	0.20	Investment in equity shares for purchase of power under group captive basis.
Watsun Infra Build Private Limited	NA	Acquisition	0.97	Investment in equity shares for purchase of power under group captive basis.
Clean Switch India Private Limited	NA	Acquisition	0.13	Investment in equity shares for purchase of power under group captive basis.
Clarion Wind Farm Private Limited	NA	Acquisition	0.55	Investment in equity shares for purchase of power under group captive basis.
Nagai Power Private Limited	NA	Acquisition	0.21	Investment in equity shares for purchase of power under group captive basis.
Sundram International Limited, UK	Wholly-owned subsdiiary	Loan	5.67	For working capital purposes
Cramlington Precision Forge Limited, UK	Step-down subsidiary	Guarantee	21.85	For availing term loan and working capital facility from bank
TVS Infotech Limited	Subsidiary	Acquisition	1.90	Investment in equity shares
TVS Upasana Limited	Wholly-owned subsidiary	Guarantee	60.00	For availing term loan and working capital facility from bank
Sundaram Money Fund Scheme of Sundaram Asset Management Co. Limited, Chennai, India	NA	Investment in Mutual Funds	124.00	Treasury investments

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 arm's-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, 2019
Chennai

SURESH KRISHNA
Chairman

Annexure-IV

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 7.57% to 981 lakh units in FY 2018-19 (912 lakh units in FY 2017-18).
- The Company has initiated sourcing of power from bio-mass based renewable source to the extent of 80 lakh units during the financial year 2018-19. The Company has also installed roof top solar power plant of capacity 2.0 MWp which generated 14 lakhs units of solar power in FY 2018-19. Thus, the total renewable power consumption aggregates to 1,075 lakh units during the financial year 2018-19, as against 990 lakh units in FY 2017-18. The higher use of renewable power sources has resulted in reduction of emission of Green House Gases equivalent to 97,900 MT CO_2.
- 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. Reciprocating chiller unit replaced with energy efficient screw type chiller.
  3. Retrofitting of Variable Frequency Drive (VFD) in screw compressor.
  4. Introduction of waste heat recovery system in screw compressor and utilizing the waste heat recovered for heating of washing systems of furnaces.
  5. Avoiding Idling of motors in machines, fume exhaust equipment and pumps by providing interlock mechanism.
  6. Pre-cooler introduced in 500 T hydraulic press for water chiller unit
  7. Optimisation of pneumatic systems reducing air consumption and thus power consumption
  8. De-rating of utility pumps in cooling towers
  9. Modification of fume exhaust blower circuit.
  10. Improving loading efficiency of transformers by merging of transformers
  11. Timer control introduced for lighting.
  12. Power factor improved by adding capacitor bank.

TECHNOLOGY ABSORPTION

(i)	The efforts made towards technology absorption	1. "Mechanical Descaler" technology has been adopted as a green initiative in place of acid pickling process. 2. Development of Electric Water Pump Engine Brake System and version of water / oil pumps in order to be compliant to BS VI norms. 3. Development of net shape light weight sintered parts. 4. Development of light weight fasteners. 5. Development of fasteners for new applications.
(ii)	The benefits like product improvement, cost reduction, product development or import substitution;	The efforts made towards technology absorption has led to development of products for new applications and market.
(iii)	Imported Technology	Nil
	a) Details of technology imported	
	b) The year of import	
	c) Whether the technology been fully absorbed	
	d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
(iv)	Expenditure on Research and Development	Capital Expenditure : ` 121.06 lakhs Revenue Expenditure : ` 1,357.00 lakhs Total Research & Development Expenditure: (Net of revenue) ` 1,478.06 lakhs

FOREIGN EXCHANGE EARNINGS AND OUTGO

The total foreign exchange earned and used are as under:

Foreign exchange earned *(` in lakhs)*	1,38,298.61
Foreign exchange used *(` in lakhs)*	51,852.97

The Company continues to be a net foreign exchange earner.

Annexure - V

ANNUAL REPORT ON CORPORATE SOCIAL REPSONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2018-2019

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 a 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 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 25 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 467 students from 8 villages near Krishnapuram plant through Sundram Matriculation Higher Secondary School.

Apart from this, Krishna Educational Society also supported capacity building in the field of education by extending support to educational institutions.

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

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 24 villages across Thiruvannamalai, Madurai and Krishnagiri Districts of Tamil Nadu, the Company supports after-school classes for 720 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, Maths and Science. Going beyond regular curriculum, through new initiatives taken during the year like Walk 'n' Talk English project that provided 375 children classes on spoken English and Tinkering Lab project that provided 90 children vocational skills like cycle repair, mobile repair.

With a view of supporting the higher education of indigent students, the Company extended support to 20 meritorious students from Chennai for their undergraduate education, which otherwise they may not be able to afford and would have deterred them from completing their education including other educational institutions, support capacity building, renovation of building etc.

During the year 2018-2019, through the above-mentioned initiatives, the Company's CSR initiative in education benefitted 1672 students across Tamil Nadu.

Support to the underprivileged and marginalized sections of the society

Through BALM – Sundram Fasteners "Center for Research and Social Action in Mental Health" the Company has augmented its support for women and the marginalized who are under distress affected by homelessness and poverty. The center liaisons with various Government bodies to provide community mental health programme by strengthening the District Mental Health Programme (DMHP), creating exit pathways for people with mental illness incarcerated in the state mental hospitals by reintegrating them with their family and/or providing access to independent living options etc. The center also undertakes the training of mental health professionals through postgraduate and diploma courses. So far, four batches of the postgraduate program (229 students) have graduated and five batches (116 students) have completed the diploma courses. SFL has also supported to set up a Central library for the students at BALM providing them access to world-class research and studies on Mental Health.

Apart from these, the center actively conducts research to support the formulations of policies for Mental Health.

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 balanced growth. In this context, the company has identified rural health as an important factor in 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 benefitting about 2500 families through the programme. The medical centre has a dual role in providing medical care and educating people through training programmes on various health-related issues. The company also provides primary medical care to people belonging to a poor community in eight villages in Nagapattinam district of Tamil Nadu.

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 1283 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.

Contributing towards art and culture, and sustainable environment

With a view to promoting culture and promoting a sustainable environment, the Company extended support to a Trust in building a temple tank at Thiruvahindrapuram that would help hold rainwater for the summer and increase the groundwater level in an area where the land has completely run dry. The Company has also extended support for the preservation of social infrastructure, by contributing for the renovation of a temple building 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 various CSR initiatives, in the area of education, health and community outreach programmes initiated either by the Company or in association with other organizations and NGOs.

Initiated in the year 2013, employees have strongly supported the CSR volunteering movement led by the motto “SFL and You can make a difference”. In the year 2018-2019, SFL achieved 100% employee participation in the monetary donation program towards societal needs as well as the employee-volunteering program.

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 and Non-Executive Director 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.

3. Average net profits

Average net profits of the Company for the last three financial years is ` 39,619.07 lakhs.

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

Prescribed CSR expenditure is ` 792.38 lakhs

5. Details of CSR spent during the financial year 2018-2019

Total amount to be spent for the financial year 2018-2019	` 792.38 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 was 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		15.00 In association with Sugun Thomas Foundation
2	Sundram Matriculation Higher Secondary School		1. Other 2. Tamil Nadu; Virudhunagar District	372.78	372.78		372.78 Under the CSR arm of the Company - Krishna Educational Society
3	Construction of additional blocks at Sundram Matriculation Higher Secondary School	Education	1. Other 2. Tamil Nadu; Virudhunagar District	81.55	81.55	489.07	81.55 Expenditure incurred by the Company for the construction of additional blocks
4	High quality education for children from poorest families through after school classes		1. Various villages 2. Tamil Nadu, Thiruvanamalai District, Krishnagiri District and Virudhnagar District	19.74	19.74		19.74 In association with AID India Foundation
5	Medical welfare project		1. Other 2. Tamil Nadu; Nagapattinam District	25.00	25.00		25.00 In association with Vaastu Foundation
6	Supply of nutriblend and jaggery to the students of village Govt. Schools	Healthcare	1. Thandalam village Tamil Nadu; Kancheepuram District	20.00	20.00	205.87	20.00 In association with Sri Annapoorani Public Charitable Trust
7	Chair for Social Work and Psychology & Chair for Social Entrepreneurship at IMHST		1. Chennai 2. Tamil Nadu	160.87	160.87		160.87 In association with BALM - Banyan Academy of Leadership in Mental Health
8	World Wide Fund for Nature – India	Environmental Sustainability / Protection of animal welfare	1. Other 2. Tamil Nadu;	35.37	35.37	35.37	35.37 In association with World Wide Fund for Nature – India
9	Water conservation project	Art and culture	1. Other 2. Tamil Nadu;	15.00	15.00		15.00 In association with Thiruvahindrapuram Veda Vidya Trust)
10	Demolition and reconstruction of the existing mandapam and also renovation of existing vahana mandapam at Chithrakulam	Art and culture	1. Other 2. Tami Nadu;	50.00	50.00	65.00	50.00 In association with Vedantha Desigar Devasthanam
	Total			**795.31**	**795.31**	**795.31**	**795.31**

Annexure VI

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	143.88	(36.72%)
2	Ms Arathi Krishna	Managing Director	340.90	51.60%
3	Ms Arundathi Krishna	Joint Managing Director	348.25	64.63%
4	Sri K Ramesh*	Director	0.09	(66.67%)
5	Ms Preethi Krishna*@	Director	0.37	-
6	Sri V Narayanan*$	Director	0.37	(58.33%)
7	Sri R Srinivasan*	Director	0.77	(14.58%)
8	Sri B Muthuraman*	Director	0.51	(6.90%)
9	Sri Heramb R. Hajarnavis*	Director	0.73	30.00%
10	Sri S Mahalingam*	Director	0.41	214.00%
11	Dr Nirmala Lakshman*#	Director	0.39	210.00%
12	Sri S Meenakshisundaram	Chief Financial Officer	N.A.	0.23%
13	Sri R Dilip Kumar	Vice President – Finance & Company Secretary	N.A.	13.45%

* Sitting fees were paid for attending Board /Committee meetings.

$ Retired from the Board, effective, September 22, 2018.

@ No sitting fee was paid during the financial year 2017-18.

\# Appointed as Non-Executive Independent Director effective September 20, 2018.

(ii) The percentage increase in the median remuneration of employees in the financial year: 10.86%.

(iii) The number of permanent employees on the rolls of Company as on March 31, 2019: 3,311.

(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. 2018-19 was 9.93% whereas the increase in the managerial remuneration for the same financial year was 14.56%.

(v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Annexure VII

Form No. MR-3

Secretarial Audit Report for the financial year ended March 31, 2019

[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 1st April 2018 to 31st March 2019** (*"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 31st March 2019 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 31st March 2019** 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 the Acts, Rules, Regulations, Standards and Agreements set out hereunder.

1.2. During the period under review, and also considering the compliance related action taken by the Company after 31st March 2019 but before the issue of this report, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us, **the Company's compliance** with the said applicable provisions/ clauses of the Acts, Rules, Regulations, Standards and Agreements **are set out hereunder.**

1.3. The Company **has complied with**:

(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) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(v) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(vi) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 *(LODR);* and

(vii) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) *(Agreements)*

1.4. The Company **has generally/ broadly complied with**:

(i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of

(a) Overseas Direct Investment; and

(b) External Commercial Borrowings.

(ii) 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)

(iii) The following Secretarial Standards issued by The Institute of Company Secretaries of India *(Secretarial Standards):*

(a) Meetings of the Board of Directors (SS-1) to the extent applicable to Board meetings; and

(b) On General Meetings (SS-2) to the extent applicable to the 55th Annual General Meeting and the 6th, 7th and 8th postal ballots for which results were declared during the year.

(iv) The Company has not adopted the Secretarial Standards on Dividend (SS-3) issued by the Institute of Company Secretaries of India, since it is not mandatory.

I.5. The Company **was not required to comply with** the following laws/ rules/ regulations/ standards during the year 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 Investments;

(ii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Act and dealing with client;

(iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, replaced by the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 *(with effect from 11th September 2018)*;

(iv) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, replaced by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 *(with effect from 10th November 2018);*

(vi) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(vii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and

(viii) Secretarial Standards on Board's Report (SS-4) issued by the Institute of Company Secretaries of India *(non-mandatory)*.

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 31st March 2019 the Board has:

(i) Two Executive Directors;

(ii) Three Non-Executive Non-Independent Directors; and

(iii) Five Independent Directors.

2.3 The Board has four women directors, two of whom are Executive Directors, one a Non-Executive Non-Independent director and one an 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) Retirement of a Managing Director and his continuance as Chairman and a Director not liable to retirement by rotation, effective 20th April 2018;

(ii) Re-designation of two persons in the position of Managing Director from Joint Managing Director and Deputy Managing Director to Managing Director and Joint Managing Director, respectively, effective 20th April 2018;

(iii) Continuation, pursuant to Regulation 17(1A) of LODR, of two Non-Executive Non-Independent Directors and two Independent Directors for their remaining tenure beyond 31st March 2019 or on their attaining 75 years of age, which was approved by the members by passing special resolutions through the 7th postal ballot process on 8th August 2018;

(iv) Re-appointment of the Director retiring by rotation at the 55th Annual General Meeting held on 24th August 2018; and

(v) Retirement of an Independent Director on completion of his tenure from the close of office hours on 21st September 2018.

(vi) Appointment of one Independent Woman Director for a period of five consecutive years from 20th September 2018 to 19th September 2023, which was approved by the members through the 8th postal ballot process on 26th March 2019.

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 except as mentioned below:

(i) Supplementary agenda notes and annexures in respect of items which were in the nature of unpublished price sensitive information and connected papers were circulated at a shorter period of time. Grant of such general consent for such circulation was taken up and noted at the first Board meeting held during the financial year on 9th May 2018. Consent was also taken from the incoming Independent director who was appointed on 20th September 2018; and

(ii) Additional subjects/ information/ presentations and other supplementary agenda notes, which were either circulated at a shorter period or at the Board meeting, were taken up at the Board meetings with the permission of the Chairman and consent of a majority of directors present at the meeting, which included atleast one independent director.

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.

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) Alteration of Regulation 73 and 77(2) of the Articles of Association, approved by the members by passing special resolutions through the 6th Postal Ballot process;

(ii) In respect of the amalgamation of M/s. Sundram Precision Components Limited, a wholly-owned subsidiary, the Appointed Date for the amalgamation was modified from 1st April 2017 (as approved by the Board of Directors during the financial year ended 31st March 2018), to be one and the same as the Effective Date as may approved by the National Company Law Tribunal, Chennai, before which authority the proceedings are presently pending;

(iii) The amalgamation of M/s. TVS Next Private Limited, a step-down subsidiary, with M/s. TVS Infotech Limited, a subsidiary, approved by the Board of Directors of the Company on 9th August 2018, is still under process as on the date of this report

The Board of Directors of the Company have initiated the process for incorporation of a wholly-owned Indian subsidiary called Sunfast TVS Limited, which has since been incorporated on 8th April 2019.

For S Krishnamurthy & Co.,
Company Secretaries,

K Sriram,
Partner.
Membership No: **F6312**
Certificate of Practice No: **2215**

Date: May 9, 2019
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 31st March 2019 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 taken an overall view based on the compliance process/ procedures followed by the Company and have also considered compliance related action taken by the Company after 31st March 2019, 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.

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, 2019
Place: Chennai

Management Discussion and Analysis – 2018-19

The GDP grew at 7.0% in the fiscal year 2018-19 as against 6.6% in 2017-18. The Indian economy had an impressive start with a healthy 8.2% growth in the first quarter on the back of strong domestic consumption. The industrial scenario exhibited a robust double digit growth in all segments of the automotive sector. However growth eased to 7.3% in the latter part of the year. The easing of stimulus measures in the US and a rally in oil prices caused the dollar outflows from the emerging economies. This led to Rupee depreciation by 9% during the year. The foregoing factors raised inflationary pressures in the economy with the Central Bank tightening the policy rates as a counter measure. An amalgam of potential inflation, high interest rates, increased fuel price, and liquidity constraints faced by the NBFC sector, led to the downturn in the economy and the automotive industry.

Growth in the commercial vehicle segment in the first half of the fiscal year helped to partly offset the demand weakness that occurred in the second half of the year due to the revised axle norms. The increase in the maximum load capacity of medium and heavy vehicles (M&HCVs) and the instability in freight rates have lowered the demand for commercial vehicles. The passenger vehicle segment reported a sharp decline in its growth rate due to the increase in fuel price and insurance costs. During the fiscal year 2018-19, the automotive industry in India posted a growth of 6.31%. The commercial vehicles segment registered a growth of 24.33%. The following table depicts the production trend of various segments in the automotive industry.

Category	Production		
Segment/Sub-segment	April-March		
	2018-19	2017-18	% Change
I Passenger Vehicles (PVs)			
Passenger Cars	**27,10,057**	27,39,899	-1.08
Utility Vehicles(UVs)	**10,98,578**	10,90,744	0.72
Vans	**2,17,412**	1,79,730	20.97
Total Passenger Vehicles (PVs)	**40,26,047**	**40,10,373**	**0.39**
II Commercial Vehicles (CVs)			
M&HCVs			
Passenger Carrier	**45,455**	37,619	20.83
Goods Carrier	**3,98,747**	3,06,332	30.17
Total M&HCVs	**4,44,202**	**3,43,951**	**29.15**
LCVs			
Passenger Carrier	**54,133**	51,069	6.00
Goods Carrier	**6,13,841**	4,99,531	22.88
Total LCVs	**6,67,974**	**5,50,600**	**21.32**
Total Commercial Vehicles	**11,12,176**	**8,94,551**	**24.33**
III Three Wheelers			
Passenger Carrier	**11,32,700**	8,99,023	25.99
Goods Carrier	**1,36,023**	1,22,888	10.69
Total Three Wheelers	**12,68,723**	**10,21,911**	**24.15**
IV Two wheelers			
Scooter	**70,95,163**	71,17,795	-0.32
Motor cycles	**1,65,02,734**	1,51,59,700	8.86
Mopeds	**9,05,189**	8,69,562	4.10
Total Two wheelers	**2,45,03,086**	**2,31,47,057**	**5.86**
Grand Total of All Categories	**3,09,10,032**	**2,90,73,892**	**6.32**

Source: Society of Indian Automobile Manufacturers

Domestic Sales

Domestic sales of the company increased by 15% from `2,146.76 crores to `2,469.15 crores. The increase in the production of commercial vehicles led to improved domestic sales. The Company's focus on new product development enabled improvement in the market share across customer segments. In the aftermarket, the company expanded the dealer network so as to increase the sales penetration in industrial segments.

Export Sales:

Export sales of the company increased by 18.4% from `1,168.14 crores to `1,382.99 crores. The volume growth accompanied by a favourable exchange rate movement helped the company grow at a healthy rate.

The company's continued investments towards development and manufacture of new products are expected to result in further improvement in performance in the years ahead. During the year, the company's third unit at the Special Economic Zone, Mahindra City, commenced commercial production. The unit will cater to the supplies of high precision components to auto industry.

Operating Revenues:

The operating revenue of the company has increased by 17% from `3,419.79 crores to `4,002.34 crores and, for the first time, the company's operating revenue has crossed the milestone of `4,000 crores mark.

Financial Performance:

Steel is one of the principal raw materials used by the company. The domestic steel prices increased steadily during the first half of the year. The price support received from the customers has partially offset the steel price increase suffered during the year. Due to preventive measures taken by the company over the years, power availability remained constant and costs have been within our control. Manpower costs increased in line with general inflation and the rise in minimum wages and dearness allowance. Additionally, provisions have been made for long-term wage settlements that are due for the unionised employees at various factories.

During the year, PBIDT (Profit before interest, foreign exchange fluctuation, depreciation, exceptional income and tax) was at `768.83 crores as against `650.36 crores in the previous year, an increase of 18.2%. The operating margin has improved as a result of growth in the volume, favourable exchange rates and stable operating costs.

Financing costs amounted to `38.96 crores (`32.56 crores). The increase in finance costs is attributed to higher level of borrowings necessitated due to increase in capital expenditure during the year.

Profit before tax was higher at `620.02 crores (`519.73 crores). After providing for taxes, the company achieved an all-time record profit of `437.12 crores (`367.47 crores).

Summary of Operating Results:		**` in Crores**
Particulars	**2018-19**	2017-18
Net Revenue From Operations	**4,002.34**	3,419.79
Other Income	**31.94**	29.62
Total Income	**4,034.28**	3,449.41
Total Expenditure	**3,265.45**	2,851.99
Profit Before Interest, Depreciation And Tax (PBIDT)	**768.83**	650.36
Finance Cost	**38.96**	32.56
Depreciation/Amortization	**109.85**	98.07
Profit Before Tax (PBT)	**620.02**	519.73
Current Tax	**159.23**	134.32
Deferred Tax	**23.67**	17.94
Profit After Tax (PAT)	**437.12**	367.47

Subsidiaries Performance:

` in Crores

Particulars	**2018-19**	2017-18
Sales & Other Income	**550.42**	432.33
Cash Profit	**52.01**	45.41
Net Profit	**32.41**	34.20

Consolidated Performance

` in Crores

Particulars	**2018-19**	2017-18
Sales & Other Income	**4,584.70**	3,934.69
Cash Profit	**588.73**	500.50
Net Profit	**458.97**	388.17

Details of significant changes in key financial ratios:

Sr. No.	**Key Ratios**	**Unit of measurement**	**Current year 2018-19**	**Previous year 2017-18**	**Significant change compared with previous year i.e. 25% or more**	**Detailed explanation for significant change**
1	Debtors Turnover	Days	72	73	N.A.	N.A.
2	Inventory Turnover	Days	45	41	N.A.	N.A.
3	Interest Coverage Ratio	Times	19.73	19.97	N.A.	N.A.
4	Current Ratio	Times	1.28	1.26	N.A.	N.A.
5	Debt Equity Ratio	Times	0.42	0.35	N.A.	N.A.
6	Operating Profit Margin (%)	%	16.46	16.15	N.A.	N.A.
7	Net Profit Margin (%)	%	10.92	10.75	N.A.	N.A.

Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof:

Particulars	**2018-19**	**2017-18**
Return on Networth	22.9%	23.1%

There has been only a marginal variation in return on net worth compared to previous year.

Capacities and Capital Expenditure:

Depreciation was higher at ` 109.85 crores (` 98.07 crores). The company incurred ` 442 crores towards capital expenditure on existing and new projects. The capital expenditure was incurred in order to augment capacities for meeting the increase in volume of business and in tandem with production plans of key customers.

Total Quality Management (TQM):

The Company embarked on the TQM journey in 2012 in two of its divisions. Having witnessed improvements in its operating performance in the two divisions, the Company then chose to implement TQM across all its divisions in India. Implementing TQM concepts and practices in all its 17 plants and in all its functions (Marketing, Engineering, Materials, Purchase, Quality, Human Resources and Finance & IT) has resulted in tremendous improvements in the overall performance of the company. Through TQM, the Company was able to standardize all its operations and deploy the company policy and objectives systematically across all functions. Practicing Plan-Do-Check-Act (PDCA) cycle, Policy Deployment (PD) and Daily Work

Management (DWM) supported by a robust kaizen system has enabled the employees to achieve challenging goals, adapt to the changing business environment.

On achieving significant results through TQM practices, the Company decided to challenge the Deming Prize. The Deming Examiners conducted the TQM Diagnosis and recommended the Company to apply for the Deming Prize in 2018. The 3-day on-site examination required a concerted and united effort across the plants. The Deming Prize Committee of the Union of Japanese Scientists and Engineers selected the Company for the award in October 2018. The Company has made history by winning the highly-acclaimed quality award - The Deming Prize for all its 17 plants simultaneously. This unparalleled achievement stands testament to the unique working culture of the Company. Today, the Company continues the TQM journey in its pursuit of excellence.

Awards:

During the year under review, the company received awards for its various units. For its Fasteners Division, it received TAFE - Best Supplier Award for Quality & Reliability - 2018. The company received Supplier Quality Excellence Award from General Motors for the third consecutive year for its SEZ unit. For its Autolec Division, it received the Diamond Award for 2018 from Navistar. The company also received Best practices in Human Resources award from Maruti Suzuki for the year.

Human Resources, Industrial Relations, Learning and Development:

The company believes that Human Resources are its key assets. The total number of employees of the company is three thousand three hundred and eleven. The company's HR policy focuses on developing the skill and competencies of all the employees, facilitating team work and total employee involvement, providing a happy work environment to the employees and support to their families and remaining a socially responsible company contributing to the society.

Learning is given the utmost importance in the company. Training programs focus on improving employees' current skills and competencies as well as developing them for their future roles as part of their career development. The company ensures overall development of every employee and all inputs are provided to reach the expert level of their skill and competency. The training methodology includes both classroom training as well as contemporary learning methodologies like outbound training and e-learning. The TQM culture coupled with emphasis on training has enabled the company to be future ready.

In the Company, HR processes are aligned to make employees feel that they are a part of the company family. The company creates the platform for employees to voice their opinion and make suggestions to improve the working environment. The company maintains regular communication with employees to make them feel connected with the company and perform their jobs most effectively.

The company focuses on inculcating the habit of continuous improvement and motivating employees to participate in improvement activities for the organisation. The company nurtures a participative culture by promoting "Total Employee Involvement". The company continues to maintain its record of industrial harmony.

Health, Safety and Environment:

The company strives to manufacture products with zero pollution and zero accidents, by continuously improving its 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 18001 standards (Occupational Health and Safety Assessment Series).

The company's manufacturing facilities primarily focus on energy efficiency, water conservation, usage of renewable energy including solar power, waste management and reduction in use of hazardous chemicals. All major factories have obtained certification to ISO 14001 standards (Environmental Management Standards).

Internal Control Systems:

The company has a well-integrated ERP system to handle all the major functions in the company i.e. Sourcing and Procurement, Manufacturing, Costing, Finance, Despatch and Sales. All transactions (end–to-end) are carried out through the ERP system. Checks and controls have been built into the ERP system to handle the transactions.

As a process, the systems and controls are benchmarked with the industry standards and are suitably modified to meet the organization's requirements.

Standard Operating Procedures have been developed for all the key business transactions in order to ensure accuracy and consistency of accounting and reporting of transactions. Internal audit checks are done periodically to evaluate the relevance and adequacy of the checks and internal controls.

The Management and the Audit Committee, on an on-going basis, review the internal controls. For all the transactions covering operations, inventory, fixed assets, financial records and compliance to statutory requirements, existing internal controls provide adequate assurance to the management.

Prospects, Risks and Concerns:

The company expects the first half of fiscal year 2019-20 to be subdued. The consumer sentiment is affected to some extent by the sustained high fuel prices. The buying decisions are being postponed by consumers until the formation of the new government at the centre. The money in circulation has increased diluting the deposit base of the banks thereby impairing the ability to lend. The calibrated response of the Central Bank to the slowing of the economy has not given impetus to demand due to a lack of an effective mechanism for transmission of interest rates. Economic indicators are suggesting slackening of demand and investment activity. Therefore, the growth projections have been revised downwards from 7.4% to 7.2% for the fiscal year 2019-20. However, the policy measures to tackle the slowdown have been swift and the macro-economic fundamentals are strong. India is hoping to maintain its growth trajectory and remain one of the fastest growing economies.

In 2019-20, post-election, the consumer sentiment is expected to turn optimistic which augurs well. The Central Bank has undertaken USD auction to provide Rupee liquidity support to Banks which will spur lending. The cost of ownership of BS VI vehicles is expected to be high. The fleet owners are expected to pre-buy during Q3 and Q4 prior to migration from BS IV to BS VI from 1st April 2020. Also, with the prediction of “near normal” monsoon this year, tractor segment, two and three wheeler plus light commercial vehicle segment are expected to do well in Q2 and Q3.

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 2018-19

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 : 2018-19
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, Engine and Transmission 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 31-03-2019)

1. Paid-up capital : ` 21.01 Crores
2. Total turnover : ` 4,034.28 Crores
3. Total profit after taxes: ` 437.12 Crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)

   The Company's total spending on CSR for FY 2018-2019 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

1. Does the Company have any Subsidiary Company / Companies?

   Yes. The Company has 6 Domestic Subsidiaries and 5 Overseas Subsidiaries as on March 31, 2019.

2. 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.

3. 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

1. 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

2. 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	NA	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 2018-19	Resolved during the year 2018-19
Shareholders	1	1

Pursuant to the Investor Education and Protection Fund (IEPF) Rules, 2016 and Section 124(6) of the Companies Act, 2013, 420 equity shares of Re 1/- each held by a shareholder were transferred to the IEPF Authority. On submission of necessary documents by the shareholder, the Company had submitted its verification report to the IEPF Authority, approving the claim. Having verified the documents, the IEPF Authority had approved the claim and the said number of 420 equity shares was credited to the demat account of the shareholder.

The shareholder had lodged a complaint with the SEBI Complaints Redressal System (SCORES) platform citing non-receipt of shares. A clarification letter in this regard was addressed to the shareholder by the Company.

The Company had disclosed the above mentioned details to the Securities and Exchange Board of India in SCORES platform and the complaint raised by the shareholder was disposed off 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. Sintered aluminium rotors for oil pumps

   ii. Exhaust Brake Valve

   iii. Non-Asbestos Gaskets

   iv. Quill Gear

   v. Shift Fork

   vi. 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?

   Sintered aluminium rotors for oil pumps

   Sintered rotors which were earlier manufactured using ferrous based raw material are now being manufactured using aluminium resulting in reduction of energy consumption.

   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 Cadium, 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. Vehicles are permitted inside the factory, only if they comply with the pollution control norms.
   c. Specifically focussed on the storage, handling and disposal of hazardous chemicals.
   d. Specialised agencies are employed to treat the chemical wastes.
   e. Materials like oils, lubes, steel etc. are conserved and mainly focused to reduce loss and wastage and to maximize utilisation of materials.

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.

   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 well-being of all employees

1. Please indicate the Total number of employees

   3,311

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

   6,994

3. Please indicate the number of permanent women employees.

   167

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?

   1,298 (39%)

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	-	-
3	Discriminatory employment	-	-

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

<table>
<tr><th>S. No.</th><th>Category</th><th>% of safety & skill upgradation training in the last year</th></tr>
<tr><td>1</td><td>Permanent Employees</td><td rowspan="4">100%</td></tr>
<tr><td>2</td><td>Permanent Women Employees</td></tr>
<tr><td>3</td><td>Casual / Temporary / Contractual Employees</td></tr>
<tr><td>4</td><td>Employees with Disabilities</td></tr>
</table>

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. 34 to 36 (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 2018-2019, the share of renewable wind energy amounted to 42% 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 3.4%, thus the total renewable energy consumption amounts to 46% of total energy consumed. This has resulted in a reduction equivalent to 97,900 MT of CO_2 during 2018-2019. The Company has also installed roof top solar power plants in its facilities. Further addition to solar power roof top capacity and sourcing of solar power from ground mounted solar plant is planned in the year 2019-20.

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. Providing inter-lock arrangement to main motors so that idle running is eliminated.
   4. Installation of Variable Frequency Drives for various applications
   5. Optimising loading of air compressors and thus reducing their running time
   6. Providing waste heat recovery system in compressor so that waste heat is re-used for heating applications
   7. Providing timer for lighting controls
   8. Power factor improvement by adding capacitor bank

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. 34 to 36 (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. 34 to 36 (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. 34 to 36 (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. 34 to 36 (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.

B S R & Co. LLP
Chartered Accountants

KRM Tower, 1st & 2nd Floor, No. 1, Harrington Road,
Chetpet, Chennai 600 031, India

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Sundram Fasteners Limited

We have examined the compliance of conditions of Corporate Governance by Sundram Fasteners Limited ('the Company'), for the year ended March 31, 2019, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

Management's Responsibility for compliance with the conditions of SEBI Listing Regulations

The Company's management is responsible for compliance of conditions of Corporate Governance requirements as stipulated under the Listing Regulations. This responsibility includes the design, implementation and 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 of Corporate Governance process suitable for ensuring compliance with the above mentioned Listing Regulations.

Auditor's Responsibility

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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination of the corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes, Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing specified under the Section 143 (10) of the Companies Act, 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.

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

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 regulations 17 to 27, clause (b) to (i) of regulation 46(2) and paragraph C, D and E of Schedule V of the Listing Regulations, as applicable.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restrictions on use

This Certificate has been solely issued for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration number: 101248W/W-100022

S Sethuraman
Partner
Membership No. 203491
UDIN: 19203491AAAAAG7282

Place:Chennai
Date: May 9, 2019

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 Nos.127 to 129.

Details of transactions with entities belonging to the promoter / promoter group which hold(s) 10% or more shareholding in the Company:

` in Lakhs

Nature of transaction	Entities belonging to the promoter / promoter group which hold(s) 10% or more shareholding in the Company	
	T V Sundram Iyengar & Sons Private Limited	Southern Roadways Limited
Services received	426.67	426.58
Sale of Goods	8,052.29	-
Dividend paid	2,505.66	2,386.34
Due to the Company	891.81	-
Due by the Company	243.82	29.05

B. Management Discussion and Analysis

Management Discussion and analysis is provided in the Annual Report in Page Nos. 43 to 47.

Necessary disclosures relating to 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 judgment 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.

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)[#]		Name of the listed entities in which the person is a Director and the category of Directorship
		Board	AGM		Chairman / Chairperson	Member	
Sri Suresh Krishna Chairman	00046919	5	Yes	4	1	-	Sundram Fasteners Limited Chairman
Ms Arathi Krishna Managing Director	00517456	5	Yes	1	-	1	Sundram Fasteners Limited Managing Director
Ms Arundathi Krishna Joint Managing Director	00270935	5	Yes	2	-	-	Sundram Fasteners Limited Joint Managing Director
Sri K Ramesh Non-Executive Non-Independent Director	00556922	1	No	6	-	-	(i) Sundram Fasteners Limited (ii) Sundaram Brake Linings Limited Non-Executive Director
Ms Preethi Krishna Non-Executive Non-Independent Director	02037253	4	Yes	1	-	-	Sundram Fasteners Limited Non-Executive Director
Sri V Narayanan* Independent Non-Executive Director	00081673	2	No	2	3	1	Nil
Sri R Srinivasan Independent Non-Executive Director	00043658	5	Yes	7	3	3	(i) Sundram Fasteners Limited (ii) Kirloskar Oil Engines Limited (iii) TTK Prestige Limited (iv) Yuken India Limited Independent Non-Executive Director
Sri B Muthuraman Independent Non-Executive Director	00004757	5	Yes	3	1	1	(i) Sundram Fasteners Limited (ii) Narayana Hrudayalaya Limited Independent Non-Executive Director
Sri Heramb R. Hajarnavis Independent Non-Executive Director	01680435	4	Yes	1	-	1	Sundram Fasteners Limited Independent Non-Executive Director
Sri S Mahalingam Independent Non-Executive Director	00121727	4	Yes	7	4	4	(i) Sundram Fasteners Limited (ii) JSW Steel Limited (iii) City Union Bank Limited (iv) Sundaram Finance Limited Independent Non-Executive Director
Dr Nirmala Lakshman** Independent Non-Executive Director	00141632	2	NA	2	-	1	Sundram Fasteners Limited Independent Non-Executive Director

* Retired from the Board, effective, September 22, 2018.

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

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 five Board Meetings during the year ended March 31, 2019, which were held on May 9, 2018, August 9, 2018, October 29, 2018, February 1, 2019 and March 22, 2019. 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, 2019

Name of the Director	Number of Equity Shares	% holding
Sri Suresh Krishna	36,040	0.0171
Sri K Ramesh	4,000	0.0019
Ms Preethi Krishna	-	-
Sri R Srinivasan	9,200	0.0044
Sri B Muthuraman	-	-
Sri Heramb R. Hajarnavis	-	-
Sri S Mahalingam	-	-
Dr Nirmala Lakshman	-	-

The Company has not issued any convertible instruments.

Familiarisation programme

Details about the familiarisation programme for the financial year 2018-2019 can be accessed under the web link: **https://sundram.com/pdf/SFLFamiliarisationprogramme201819.pdf**

Chart setting out the skills / expertise / competence of the Board of Directors as required in the context of its business and sectors for it to function effectively:

Category of Directorship	Nature of expertise in specific functional area
Chairman / Executive Directors	General Management / Marketing / Sales / Project Management / Human Resources
Non-Executive Non-Independent Directors	Corporate Strategy and General Management
Non-Executive Independent Directors	Engineering / Corporate Strategy / Finance / General Management / Marketing / Sales / Project Management / Human Resources

(i) In the opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI Listing Regulations, 2015 and are independent of the management.

(ii) There was no Independent Director who had resigned during the financial year 2018-2019.

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 9, 2018, August 9, 2018, October 29, 2018 and February 1, 2019.

Name of the Committee Member	Category	No. of meetings attended
Sri R Srinivasan	Chairman of the Committee	4
Sri Heramb R. Hajarnavis	Independent Director	4
Sri S Mahalingam	Independent Director	1
Sri V Narayanan (retired from the Board effective September 22, 2018)	Independent Director	2

Consequent to the retirement of Sri V Narayanan, Sri S Mahalingam, Non-Executive Independent Director was nominated as a member of the Committee effective, October 3, 2018.

Sri R Dilip Kumar, Vice President – Finance & Company Secretary acts as Secretary of the Committee. Sri S Meenakshisundaram, Chief Financial Officer, 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 55th Annual General Meeting (AGM) held on August 24, 2018.

4. Nomination and Remuneration Committee (NRC)

Brief description of terms of reference

The NRC had 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 two times during the financial year on May 9, 2018 and February 1, 2019.

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

Name of the Committee Member	Category	No. of meetings attended
Sri V Narayanan (retired from the Board effective September 22, 2018)	Chairman of the Committee	1
Sri R Srinivasan (effective October 3, 2018)	Chairman of the Committee	2
Sri Heramb R. Hajarnavis	Independent Director	2
Sri Suresh Krishna	Chairman	2

Consequent to the retirement of Sri V Narayanan, Sri R Srinivasan, Non-Executive Independent Director, a member of the Nomination and Remuneration Committee was nominated as its Chairman effective, October 3, 2018.

Sri V Narayanan, Former Chairperson of the Committee was not present during the 55th AGM held on August 24, 2018 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.

- 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.
- 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, 2019**

` in Lakhs

Name of the Director	Sitting Fee	Salaries and Allowances	Perquisite	Company's Contribution to Provident Fund and Superannuation Fund	Commission and Performance Linked Incentive	Total
Sri Suresh Krishna	N.A.	99.47	6.35	-	662.00	767.82
Ms Arathi Krishna	N.A.	94.80	68.80	12.96	1655.50	1832.06
Ms Arundathi Krishna	N.A.	95.16	54.29	11.34	1655.50	1816.29
Sri K. Ramesh	0.50	N.A.	N.A.	N.A.	N.A.	0.50
Ms Preethi Krishna	2.00	N.A.	N.A.	N.A.	N.A.	2.00
Sri V.Narayanan*	2.00	N.A.	N.A.	N.A.	N.A.	2.00
Sri R. Srinivasan	4.10	N.A.	N.A.	N.A.	N.A.	4.10
Sri B Muthuraman	2.70	N.A.	N.A.	N.A.	N.A.	2.70
Sri Heramb R Hajarnavis	3.90	N.A.	N.A.	N.A.	N.A.	3.90
Sri S Mahalingam	2.20	N.A.	N.A.	N.A.	N.A.	2.20
Dr Nirmala Lakshman	2.10	N.A.	N.A.	N.A.	N.A.	2.10

* Retired from the Board effective, September 22, 2018.

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 Company has no pecuniary relationship / transaction with any of the Non-Executive Directors other than those disclosed elsewhere in this Annual Report. 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 9, 2018, August 9, 2018, October 29, 2018 and February 1, 2019.

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 (retired from the Board effective September 22, 2018)	Chairman of the Committee	2
Sri Suresh Krishna	Chairman of the Committee	4
Ms Arathi Krishna	Managing Director	4
Dr Nirmala Lakshman	Independent Director	2

Sri V Narayanan, Non-Executive Independent Director was the Chairman of the Committee. He retired from the Board effective September 22, 2018.

Consequent to the retirement of Sri V Narayanan, Sri Suresh Krishna, Chairman and Non-Executive Director, a member of the Stakeholders' Relationship Committee was nominated as its Chairman effective, October 3, 2018.

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, 2019.

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
2018	The Music Academy T T Krishnamachari Auditorium (Main Hall) New No.168, T T K Road, Royapettah Chennai – 600 014	24-08-2018	10.00 am
2017		24-08-2017	10.00 am
2016		19-08-2016	10.00 am

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

The details of Special Resolution which was 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
6	Amendments to Article No 73 [Chairperson and Managing Director or Chief Executive Officer / Chairperson] and 77(2) [Remuneration to Directors] of the Articles of Association of the Company	May 2, 2018	12,56,39,262 94.08%	79,04,281 5.92%
7	Approval of remuneration payable to Sri Suresh Krishna, Chairman and Non-Executive Director	August 8, 2018	11,75,40,832 98.13%	22,45,525 1.87%
	Continuation of Directorship of Sri Suresh Krishna (DIN 00046919), Chairman and Non-Executive Director for the remaining period of his present tenure, i.e. till June 30, 2021.		13,37,70,933 99.60%	5,34,990 0.40%
	Continuation of Directorship of Sri K Ramesh (DIN 00556922), Non-Executive Director		12,97,96,110 96.64%	45,06,893 3.36%
	Continuation of Directorship of Sri R Srinivasan (DIN 00043658), Non-Executive Independent Director for the remaining period of his present tenure, i.e. till September 21, 2019		13,24,51,195 99.68%	4,20,116 0.32%
	Continuation of Directorship of Sri B Muthuraman (DIN 00004757), Non-Executive Independent Director for the remaining period of his present tenure, i.e. till April 15, 2020		13,28,64,143 99.99%	7,390 0.01%
8	Approval of remuneration payable to Sri Suresh Krishna (DIN: 00046919), Chairman and Non-Executive Director during the financial year ending March 31, 2020 in view of the remuneration expected to exceed 50% of the total annual remuneration payable to all Non-Executive Directors for the said year.	March 26, 2019	13,27,07,706 97.40%	35,44,571 2.60%

Sri K Sriram, Practising Company Secretary (CP No.2215), Partner, M/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.
- No presentation was made to the institutional investors / analysts.

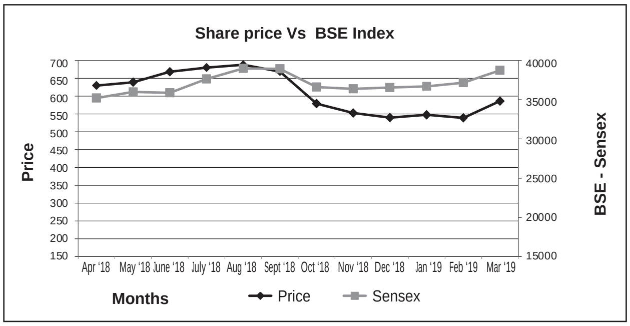
9. General Shareholder Information

a	Annual General Meeting Date, Time and Venue	Thursday, August 8, 2019, 10.00 a.m. The Music Academy - T T Krishnamachari Auditorium (Main Hall), 168, TTK Road, Royapettah, Chennai 600 014
b	Financial calendar	April 2019 to March 2020 • First Quarter Results – on or before August 15, 2019 • Second Quarter/Half-yearly Results – on or before November 15, 2019 • Third Quarter Results – on or before February 15, 2020 • Annual Results for the year ending March 31, 2020 - on or before May 30, 2020
c	Dividend Payment date for dividends declared during FY 2018-2019	2nd Interim Dividend – Financial year 2017-18 - paid on May 29, 2018 1st Interim Dividend - Financial year 2018-19 paid on November 22, 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, 5th 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 2019-2020.
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	

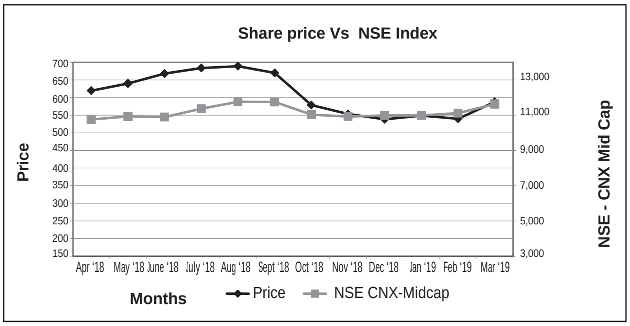
Month	BSE Limited				National Stock Exchange of India Ltd.			
	Price- Rs.		Index- Sensex		Price- Rs.		Index- Nifty	
	High	Low	High	Low	High	Low	High	Low
Apr, 2018	629.70	555.05	35,213.30	32,972.56	619.50	554.85	10,759.00	10,111.30
May, 2018	639.00	570.10	35,993.53	34,302.89	640.00	568.50	10,929.20	10,417.80
June, 2018	668.45	582.65	35,877.41	34,784.68	668.00	582.05	10,893.25	10,550.90
July, 2018	680.00	611.30	37,644.59	35,106.57	683.80	612.35	11,366.00	10,604.65
Aug, 2018	688.00	622.90	38,989.65	37,128.99	689.00	620.25	11,760.20	11,234.95
Sept, 2018	668.85	560.30	38,934.35	35,985.63	670.00	560.05	11,751.80	10,850.30
Oct, 2018	579.00	481.55	36,616.64	33,291.58	578.85	479.80	11,035.65	10,004.55
Nov, 2018	552.70	503.75	36,389.22	34,303.38	553.45	502.25	10,922.45	10,341.90
Dec, 2018	539.80	508.00	36,554.99	34,426.29	538.40	507.00	10,985.15	10,333.85
Jan, 2019	547.60	501.00	36,701.03	35,375.51	549.00	501.10	10,987.45	10,583.65
Feb, 2019	539.00	496.45	37,172.18	35,287.16	539.90	495.90	11,118.10	10,585.65
Mar, 2019	586.20	510.90	38,748.54	35,926.94	587.75	510.50	11,630.35	10,817.00

g	Share Performance in comparison to broad-based indices

BSE Ltd.



National Stock Exchange of India Ltd.



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)	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** *Investor Contacts:* Sri. Suresh Babu, Director Sri. S. Sriram, Deputy General Manager
j	Share Transfer System	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. 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, dematerialization of shares and rematerialisation of shares ("Transactions") and rejection of the said transactions on technical grounds to the authorized officers of the Company (delegated authority). The delegated authority attends to share transfer formalities at such intervals as required. Later, Stakeholders' Relationship Committee and the Board takes on record the approved transactions.

k	Distribution of shareholding			
Number of Shares	**Shareholders**		**No. of Shares**	
	Number	**%**	**Number**	**%**
Up to 100	31,650	51.08	11,86,342	0.56
101 - 250	9,620	15.53	17,20,366	0.82
251 - 500	7,205	11.63	27,13,954	1.29
501 - 1000	4,581	7.39	35,81,629	1.70
1001 - 5000	7,430	11.99	1,73,81,586	8.27
5001 - 10000	861	1.39	61,57,554	2.93
10,001 and above	610	0.99	17,73,86,939	84.43
Total	**61,957**	**100.00**	**21,01,28,370**	**100.00**
Physical Mode	2,505	4.04	29,45,981	1.40
Demat Mode	59,452	95.96	20,71,82,389	98.60
Total	**61957**	**100.00**	**21,01,28,370**	**100.00**

Categories of Shareholding as on March 31, 2019

Category	Shares	% holding
Promoter Companies	10,40,85,280	49.53
Mutual Funds	2,15,22,385	10.24
Insurance Companies, Financial Institutions & Banks	1,13,86,507	5.42
Foreign Institutional Investors (FIIs)	5,12,793	0.24
Public/Private Limited Companies	46,46,343	2.21
Resident Individuals,	4,68,48,766	22.30
Others	2,11,26,296	10.06
Total	**21,01,28,370**	**100.00**

l. Dematerialisation of Shares and liquidity

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.

98.60% of total equity capital (including holding of promoter companies) is held in dematerialised form with NSDL and CDSL as on March 31, 2019.

The volume of shares traded during FY 2018-2019:-

Stock Exchange	During FY 2018-2019	Monthly Average Volume
BSE	29,32,089	2,44,340.75
NSE	2,44,48,419	20,37,368.25

Thus, shares of the Company are actively traded in the BSE and NSE, and hence have good liquidity.

m Outstanding GDRs/ADRs/Warrants or any convertible instruments

Not issued.

<table>
<tr>
<td>n</td>
<td>Commodity Price Risk or foreign exchange risk and hedging activities</td>
<td>
The foreign exchange risks are hedged from time to time. The Company closely monitors the exchange risks.
The Company mitigates its major raw material Price risks, namely, steel by entering into a long term supply contracts with the select suppliers.
Total exposure of the Company to various commodities: ` 1,153 Crores.
<table>
<tr><th>Commodity Name</th><th>Exposure in INR towards the particular Commodity (Rs in Crores)</th><th>Exposure in quantity terms towards the particular Commodity</th><th>% of such exposure hedged through commodity derivatives Domestic & International Market – OTC & Exchange</th><th>Total</th></tr>
<tr><td>Steel</td><td>951.59</td><td>1.34 Lakh Metric ton</td><td>Nil</td><td>Nil</td></tr>
<tr><td>M S Scrap & other components</td><td>66.23</td><td>0.14 Lakh Metric ton</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Ferrous, Non-Ferrous and Powders</td><td>193.22</td><td>0.15 Lakh Metric ton</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Aluminium Ingots</td><td>29.77</td><td>0.02 Lakh Metric ton</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Blank alloy steel slug (tappet), child parts for assembly, other components</td><td>67.19</td><td>1,870.16 lakh Nos.</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Total</td><td>1,308.00</td><td colspan="3"></td></tr>
<tr><td>Less:
Inter Plant transfers</td><td>155.00</td><td colspan="3"></td></tr>
<tr><td>Total</td><td>1,153.00</td><td colspan="3"></td></tr>
</table>
</td>
</tr>
<tr>
<td>o</td>
<td>Plant Location</td>
<td>
<u>Tamil Nadu</u>
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
<u>Puducherry (Pondicherry)</u>
8) Korkadu, Nettapakkam Commune, Bahur Taluk Puducherry 605 110
</td>
</tr>
</table>

		Telangana 9) Bonthapally Village 502 313, Medak District Uttarakhand 10) Pantnagar, Integrated Industrial Estate Rudrapur, Dist. Udam Singh Nagar Uttarakhand 263 153
p	Address for Correspondence	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 / 222 / 236 Fax: +91-44-28478510 Exclusive E-mail id for redressal of investor complaints **E-mail: investorshelpdesk@sfl.co.in** Website - **www.sundram.com** 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).**
q	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.	CRISIL Limited has issued `**CRISIL A1+**' (pronounced 'CRISIL A one Plus') rating to the Company for the **Rs 100 Crore** short term debt programme and for the **Rs 25 Crore** Commercial Paper during the financial year 2018-2019 and there has been no revision thereto during the said financial year.

10. OTHER DISCLOSURES

Materially significant related party transactions during the year ended March 31, 2019:

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.12 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 Chairman of the Audit Committee. No personnel has approached the Audit Committee till date.

The Board of Directors during the financial year 2018-2019 has amended the Whistle Blower Policy pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended on December 31, 2018 notified by the Securities and Exchange Board of India to enable employees to report instances of leak of unpublished price sensitive information. The amendment came into effect from April 1, 2019.

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 mitigates its major raw material price risks, namely steel by entering into a long term supply contracts with the select suppliers.

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

The Company has not raised funds through preferential allotment or qualified institutions placement during the financial year 2018-2019.

Certificate from Practising Company Secretary certifying that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Certificate from Company Secretary in Practice

(In terms of Regulation 34(3) read with Schedule V Para C(10)(i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To the Members of

Sundram Fasteners Limited, [CIN:L35999TN1962PLC004943]
98-A, VII Floor, Dr. Radhakrishnan Salai, Mylapore,
Chennai 600 004.

We hereby certify that none of the directors on the Board of **Sundram Fasteners Limited** *("the Company")* **as on the 31st March 2019**, have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA).

We are issuing this certificate based on the following, which to the best of our knowledge and belief were considered necessary in this regard:

1. Our verification of the information relating to the directors available in the official website of MCA;
2. Our verification of the disclosures/ declarations/ confirmations provided by the directors to the Company; and
3. Information, explanation and representations provided by the Company, its directors/ officers/ agents.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the corporate governance processes followed by the Company.

For S Krishnamurthy & Co.,
Company Secretaries,

K Sriram,
Partner.
Membership No: **F6312**
Certificate of Practice No: **2215**

Date: May 9, 2019
Place: Chennai

Recommendation by the Committees to the Board of Directors

The Board has accepted the recommendations made by its Committees during the financial year 2018-2019.

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part.

The total fee for all services paid by the Company and its subsidiaries, on a consolidated basis, to M/s B S R & Co. LLP, Chartered Accountants, Statutory Auditors of the Company during the financial year 2018-2019 is ` 1,14,00,000/- (Rupees one crore fourteen lakhs only)

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Number of complaints filed during the financial year	0
Number of complaints disposed off during the financial year	0
Number of complaints pending as on end of the financial year	0

11. There was no non-compliance of any requirement of corporate governance report of para (2) to (10) mentioned above.

12. DISCLOSURE ON NON-MANDATORY REQUIREMENTS (DISCRETIONARY REQUIREMENTS)

The Board

Pursuant to the approval by the shareholders through a postal ballot on August 8, 2018, the Chairman and Non-Executive Director of the Company is entitled to maintain a Chairperson's office at the Company's expense and also entitled for reimbursement of expenses incurred in performance of his duties.

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 2018-2019.

Reporting of Internal Auditors

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

13. 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 quarters during the financial year 2018-2019.

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 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, 2019

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, 2019.

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.	1,129	11,68,815
Number of Shareholders who approached the issuer for transfer of shares and to whom shares were transferred from the Unclaimed Suspense Account during the year.	70	1,07,914
Aggregate number of shareholders and the shares transferred to Investor Education and Protection Fund Authority from the Unclaimed Suspense Account during the year.	113	1,25,271
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year / voting rights on the shares shall remain frozen till the rightful owner of such shares claims the shares.	946	9,35,630

B S R & Co. LLP
Chartered Accountants

KRM Tower, 1st & 2nd Floor, No. 1, Harrington Road,
Chetpet, Chennai 600 031, India

Independent Auditor's Report

To the Members of Sundram Fasteners Limited

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

Opinion

We have audited the Standalone Ind AS financial statements of Sundram Fasteners Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the Standalone Ind AS financial statements").

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 Companies Act, 2013 ("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, 2019, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Revenue recognition under new accounting standard Ind AS 115: Revenue from Contracts with Customers

The key audit matter	How the matter was addressed in our audit
The Company has adopted Ind AS 115 - Revenue from Contracts with Customers (Ind AS 115) which is the new revenue accounting standard. Ind AS 115 is effective for the year beginning April 1, 2018 and establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price and appropriateness of the basis used to measure revenue recognized over a period or at a point in time. Revenue is recognized when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. In view of the above, the application and transition to this accounting standard is an area of focus in our audit. **See note 22 to the Standalone Ind AS financial statements**	In view of the significance of the matter we applied the following key audit procedures: • Testing the design and operating effectiveness of controls relating to implementation of the new revenue accounting standard. • Verifying management's assessment of different types of customer contracts including the terms of contract and commercial substance thereof in order to assess the adherence to revised accounting policies in light of the requirements of Ind AS 115. • Selecting samples of existing and new contracts, testing management's assessment relating to identification of distinct performance obligations and determination of transaction prices. • Additionally, we also evaluated the adequacy of disclosures made in the financial statements.

Property, plant and equipment

The key audit matter	How the matter was addressed in our audit
During the year, the Company has incurred significant capital expenditure on multiple projects undertaken by it towards capacity augmentation / expansion. This matter is of importance to our audit due to the nature and volume of transactions, risk that the amount capitalized do not meet the capitalization criteria and risk of inappropriate classification of capital and revenue expenditure. **See note 5(a) and 5(b) to the Standalone Ind AS financial statements**	In view of the significance of the matter we applied the following key audit procedures: • Assessed whether the Company's accounting policy with respect to capitalization of expenditure is in accordance with the requirements of relevant accounting standards. • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of controls surrounding the implementation of the aforesaid policy, in particular with respect to segregation of capital and revenue expenditure. • Also verified samples of costs incurred towards capital projects in evaluating management's assessment of whether costs recorded meet the capitalization criteria and that the classification of expenditure is appropriate.

Taxation and contingent liability related matters

The key audit matter	How the matter was addressed in our audit
Determination of tax provisions and assessment of contingent liabilities involves judgment with respect to various tax positions on deductibility of transactions, tax incentives/ exemptions, interpretation of laws and regulations etc. Judgment is also required in assessing the range of possible outcomes for some of these matters. Management makes an assessment to determine the outcome of these matters and decides to make an accrual or consider it to be a possible contingent liability in accordance with applicable accounting standards. Accordingly, taxation and contingent liability related matters are areas of focus in our audit. **See note 17 and 34 to the Standalone Ind AS financial statements**	In view of the significance of the matter we applied the following key audit procedures: • We evaluated management's judgements in respect of estimates of provisions, exposures and contingencies. • In understanding and evaluating management's judgements, we deployed our tax specialists, considered third party advice received by the Company, wherever applicable, the status of recent and current tax assessments and enquiries, the outcome of previous claims, judgmental positions taken in tax returns and developments in the tax environment. • Additionally, we also evaluated the adequacy of disclosures on provisions and contingencies made in the financial statements.

Information Other than the Standalone Ind AS financial statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS financial statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of 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/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) specified 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 of 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 Standalone Ind AS financial statements, management and Board of Directors are 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.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone 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 the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

(A) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India 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, to the extent applicable.

(B) As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), 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 Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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".

(C) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at March 31, 2019 on its financial position in its Standalone Ind AS financial statements - Refer Note 34 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;

iv. The disclosures in the Standalone 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 in these Standalone Ind AS financial statements since they do not pertain to the financial year ended March 31, 2019.

(D) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration number: 101248W/W-100022

S Sethuraman
Partner
Membership No.: 203491

Place : Chennai
Date : May 9, 2019

B S R & Co. LLP
Chartered Accountants

KRM Tower, 1st & 2nd Floor, No. 1, Harrington Road,
Chetpet, Chennai 600 031, India

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, 2019

(Referred to in paragraph (A) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(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. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.

(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) In our opinion, and 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 of India and the provisions of sections 73 to 76 or 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, duty of customs, goods and service 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, sales tax, service tax, duty of excise and value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, duty of customs, goods and service tax and other material statutory dues were in arrears as at March 31, 2019 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 in Appendix I in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and goods and service 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, 2019 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
Firm's Registration number: 101248W/W-100022

S Sethuraman
Partner
Membership No.: 203491

Place : Chennai
Date : May 9, 2019

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, 2019

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	7.34	FY 2004-16	Customs, Excise and Service tax Appellate Tribunal
		1.12	FY 2005-17	Commissioner - Appeals
		0.21	FY 2009-18	Adjudicating authority/ Assessing Officer/ Division
Finance Act, 1994	Service tax	0.49	FY 2004-18	Customs, Excise and Service tax Appellate Tribunal
		1.60	FY 2008-16	Commissioner – Appeals
		1.59	FY 2008-17	Joint / Deputy / Assistant / Additional Commissioner
		0.11	FY 2012-16	Adjudicating authority/ Assessing Officer/ Division
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	1.31	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	15.05	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	0.77	FY 2006-17	Joint/Deputy/Assistant/ Additional 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*

B S R & Co. LLP
Chartered Accountants

KRM Tower, 1st & 2nd Floor, No. 1, Harrington Road,
Chetpet, Chennai 600 031, India

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, 2019

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

(Referred to in paragraph ((B)(f)) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of **Sundram Fasteners Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

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 were operating effectively as at March 31, 2019, 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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI').

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 controls with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively as at March 31, 2019 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 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.

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 controls 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.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration number: 101248W/W-100022

S Sethuraman
Partner
Membership No.: 203491

Place : Chennai
Date : May 9, 2019

STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

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

	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	5 (a)	**1,336.48**	1,034.11
Capital work-in-progress	5 (b)	**83.42**	31.54
Investment property	5 (c)	**0.44**	0.46
Intangible assets	5 (d)	**4.51**	-
Financial assets			
- Investments	6	**360.61**	359.23
- Loans	7	**7.34**	1.92
- Others	8	**22.58**	20.03
Other tax assets, net	9	**21.78**	26.71
Other non-current assets	10	**123.28**	96.99
		1,960.44	1,570.99
Current assets			
Inventories	11	**552.62**	446.72
Financial assets			
- Trade receivables	12	**766.27**	677.97
- Cash and cash equivalents	13	**6.75**	7.78
- Bank balance other than those mentioned in cash and cash equivalents	13	**3.69**	3.10
- Loans	7	**6.81**	6.78
- Others	8	**4.60**	5.49
Other current assets	10	**93.59**	61.51
		1,434.33	1,209.35
Total assets		**3,394.77**	2,780.34
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	**21.01**	21.01
Other equity		**1,886.04**	1,567.99
Total equity		**1,907.05**	1,589.00
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	15	**207.48**	97.77
Provisions	16	**8.78**	7.14
Deferred tax liabilities, net	17	**143.86**	120.62
Other tax liabilities, net	18	**7.88**	6.39
		368.00	231.92
Current liabilities			
Financial liabilities			
- Borrowings	15	**593.49**	367.13
- Trade payables	19		
Total outstanding dues of micro enterprises and small enterprises; and		**9.68**	5.70
Total outstanding dues of creditors other than micro enterprises and small enterprises		**372.90**	348.18
- Other financial liabilities	20	**118.33**	202.39
Other current liabilities	21	**4.75**	9.68
Provisions	16	**19.82**	18.47
Other tax liabilities, net	18	**0.75**	7.87
		1,119.72	959.42
Total liabilities		**1,487.72**	1,191.34
Total equity and liabilities		**3,394.77**	2,780.34
Significant accounting policies	3 and 4		

The notes from 1 to 39 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
Firm's registration number: 101248W/W-100022

S SETHURAMAN
Partner
Membership No.: 203491

Place : Chennai
Date : May 9, 2019

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

SURESH KRISHNA
Chairman
(DIN: 00046919)

ARATHI KRISHNA
Managing Director
(DIN: 00517456)

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)

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

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

	Note	**Year ended March 31, 2019**	Year ended March 31, 2018
Income			
Revenue from operations	22	**4,002.34**	3,472.72
Other income	23	**31.94**	29.62
Total income		**4,034.28**	3,502.34
Expenses			
Cost of materials consumed	24	**1,764.94**	1,382.68
Changes in inventories of finished goods and work-in-progress	25	**(87.29)**	(15.95)
Excise duty		**-**	52.93
Employee benefits expense	26	**350.47**	328.27
Finance costs	27	**38.96**	32.56
Depreciation and amortisation expense	28	**109.85**	98.07
Other expenses	29	**1,237.33**	1,104.05
Total expenses		**3,414.26**	2,982.61
Profit before tax		**620.02**	519.73
Tax expense	17		
a) Current tax		**159.23**	134.32
b) Deferred tax		**23.67**	17.94
Total tax expense		**182.90**	152.26
Profit for the year		**437.12**	367.47
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Re-measurement gains on defined benefit plans		**0.12**	0.56
(ii) Income tax effect on above		**-**	0.29
(iii) Fair value (loss)/gains on equity instruments		**(2.78)**	36.20
(iv) Income tax effect on above		**2.49**	(11.65)
Total other comprehesive income		**(0.17)**	25.40
Total comprehensive income for the year (Comprising profit and other comprehensive income for the year)		**436.95**	392.87
Earnings per equity share	30		
Basic (in `)		**20.80**	17.49
Diluted (in `)		**20.80**	17.49

Significant accounting policies 3 and 4

The notes from 1 to 39 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
Firm's registration number: 101248W/W-100022

S SETHURAMAN
Partner
Membership No.: 203491

Place : Chennai
Date : May 9, 2019

For and on behalf of the Board of Directors of
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Chief Financial Officer
(ACA Membership No.: 021555)

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

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(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, 2017	14A	21.01
Changes in equity share capital during the year		-
Balance as at March 31, 2018	14A	**21.01**
Changes in equity share capital during the year		-
Balance as at March 31, 2019	14A	**21.01**

B. Other equity

Particulars	Reserves and surplus			Items of other comprehensive income — Items that will not be reclassified to profit and loss		Total
	General reserve	Special Economic Zone re-investment reserve	Retained earnings	Equity instruments	Remeasurement of defined benefit obligations	
Balance as at April 1, 2017	**1,064.47**	**-**	**220.82**	**21.41**	**(14.65)**	**1,292.05**
Profit for the year	-	-	367.47	-	-	367.47
Other comprehensive income	-	-	-	24.55	0.85	25.40
Dividends (refer note 14B(i))	-	-	(98.76)	-	-	(98.76)
Dividend distribution tax (refer note 14B(i))	-	-	(18.17)	-	-	(18.17)
Transfer from retained earnings	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**
Profit for the year	-	-	**437.12**	-	-	**437.12**
Other comprehensive income	**-**	**-**	**-**	**(0.29)**	**0.12**	**(0.17)**
Dividends (refer note 14B(i))	**-**	**-**	**(98.76)**	**-**	**-**	**(98.76)**
Dividend distribution tax (refer note 14B(i))	**-**	**-**	**(20.14)**	**-**	**-**	**(20.14)**
Utilization of the reserves	**-**	**(10.75)**	**10.75**	**-**	**-**	**-**
Transfer (from) / to retained earnings	**279.27**	**20.73**	**(313.68)**	**-**	**13.68**	**-**
Balances as at March 31, 2019	**1,617.99**	**35.73**	**186.65**	**45.67**	**-**	**1,886.04**

Significant accounting policies 3 and 4

The notes from 1 to 39 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
Firm's registration number: 101248W/W-100022

S SETHURAMAN
Partner
Membership No.: 203491

Place : Chennai
Date : May 9, 2019

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

SURESH KRISHNA
Chairman
(DIN: 00046919)

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Chief Financial Officer
(ACA Membership No.: 021555)

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

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019
(All amounts are in crores of Indian Rupees, except share data and as stated)

	Note	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash flows from operating activities			
Profit before tax		**620.02**	519.73
Adjustments for:			
Depreciation and amortisation expense	28	**109.85**	98.07
Unrealised foreign exchange loss, net of gain		**9.32**	2.15
Finance costs	27	**38.96**	32.56
Interest income	23	**(1.95)**	(5.24)
Dividend income	23	**(9.25)**	(9.78)
Loss on sale of property, plant and equipment	29	**0.61**	0.45
Financial guarantee expenses, net of income		**(0.78)**	0.42
Loss allowance on trade receivables		**(1.12)**	1.05
Amortisation of leasehold land		**0.22**	0.12
Gains on sale of investment and mutual funds		**(0.05)**	(0.71)
		765.83	638.82
Adjustments for changes in working capital:			
Increase in inventories		**(105.90)**	(53.94)
Increase in financial assets		**(98.67)**	(103.40)
Increase in financial liabilities		**39.10**	60.58
Increase in other assets		**(32.58)**	(13.11)
Decrease in other liabilities and provisions		**(1.83)**	(4.00)
Cash generated from operating activities		**565.95**	524.95
Income taxes paid, net		**(157.88)**	(112.01)
Net cash from operating activities		**408.07**	412.94
B. Cash flows from investing activities			
Purchase of property, plant and equipment and intangibe assets (including capital work-in-progress, capital advances and long-term lease rights)		**(494.90)**	(210.43)
Proceeds from sale of property, plant and equipment		**0.58**	1.06
Acquisition of investments		**(127.83)**	(620.95)
Proceeds from sale of investments		**124.35**	621.32
Dividend received		**9.25**	9.78
Interest received		**2.88**	5.37
Loans given to related parties	7	**(5.67)**	-
Net cash used in investing activities		**(491.34)**	(193.85)

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

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

	Note	Year ended March 31, 2019	Year ended March 31, 2018
C. Cash flows from financing activities			
Proceeds from borrowings		**329.25**	96.55
Repayment of borrowings		**(97.73)**	(164.17)
Dividend paid (including dividend distribution tax)		**(118.90)**	(116.93)
Interest paid		**(30.38)**	(32.90)
Net cash from/(used in) financing activities		**82.24**	(217.45)
D. Net cash flows during the year (A+B+C)		**(1.03)**	1.64
E. Cash and cash equivalents at the beginning		**7.78**	6.14
F. Cash and cash equivalents at the end (D+E)		**6.75**	7.78
Reconciliation of the cash and cash equivalents as per the cash flow statement			
Cash on hand	13	**0.24**	0.31
Balances with banks in current accounts	13	**6.51**	7.47
		6.75	7.78

Significant accounting policies 3 and 4

The notes from 1 to 39 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
Firm's registration number: 101248W/W-100022

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

SURESH KRISHNA
Chairman
(DIN: 00046919)

S SETHURAMAN
Partner
Membership No.: 203491

ARATHI KRISHNA
Managing Director
(DIN: 00517456)

ARUNDATHI KRISHNA
Joint Managing Director
(DIN: 00270935)

Place : Chennai
Date : May 9, 2019

S MEENAKSHISUNDARAM
Chief Financial Officer
(ACA Membership No.: 021555)

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

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. 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, 2019 (including comparatives) are duly adopted by the Board on May 9, 2019.

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 (Rs.), 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 36 leases: whether an arrangement contains a lease; and
- Note 36 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 3.2.2.4)

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)

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 34)

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 33). 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

The Company generates revenue primarily from manufacture and sale of automotive parts and components. The Company also earns revenue from rendering of services.

Effective April 1, 2018, the Company had applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The Company has adopted Ind AS 115 retrospectively (without practical expedients) and impact on adoption of this standard on the financial statements of the Company is insignificant.

1.1 Sale of products:

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the individual delivery and acceptance terms agreed with the customers. The amount of revenue to be recognized (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

1.2 Revenue from rendering of services:

Revenue from rendering of services is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration expected to be received in exchange for those services.

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:

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

- 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.

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:

a. purchase price, including import duties and non-refundable taxes on purchase (goods and service tax, value added tax), after deducting trade discounts and rebates.

b. 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.

c. 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:

a. 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.

b. 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.

c. 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

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.

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 and joint venture

Investments in subsidiaries and joint venture 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 and joint venture, 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 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-process 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

7.2.1Classification 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 (FVTOCI)

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

   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.

   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 FVTOCI. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in 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.

   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 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 profit or 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 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 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 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.

The obligations are presented as current liabilities in balance sheet if entity does not have an unconditional right to defer settlement for at least 12 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 and contingent liabilities

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 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 and 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 conditions attached to them will be complied and grant/subsidy will be received. Government grants relating to income are deferred and recognized in 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.

4. NEW STANDARDS AND AMENDMENT TO EXISTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

(a) New standard

Ind AS 116, Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out principles for recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. In this regard, the Company is in process of carrying out assessment of potential impact on adoption of Ind AS 116 on accounting policies followed and accordingly impact on its financial statements on initial application of this standard is not reasonably estimable at present.

(b) Amendments to existing standard

Ind AS 12 - Income taxes (effective annual reporting periods beginning April 1, 2019)

The amendment to Ind AS 12 require income-tax consequence of distribution of profits (i.e. dividends), including payments on financial instruments classified as equity, to be recognised when a liability to pay dividend is recognised. The income tax consequence should be recognised in statement of profit and loss, other comprehensive income (OCI) or equity according to where the past transactions or events that generated distributable profits were originally recognised.

Appendix C has been added to Ind AS 12 which seeks to bring clarity to the accounting for uncertainties on income tax treatments that are yet to be accepted by tax authorities and to reflect it in the measurement of current and deferred taxes.

In this regard, the Company is in process of carrying out assessment of potential impact on adoption.

Ind AS 19 – Employee benefits (effective annual reporting periods beginning April 1, 2019)

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify effect of plan amendment, curtailment or settlement on requirements regarding the asset ceiling. The Company does not expect this amendment to have any impact on adoption.

Ind AS 23 – Borrowing costs (effective annual reporting periods beginning April 1, 2019)

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any significant impact from this amendment.

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

5 **a) Property, plant and equipment**

Gross block	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equip-ments	Vehicles	Total
As at April 1, 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**
Additions	-	46.56	359.29	1.99	4.13	1.29	413.26
Disposals	-	(1.03)	(3.26)	(0.07)	(0.08)	(0.02)	(4.46)
Other adjustments	-	(0.17)	(0.03)	0.13	-	0.02	(0.05)
As at March 31, 2019	**39.79**	**229.98**	**1,406.80**	**7.71**	**23.41**	**8.45**	**1,716.14**
Accumulated depreciation							
As at April 1, 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**
For the year	-	8.26	96.67	0.61	3.15	1.01	109.70
Disposals	-	(1.01)	(2.22)	(0.04)	(0.04)	(0.01)	(3.32)
Other adjustments	-	-	(0.01)	-	-	0.01	-
As at March 31, 2019	**-**	**23.82**	**339.08**	**2.29**	**12.00**	**2.47**	**379.66**
Net block							
As at March 31, 2018	39.79	168.05	806.16	3.94	10.47	5.70	1,034.11
As at March 31, 2019	**39.79**	**206.15**	**1,067.72**	**5.42**	**11.41**	**5.98**	**1,336.48**
b) Capital work-in-progress							
As at March 31, 2018	-	7.13	24.18	-	0.23	-	31.54
As at March 31, 2019	**-**	**6.97**	**76.43**	**-**	**0.02**	**-**	**83.42**

a) Plant and equipment includes net block of assets leased out amounting to ` 7.67 (March 31,2018 : ` 6.28)

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

c) Refer note 34 for capital commitments

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

5 c) Investment Property

Gross block	Land	Building	Total
As at April 1, 2017	**0.21**	**0.30**	**0.51**
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2018	**0.21**	**0.30**	**0.51**
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2019	**0.21**	**0.30**	**0.51**
Accumulated depreciation			
As at April 1, 2017	-	**0.03**	**0.03**
For the year	-	0.02	0.02
Disposals	-	-	-
As at March 31, 2018	-	**0.05**	**0.05**
For the year	-	0.02	0.02
Disposals	-	-	-
As at March 31, 2019	-	**0.07**	**0.07**

Net block			
As at March 31, 2018	0.21	0.25	0.46
As at March 31, 2019	**0.21**	**0.23**	**0.44**

Notes

1. Information regarding income and expenditure of investment property

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rental income from the investment property	**0.14**	0.15
Less: Expenses that:		
Contribute to the rental income (including repairs and maintenance)	**(0.04)**	(0.01)
Profit before depreciation	**0.10**	0.14
Less: Depreciation	**(0.02)**	(0.02)
Profit	**0.08**	0.12

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

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

5 d) Intangible assets

Gross block	Software	Total
As at April 1, 2017	-	-
Additions	-	-
Disposals	-	-
As at March 31, 2018	-	-
Additions	4.64	**4.64**
Disposals	-	-
As at March 31, 2019	**4.64**	**4.64**

Accumulated depreciation

As at April 1, 2017	-	-
For the year	-	-
Disposals	-	-
As at March 31, 2018	-	-
For the year	0.13	**0.13**
Disposals	-	-
As at March 31, 2019	**0.13**	**0.13**

Net block

As at March 31, 2018	-	-
As at March 31, 2019	**4.51**	**4.51**

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

	As at March 31, 2019	As at March 31, 2018
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, 2018: 75,000) fully paid equity shares of ` 2/- each in Housing Development Finance Corporation Limited, Mumbai	**14.76**	13.69
b) 2,500 (March 31, 2018: 2,500) fully paid equity shares of ` 2/- each in HDFC Bank Limited, Mumbai	**0.58**	0.47
c) 20,439 (March 31, 2018: 20,439) fully paid equity shares of ` 10/- each in IDBI Bank Limited, Mumbai	**0.10**	0.15
	15.44	14.31
(ii) Unquoted		
1,25,000 (March 31, 2018: 1,25,000) equity shares of ` 10/- each in Madras Engineering Industries Private Limited, Chennai	**39.62**	43.53
	39.62	43.53
Total of (I)	**55.06**	57.84
II) Investments measured at cost		
(A) Investment in venture capital fund		
a) 168 units (March 31, 2018: 168 units) of `100/- each in the ICICI Emerging Sectors Fund, Bengaluru **	**-**	-
	-	-
(B) Investment in subsidiaries		
Indian:		
a) 1,18,99,674 (March 31, 2018: 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)	**0.82**	0.41
b) 70,00,000 (March 31, 2018: 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, 2018: 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, 2018: 24,90,000) equity shares of ` 10/- each in Sundram Fasteners Investments Limited, Chennai (extent of holding - 100%)	**2.49**	2.49
e) 1,67,37,339 (March 31, 2018: 1,55,50,885) equity shares of ` 10/- each fully paid up in TVS Infotech Limited, Chennai (extent of holding - 56.43%) (March 31, 2018: extent of holding - 54.61%)	**17.45**	15.55
Foreign:		
f) 1,000 (as at March 31, 2018: 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, 2018: 2,500) 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

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

6 Non-current investments (Contd.)	As at March 31, 2019	As at March 31, 2018
Deemed equity in Sundram Fasteners (Zhejiang) Limited, Zhejiang, People's Republic of China (refer note below)	**1.92**	1.70
g) 18,215 (March 31, 2018: 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, 2018: ` 0.81)	**-**	-
	296.13	293.60
(C) Other investments		
a) 35 (March 31, 2018: 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)	**296.13**	293.60
III) Investments measured at fair value through profit or loss		
Investments in equity instruments		
Unquoted		
(i) Power generation companies*		
a) 12,935 (March 31, 2018: 12,935) Class A equity shares of ` 10/- each and 2,84,169 (March 31, 2018: 3,24,169) Class B equity shares of ` 10/- each in PPS Enviro Power Private Limited., Hyderabad	**1.19**	1.23
b) 23,85,762 (March 31, 2018: 18,40,221) equity shares of ` 10/- each in Clarion Wind Farm Private Limited, Chennai	**2.39**	1.84
c) 11,68,084 (March 31, 2018: 12,91,976) Class A equity shares of ` 10/- each in Beta Wind Farm Private Limited, Chennai	**2.22**	2.45
d) 11,00,000 (March 31, 2018: 11,00,000) equity shares of ` 10/- each in Gayatri Green Power Private Limited, Chennai	**1.10**	1.10
e) Nil (March 31, 2018: 2,229) equity shares of ` 10/- each in Suryadev Alloys and Power Private Limited, Chennai	**-**	0.03
f) 9,67,306 (March 31, 2018: Nil) equity shares of ` 10/- each in Watsun Infra Build Private Limited, Ahmedabad	**0.97**	-
g) 1,88,550 (March 31, 2018: Nil) equity shares of ` 10/- each in MMS Steel and Power Private Limited, Chennai	**0.19**	-
h) 8,000 (March 31, 2018: Nil) equity shares of ` 10/- each in Clean switch India Private Limited, Hyderabad	**0.01**	-
i) 2,13,100 (March 31, 2018: Nil) equity shares of ` 10/- each in Nagai Power Private Limited, Hyderabad	**0.21**	-
	8.28	6.65
* The right to sell/ transfer these shares are subject to terms and conditions of respective shareholder agreement.		
(ii) 3,51,00,000 (March 31, 2018: 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, 2018: ` 2.37)	**1.14**	1.14
Total of (III)	**9.42**	7.79
Total of (I+II+III)	**360.61**	359.23
** Amount less than ` 0.01		
Aggregate amount of quoted investments and market value thereof	**15.44**	14.31
Aggregate value of unquoted investments	**345.17**	344.92
Aggregate amount of impairment in value of investments (included in the above)	**3.18**	3.18

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

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

	As at March 31, 2019		As at March 31, 2018	
	Non-current	**Current**	Non-current	Current
7 Loans				
(Unsecured considered good, unless otherwise stated)				
Loans to related parties (refer note below and note 35)	**5.74**	**5.75**	0.07	5.75
Loans to employees	**1.60**	**1.06**	1.85	1.03
	7.34	**6.81**	1.92	6.78

The Company's exposure to credit risk and market risk are disclosed in note 33

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, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018	**March 31, 2019**	March 31, 2018
TVS Upasana Limited, Chennai	**5.75**	5.75	**5.75**	5.75	**-**	-
Sundram International Inc. Michigan, USA	**0.07**	0.07	**0.07**	0.07	**-**	-
Sundram International Limited, UK	**5.67**	-	**5.67**	-	**-**	-

	As at March 31, 2019		As at March 31, 2018	
	Non-current	**Current**	Non-current	Current
8 Other financial assets				
(Unsecured considered good, unless otherwise stated)				
Security deposits	**22.58**	**-**	20.03	-
Interest receivable (includes interest receivable from related party of ` 0.08 (March 31, 2018: Nil) (refer note 35)	**-**	**0.48**	-	0.44
Other receivables	**-**	**4.12**	-	5.05
	22.58	**4.60**	20.03	5.49

The Company's exposure to credit risk and market risk are disclosed in note 33

9 Other tax assets, net				
Advance income tax, net of provision	**21.78**	-	26.71	-
	21.78	**-**	26.71	-

10 Other assets				
(Unsecured considered good, unless otherwise stated)				
Prepaid expenses	**-**	**11.21**	-	5.83
Capital advances	**38.56**	**-**	36.56	-
Balance with statutory/government authorities	**50.17**	**19.92**	49.41	2.40
Export incentives and other receivables	**-**	**49.82**	-	42.81
Advances to suppliers	**-**	**12.27**	-	10.35
Prepayments under operating leases	**34.55**	**0.37**	11.02	0.12
	123.28	**93.59**	96.99	61.51

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

		As at March 31, 2019	As at March 31, 2018
11	**Inventories**		
	(Valued at lower of cost and net relaisable value)		
	Raw materials and components		
	(includes goods in transit of ` 13.83 (March 31, 2018 ` 18.38))	**156.83**	148.76
	Work-in-progress	**117.54**	108.61
	Finished goods	**224.16**	145.80
	Stores and spares	**18.27**	14.01
	Loose tools	**35.82**	29.54
		552.62	446.72
	For the carrying value of inventories pledged as securities for borrowings, refer note 15		
12	**Trade receivables**		
	Trade receivables considered good - Unsecured	**768.08**	680.90
	Less: Loss allowance	**(1.81)**	(2.93)
	Net trade receivables	**766.27**	677.97
	Of the above, trade receivables from related parties are as below:		
	Total trade receivables from related parties (refer note 35)	**46.37**	51.37
	Less: Loss allowance	**-**	-
		46.37	51.37
	Movement in loss allowance on trade receivables		
	Opening balance	**2.93**	1.88
	Amount written off	**(2.93)**	(1.88)
	Impairment loss	**1.81**	2.93
	Closing balance	**1.81**	2.93
	The Company's exposure to credit risk and loss allowances related to trade receivables are disclosed in note 33		
13	**Cash and cash equivalents**		
	Balances with banks in current accounts	**6.51**	7.47
	Cash on hand	**0.24**	0.31
	Total cash and cash equivalents **(A)**	**6.75**	7.78
	Other bank balances		
	Earmarked balances with banks - dividend warrant accounts	**3.69**	3.10
	Total bank balance other than those mentioned in cash and cash equivalents **(B)**	**3.69**	3.10
	Total **(A) + (B)**	**10.44**	10.88

Note :

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended March 31, 2019

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

	As at March 31, 2019	As at March 31, 2018
14 Share capital and other equity		
A Share capital		
Authorised		
25,00,00,000 (March 31, 2018: 25,00,00,000) equity shares of ` 1/- each	**25.00**	25.00
Issued, subscribed and paid-up		
21,01,28,370 (March 31, 2018: 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, 2019		As at March 31, 2018	
	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 Limited, Mumbai	**1,49,27,755**	**7.10%**	1,45,21,102	6.91%
	11,90,13,035	**56.64%**	11,86,06,382	56.44%

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, 2019:

(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

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

14 Share capital and other equity (Contd.)

f) Capital management

The Company's capital management objective is to ensure 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 Company. The primary objective of the Company'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, 2019	As at March 31, 2018
Total debt (bank and other borrowings)		**800.97**	561.94
Cash and cash equivalents		**(6.75)**	(7.78)
Net debt	A	**794.22**	554.16
Total equity		**1,907.05**	1,589.00
Equity	B	**1,907.05**	1,589.00
Net debt to equity	C = (A/B)*100	**41.65%**	34.87%

B Other equity

i) Dividends

The following dividends were declared and paid by the Company during the year:	**Year ended March 31, 2019**	Year ended March 31, 2018
First interim dividend of ` 2.00/- (March 31, 2018: ` 1.90/-) per equity share for the respective years	**42.03**	39.92
Dividend distribution tax on above	**8.53**	7.78
Second interim dividend of ` 2.70/- for the year 2017-18 per equity share	**56.73**	-
Dividend distribution tax on above	**11.61**	-
Final dividend of ` 2.80/- for the year 2016-17 per equity share	**-**	58.84
Dividend distribution tax on above	**-**	10.39
	118.90	116.93

ii) After the reporting dates the following interim dividend (excluding dividend distribution tax) was declared by the directors; this dividend has not been recognised as liabilities and would attract dividend distribution tax when paid.

	Year ended March 31, 2019	Year ended March 31, 2018
Second interim dividend of ` 3.10/- (March 31, 2018: ` 2.70) per equity share	**65.14**	56.73
	65.14	56.73

C Nature and purpose of reserves

i) General reserve

General reserve is an accumulation of retained earnings of the Company, apart from the balance in the statement of profit and loss which can be utilised for meeting future obligations.

ii) Special Economic Zone reinvestment reserve

The Special Economic Zone (SEZ) re-investment reserve has been created out of the profit of eligible SEZ units in terms of the provisions of section 10AA(1)(ii) of the Income-tax Act, 1961. The reserve will be utilised by the Company for acquiring new assets as per the terms of section 10AA(2) of Income-tax Act, 1961.

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

14 Share capital and other equity (Contd.)

D Analysis of items of OCI (net of tax)

i) 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 till the same is derecognised/ disposed off.

ii) 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, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
15 Borrowings				
Financial liabilities at amortised cost				
a) Secured				
Term Loan				
From banks in foreign currency (refer note (i) below)	-	-	97.04	-
Working Capital Loans				
Working capital facility from banks (refer note (ii) below)	-	66.77	-	107.40
	-	66.77	97.04	107.40
Less: Current maturities of long term borrowings	-	-	(97.04)	-
	-	66.77	-	107.40
b) Unsecured				
Term loan from banks (refer note (i) below)	207.48	-	97.77	-
Working capital facility from bank (refer note (ii) below)	-	526.72	-	259.73
	207.48	526.72	97.77	259.73
Total	207.48	593.49	97.77	367.13

(i) Term Loan from banks include

External Commercial Borrowing (ECB) loan from a bank amounting to USD 15 million, equivalent to ` 103.74 (March 31, 2018: USD 15 million, equivalent to ` 97.77), repayable over 3 equal yearly instalments commencing from July 2021. The loan is unsecured and its interest rate is linked to Libor + agreed spread p.a.

During the year, the Company obtained a new ECB loan from a bank amounting to USD 15 million, equivalent to ` 103.74 (March 31, 2018: Nil), repayable over 3 equal yearly instalments commencing from August 2022. The loan is unsecured and its interest rate linked to Libor + agreed spread p.a.

The foreign currency term loan of USD 10 million, equivalent to ` 65.18 and an ECB loan of USD 5 million equivalent to ` 31.86 outstanding as at March 31, 2018 were repaid during the year.

(ii) Working capital loan from banks include

The Company has various working capital facilities aggregating to ` 38.49 (March 31, 2018: ` 72.40) 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 ` and foreign currency aggregating to ` 555.00 (March 31, 2018: ` 294.73). 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 and unsecured) is repayable within 360 days and carries interest in the range of 4.80% to 5.60%.

The Company's exposure to liquidity, interest rate and currency risk related to borrowings are disclosed in note 33.

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

15 Borrowings (Contd.)

(iii) Reconciliation of cashflows from financing activities

	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents	**(6.75)**	(7.78)
Current borrowings	**593.49**	367.13
Non-current borrowings	**207.48**	194.81
Net debt	**794.22**	554.16

	Other assets	**Liabilities from financing activities**		**Total**
	Cash and cash equivalents	**Current borrowings**	**Non-current borrowings**	
Net debt as at April 1, 2018	(7.78)	367.13	194.81	554.16
Net cash flows	**1.03**	**-**	**-**	**1.03**
Proceeds from borrowings	**-**	**226.36**	**102.93**	**329.29**
Repayment of borrowings	**-**	**-**	**(97.77)**	**(97.77)**
Foreign exchange adjustments	**-**	**-**	**6.82**	**6.82**
Other non-cash movement	**-**	**-**	**0.69**	**0.69**
Net debt as at March 31, 2019	**(6.75)**	**593.49**	**207.48**	**794.22**
Net debt as at April 1, 2017	(6.14)	455.29	170.86	620.01
Net cash flows	(1.64)	-	-	(1.64)
Proceeds from borrowings	-	-	96.25	96.25
Repayment of borrowings	-	(89.37)	(74.50)	(163.87)
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**

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

	As at March 31, 2019		As at March 31, 2018	
	Non-current	**Current**	Non-current	Current
16 Provisions				
Provision for employee benefits				
Provision for gratuity *	**1.17**	**6.43**	1.28	5.99
Provision for compensated absences	**7.61**	**1.41**	5.86	1.54
Provision for others	**-**	**11.98**	-	10.94
	8.78	**19.82**	7.14	18.47

* 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 and the funded status and amounts recognised in the balance sheet for the 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 of (i) TVS Upasana Limited, Chennai; (ii) Sundram Precision Components Limited, Chennai; and (iii) TVS Infotech Limited, Chennai. Based on an entity specific 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 Company's standalone financial statements:

Particulars	**As at March 31, 2019**	As at March 31, 2018
Amount recognised in statement of profit and loss	**3.55**	3.06
Amount recognised in other comprehensive income	**0.03**	(0.68)
Total expense	**3.58**	2.38
Net employee benefit expense		
Recognised in statement of profit and loss		
Current service cost	**3.36**	2.85
Interest cost on benefit obligation	**0.33**	0.31
Sub - total	**3.69**	3.16
Amount allocated to related entities	**(0.14)**	(0.10)
Amount recognised in statement of profit and loss	**3.55**	3.06

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

16 Provisions (Contd.)

Particulars	As at March 31, 2019	As at March 31, 2018
Recognised in other comprehensive income		
Actuarial loss arising from change in financial assumptions	**0.14**	(0.43)
Actuarial gain arising from experience adjustments	**(0.11)**	(0.27)
Sub - total	**0.03**	(0.70)
Amount allocated to related entities	**-**	0.02
Amount recognised in other comprehensive income	**0.03**	(0.68)
The following table sets out the defined obligation and funded status including its related entities		
Net defined obligation		
Present value of defined benefit obligation	**48.72**	46.91
Fair value of plan assets	**(42.84)**	(41.49)
	5.88	5.42
Changes in present value of the defined benefit obligation are as follows:		
Balance at the beginning of the year	**46.91**	45.04
Interest cost	**3.46**	3.02
Current service cost	**3.36**	2.85
Benefits paid	**(4.90)**	(3.73)
Actuarial gain on obligation	**(0.11)**	(0.27)
Balance at the end of the year	**48.72**	46.91
Changes in the fair value of plan assets are as follows:		
Balance at the beginning of the year	**41.49**	39.10
Expected return on plan assets	**3.13**	2.71
Actuarial (loss)/gain on plan assets	**(0.14)**	0.43
Contribution made by the employer	**3.26**	2.98
Benefits paid	**(4.90)**	(3.73)
Balance at the end of the year	**42.84**	41.49
Plan assets comprises of :		
% of Investment with insurer	**100.00**	100.00
Principal actuarial assumptions used		
Discount rate	**7.60%**	7.80%
Salary escalation rate	**8.00%**	8.00%
Attrition rate	**10.00%**	10.00%
Classification		
- Current	**5.88**	5.42
- Non-current	**-**	-

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

16 Provisions (Contd.)

Sensitivity	March 31, 2019 Increase	March 31, 2019 Decrease	March 31, 2018 Increase	March 31, 2018 Decrease
Discount rate				
> Sensitivity level	**1.00%**	**1.00%**	1.00%	1.00%
Defined benefit obligation	**46.23**	**51.50**	44.57	49.50
> Impact on defined benefit obligation	**(2.49)**	**2.78**	(2.34)	2.59
Salary escalation rate				
> Sensitivity level	**1.00%**	**1.00%**	1.00%	1.00%
Defined benefit obligation	**51.01**	**46.62**	49.04	44.95
> Impact on defined benefit obligation	**2.29**	**(2.10)**	2.13	(1.96)

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, 2019	As at March 31, 2018
Net employee benefit expense		
Recognised in statement of profit and loss		
Current service cost	**0.09**	0.09
Interest cost on benefit obligation	**0.13**	0.11
Amount recognised in statement of profit and loss	**0.22**	0.20
Recognised in other comprehensive income		
Actuarial loss arising from change in financial assumptions	**0.04**	(0.05)
Actuarial gain arising from experience adjustments	**(0.19)**	0.17
Amount recognised in other comprehensive income	**(0.15)**	0.12
Changes in present value of the defined benefit obligation are as follows:		
Defined benefit obligation at the beginning of the year	**1.71**	1.64
Interest cost	**0.13**	0.11
Current service cost	**0.08**	0.09
Benefits paid	**(0.05)**	(0.25)
Actuarial gain on obligation	**(0.15)**	0.12
Defined benefit obligation at the year end	**1.72**	1.71
Principal actuarial assumptions used		
Discount rate	**7.10%**	7.80%
Attrition rate	**10.00%**	10.00%
Remaining working lives for selected class of employees (in year)	**5.23**	5.49
Classification		
- Current	**0.55**	0.43
- Non-current	**1.17**	1.28

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

16 Provisions (Contd.)

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 recognised 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 recognised as an expense in the statement of profit and loss.

	As at March 31, 2019	As at March 31, 2018
Principal actuarial assumptions used		
Discount rate	**7.60%**	7.80%
Interest rate declared by EPFO	**8.65%**	8.55%
Remaining working lives (in years)	**7.61**	7.63

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, 2019	Year ended March 31, 2018
Recognised in statement of profit and loss:		
Current service cost	**1.02**	0.94
Interest cost on benefit obligation	**0.53**	0.31
Net actuarial loss recognised	**0.26**	1.99
	1.81	3.24
Principal actuarial assumptions used:		
Discount rate	**7.60%**	7.80%
Salary escalation rate	**8.00%**	8.00%
Attrition rate	**10.00%**	10.00%
b) Provision for others		
Balance at the beginning of the year	**10.94**	7.61
Provision made during the year (net)	**1.04**	3.33
Balance at the end of the year	**11.98**	10.94

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

	Year ended March 31, 2019	Year ended March 31, 2018
17 Income Tax		
A Amounts recognised in statement of profit and loss		
Current tax (a)		
Current period	**159.23**	134.32
Deferred tax (b)		
Attributable to - Origination and reversal of temporary differences	**23.67**	17.94
Tax expense (a) + (b)	**182.90**	152.26

B Income tax recognised in other comprehensive income

Particulars	As at March 31, 2019			As at March 31, 2018		
	Amount	Tax (expense) / benefit	Net of tax	Amount	Tax (expense) / benefit	Net of tax
Fair value (loss) / gains on equity instruments	**(2.78)**	**2.49**	**(0.29)**	36.20	(11.65)	24.55
Re-measurement gains on defined benefit plans	**0.12**	**-**	**0.12**	0.56	0.29	0.85
Total	**(2.66)**	**2.49**	**(0.17)**	36.76	(11.36)	25.40

	Year ended March 31, 2019	Year ended March 31, 2018
C Income tax recognised directly in equity	-	-

D Reconciliation of effective tax rate

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	%	Amount	%	Amount
Profit before tax		**620.02**		519.73
Tax using the Company's domestic tax rate	**34.94%**	**216.66**	34.61%	179.87
Effect of:				
- Deduction under section 10AA	**(4.96%)**	**(30.75)**	(6.60%)	(34.31)
- CSR and 80G disallowance, net	**0.26%**	**1.60**	0.20%	1.04
- Income exempt from tax	**(0.52%)**	**(3.23)**	(0.65%)	(3.38)
- Expenditure on research and development	**(0.48%)**	**(3.01)**	(0.54%)	(2.81)
- Others	**0.26%**	**1.63**	2.28%	11.85
Effective tax rate / tax expense	**29.50%**	**182.90**	29.30%	152.26

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

17 Income Tax (Contd.)

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, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
Property, plant and equipment, intangible assets and investment property	**-**	-	**139.97**	116.33	**139.97**	116.33
Investments measured at fair value through OCI	**-**	-	**9.16**	11.65	**9.16**	11.65
Amortisation of borrowings under effective interest rate method	**(0.02)**	-	**-**	0.24	**(0.02)**	0.24
Provision for employee benefits	**(3.27)**	(2.58)	**-**	-	**(3.27)**	(2.58)
Loss allowance on trade receivables	**(0.69)**	(0.62)	**-**	-	**(0.69)**	(0.62)
Premium on financial guarantee	**-**	(0.15)	**0.13**	-	**0.13**	(0.15)
Others	**(1.42)**	(2.19)	**-**	-	**(1.42)**	(2.19)
	(5.40)	(5.54)	**149.26**	128.22	**143.86**	122.68
Minimum alternative tax	**-**	(2.06)	**-**	-	**-**	(2.06)
	(5.40)	(7.60)	**149.26**	128.22	**143.86**	120.62

Movement in temporary differences for the year ended March 31, 2019

Particulars	Balance as at April 1, 2018	**Recognised in profit and loss during 2018-19**	**Recognised in OCI during 2018-19**	**Other adjust-ments**	**Balance as at March 31, 2019**
Property, plant and equipment, intangible assets and investment property	116.33	**23.64**	**-**	**-**	**139.97**
Investments measured at fair value through OCI	11.65	**-**	**(2.49)**	**-**	**9.16**
Amortisation of borrowings under effective interest rate method	0.24	**(0.26)**	**-**	**-**	**(0.02)**
Provision for employee benefits	(2.58)	**(0.69)**	**-**	**-**	**(3.27)**
Loss allowance on trade receivables	(0.62)	**(0.07)**	**-**	**-**	**(0.69)**
Premium on financial guarantee	(0.15)	**0.28**	**-**	**-**	**0.13**
Others	(2.19)	**0.77**	**-**	**-**	**(1.42)**
	122.68	**23.67**	**(2.49)**	**-**	**143.86**
Minimum alternative tax	(2.06)	**-**	**-**	**2.06**	**-**
	120.62	**23.67**	**(2.49)**	**2.06**	**143.86**

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

17 Income Tax (Contd.)

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

Particulars	Balance as at April 1, 2017	Recognised in profit and loss during 2017-18	Recognised in OCI during 2017-18	Other adjust-ments	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	17.94	11.36	-	122.68
Minimum alternative tax	(24.99)	-	-	22.93	(2.06)
	68.40	**17.94**	**11.36**	**22.93**	**120.62**

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, 2019		As at March 31, 2018	
	Gross amount	**Unrecog-nised tax effect**	Gross amount	Unrecog-nised tax effect
Long term capital loss *	**5.76**	**2.01**	5.74	2.00

* The long term capital loss expire in AY 2026-27

	As at March 31, 2019		As at March 31, 2018	
	Non-current	**Current**	Non-current	Current
18 Other tax liabilities, net				
Provision for taxation, net of advance tax	**7.88**	**0.75**	6.39	7.87
	7.88	**0.75**	6.39	7.87

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

	As at March 31, 2019	As at March 31, 2018
19 Trade payables		
Due to related parties (refer note 35)	**5.35**	3.83
Dues to micro, small and medium enterprises (refer note below)	**9.68**	5.70
Dues to others	**367.55**	344.35
	382.58	353.88
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;	**9.68**	5.70
ii. the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 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 (which has been paid but beyond the appointed day during the year) 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.	**-**	-
	9.68	5.70

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 33.

	As at March 31, 2019	As at March 31, 2018
20 Other financial liabilities		
a. Financial liabilities at fair value through profit and loss		
Derivative liabilities *	**-**	9.51
Premium on financial guarantee	**2.74**	2.88
b. Financial liabilities at amortised cost		
Current maturities of term loans from banks	**-**	97.04
Interest accrued but not due on borrowings	**3.06**	1.12
Liability towards supplier bills discounted	**18.81**	17.06
Unclaimed dividend	**3.69**	3.10
Employee benefits payable	**41.90**	30.25
Other payables (Includes managerial commission of ` 39.73 (March 31, 2018: ` 33.50) (also refer note 35))	**48.13**	41.43
	118.33	202.39

* 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 33

	As at March 31, 2019	As at March 31, 2018
21 Other current liabilities		
Advance from customer	**1.36**	1.92
Statutory dues	**3.39**	7.76
	4.75	9.68

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

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

	Year ended March 31, 2019	Year ended March 31, 2018
22 Revenue from operations		
a) Revenue from sale of products (including excise duty)		
b) Rendering of services	**3,852.14**	3,366.73
c) Other operating revenues (refer note (i) below)	**0.99**	1.36
	149.21	104.63
	4,002.34	3,472.72
Note:		
(i) Other operating revenues		
(i) Scrap sales (including excise duty)	**90.53**	63.49
(ii) Export incentives	**58.41**	39.49
(iii) Others	**0.27**	1.65
	149.21	104.63
(ii) Disaggregation of revenue from contracts with customers		
In the following disclosure, revenue from contract with customers have been disaggregated based on type of revenue and customers		
a) Revenue from sale of products		
(i) Domestic (including retail sales)	**2,469.15**	2,198.59
(ii) Exports	**1,382.99**	1,168.14
	3,852.14	3,366.73
b) Revenue from rendering of services	**0.99**	1.36
c) Scrap sales	**90.53**	63.49
d) Total revenue from contracts with customers (a+b+c)	**3,943.66**	3,431.58
e) Other operating revenues		
- Export incentives	**58.41**	39.49
- Others	**0.27**	1.65
Total other operating revenue (e)	**58.68**	41.14
Total revenue from operations (d + e)	**4,002.34**	3,472.72
(iii) Contract assets		
The following disclosure provides information about receivables, contract assets and liabilities from contracts with customers		
Receivables which are included in trade receivables (refer note 12)	**766.27**	677.97
Advance from customer (refer note 21)	**1.36**	1.92
(iv) On account of retrospective application of Ind AS 115, the revenue from sale of products for the year ended March 31, 2018 has increased by ` 23.68 with a corresponding increase in other expenses.		
23 Other income		
Interest income		
- on bank deposit	**-**	0.26
- on others	**1.95**	4.98
Net foreign exchange gain	**18.18**	11.64
Dividend income from		
- subsidiary companies	**8.60**	9.26
- other companies	**0.65**	0.52
Gain on sale of investments in mutual funds	**0.05**	0.71
Other non-operating income	**2.51**	2.25
	31.94	29.62

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

	Year ended March 31, 2019	Year ended March 31, 2018
24 Cost of materials consumed		
Opening stock of raw materials and components	**148.76**	115.37
Add: Purchases made during the year	**1,773.01**	1,416.07
Less: Closing stock of raw materials and components	**156.83**	148.76
	1,764.94	1,382.68
25 Changes in inventories of finished goods and work-in-progress		
A) Opening 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
B) Closing stock:		
Work-in-progress	**117.54**	108.61
Finished goods	**224.16**	145.80
	341.70	254.41
Total (A- B)	**(87.29)**	(15.95)
26 Employee benefits expense		
Salaries and wages	**306.00**	277.33
Expenses relating to post-employment benefit plans (refer note 16)	**3.77**	3.26
Contribution to provident and other funds (refer note below)	**11.82**	12.27
Staff welfare expenses	**28.88**	35.41
	350.47	328.27

Note:
The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards post employee benefit 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 ` 8.95 (March 31, 2018 ` 10.20).

	Year ended March 31, 2019	Year ended March 31, 2018
27 Finance costs		
Interest expense on financial liabilities measured at amortised cost	**31.90**	21.29
Exchange differences regarded as an adjustment to borrowing cost	**7.94**	13.76
Less: Borrowing costs capitalised	**(0.88)**	(2.49)
	38.96	32.56
28 Depreciation and amortisation expense		
Depreciation on property, plant and equipment	**109.70**	98.05
Amortisation on intangible assets	**0.13**	-
Depreciation on investment property	**0.02**	0.02
	109.85	98.07

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

	Year ended March 31, 2019	Year ended March 31, 2018
29 Other expenses		
Consumption of stores, tools and spares	**390.44**	349.18
Power and fuel	**160.56**	143.67
Repairs and maintenance		
- buildings	**29.03**	25.73
- plant and equipment	**46.04**	36.70
- other assets	**10.69**	8.29
Sub-contract expenses	**360.01**	307.76
Auditor's remuneration (refer note below)	**0.83**	0.75
Research and development expenditure (refer note 31)	**13.57**	13.45
Expenditure on corporate social responsibility (refer note 32)	**7.95**	5.57
Freight and cartage outward	**96.10**	101.23
Loss on sale of property, plant and equipment, net	**0.61**	0.45
Finance guarantee expenses	**-**	0.88
Miscellaneous expenses	**121.50**	110.39
	1,237.33	1,104.05
Note:		
Auditor's remuneration*		
As auditor	**0.66**	0.53
Taxation matters	**0.03**	0.07
Other services	**0.08**	0.08
Reimbursement of expenses	**0.06**	0.07
	0.83	0.75

*Payments for the year ended March 31, 2018 partly include fees and reimbursement paid to the predecessor auditor

30 Earnings per share (EPS)			
Net profit attributable to equity shareholders	(A)	**437.12**	367.47
Weighted average number of equity shares outstanding as at reporting date	(B)	**21,01,28,370**	21,01,28,370
Basic earnings per equity share (in `)	**(A/B)**	**20.80**	17.49

Diluted earnings per share

The Company does not have any potential equity shares. Accordingly, basic and diluted EPS would remain the same.

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

		Year ended March 31, 2019	Year ended March 31, 2018
31 Details of research and development expenditure			
i) Capital expenditure		**1.21**	0.94
ii) Revenue expenditure			
a) Cost of materials consumed		**0.95**	0.63
b) Salaries and wages		**8.71**	8.06
c) Staff welfare expenses		**0.08**	0.03
d) Consumption of stores, tools and spares		**2.39**	2.98
e) Repairs and maintenance			
– building		**0.12**	0.04
– plant and equipment		**0.39**	0.16
– others		**0.01**	0.00*
f) Sub-contract expenses		**-**	0.89
g) Freight and cartage outward		**0.00***	0.01
h) Miscellaneous expenses		**0.92**	0.65
		13.57	13.45
Total research and development expenditures [(i) + (ii)]		**14.78**	14.39

* Amount less than ` 0.01

Note: The research and development expenditure are incurred towards projects approved by DSIR (Department of Scientific and Industrial Research)

		Year ended March 31, 2019	Year ended March 31, 2018
32 Expenditure on corporate social responsibility (CSR)			
a) Amount required to be spent by the Company during the year		**7.92**	5.57
b) Amount spent during the year (in cash):			
(i) Construction / acquisition of asset	(A)	-	-
(ii) On purposes other than (i) above			
a) Education		4.89	3.45
b) Healthcare		2.06	1.63
c) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art		1.00	0.49
	(B)	**7.95**	5.57
	(A)+(B)	**7.95**	5.57

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

33 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, 2019				March 31, 2018			
		FVTPL	FVOCI	Amortised cost	Total	FVTPL	FVOCI	Amortised cost	Total
Financial assets									
Investments (excluding investments in subsidiaries)	6	9.42	55.06	-	64.48	7.79	57.84	-	65.63
Trade receivables	12	-	-	766.27	766.27	-	-	677.97	677.97
Loans	7	-	-	14.15	14.15	-	-	8.70	8.70
Cash and cash equivalents	13	-	-	6.75	6.75	-	-	7.78	7.78
Bank balance other than those mentioned in cash and cash equivalents	13	-	-	3.69	3.69	-	-	3.10	3.10
Security deposits	8	-	-	22.58	22.58	-	-	20.03	20.03
Advances recoverable	8	-	-	4.12	4.12	-	-	5.05	5.05
Interest receivable	8	-	-	0.48	0.48	-	-	0.44	0.44
Total financial assets		9.42	55.06	818.04	882.52	7.79	57.84	723.07	788.70
Financial liabilities									
Borrowings	15	-	-	800.97	800.97	-	-	561.94	561.94
Derivative financial liabilities	20	-	-	-	-	9.51	-	-	9.51
Trade payables	19	-	-	382.58	382.58	-	-	353.88	353.88
Premium on financial guarantee	20	2.74	-	-	2.74	2.88	-	-	2.88
Interest accrued but not due on borrowings	20	-	-	3.06	3.06	-	-	1.12	1.12
Liability towards supplier bills discounted	20	-	-	18.81	18.81	-	-	17.06	17.06
Unclaimed dividend	20	-	-	3.69	3.69	-	-	3.10	3.10
Employee benefits payable	20	-	-	41.90	41.90	-	-	30.25	30.25
Other payables	20	-	-	48.13	48.13	-	-	41.43	41.43
Total financial liabilities		2.74	-	1,299.14	1,301.88	12.39	-	1,008.78	1,021.17

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

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

33 Financial instruments - Fair values and risk management *(Contd.)*

A Accounting classification and fair values *(Contd.)*

This section explains the judgements 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, 2019				March 31, 2018			
		Carrying amount	Fair Value			Carrying amount	Fair Value		
			Level 1	Level 2	Level 3*		Level 1	Level 2	Level 3*
Financial assets									
Investments (excluding investments in subsidiaries)	6	**64.48**	**15.44**	**-**	**49.04**	65.63	14.31	-	51.32
Trade receivables #	12	**766.27**				677.97			
Loans #	7	**14.15**				8.70			
Cash and cash equivalents #	13	**6.75**				7.78			
Bank balance other than those mentioned in cash and cash equivalents #	13	**3.69**				3.10			
Security deposits #	8	**22.58**				20.03			
Advances recoverable #	8	**4.12**				5.05			
Interest receivable #	8	**0.48**				0.44			
Total financial assets		**882.52**	**15.44**	**-**	**49.04**	788.70	14.31	-	51.32
Financial liabilities									
Borrowings #	15	**800.97**				561.94			
Derivative financial liabilities	20	**-**	**-**	**-**	**-**	9.51	-	9.51	-
Trade payables #	19	**382.58**				353.88			
Premium on financial guarantee	20	**2.74**		**2.74**		2.88	-	2.88	-
Interest accrued but not due on borrowings #	20	**3.06**				1.12			
Liability towards supplier bills discounted #	20	**18.81**				17.06			
Unclaimed dividend #	20	**3.69**				3.10			
Employee benefits payable #	20	**41.90**				30.25			
Other payables #	20	**48.13**				41.43			
Total financial liabilities		**1,301.88**	**-**	**2.74**	**-**	1,021.17	-	12.39	-

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.

33 Financial instruments - Fair values and risk management *(Contd.)*

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 establishment of 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 that are entered to hedge foreign currency risk exposure. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments

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

33 Financial instruments - Fair values and risk management *(Contd.)*

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 arise 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 arsing 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, 2019								
Trade receivables	**320.99**	**6.56**	**43.33**	**370.88**	**-**	**-**	**-**	**-**
Cash and cash equivalents	**0.29**	**-**	**-**	**0.29**	**-**	**-**	**-**	**-**
Investments	**-**	**-**	**-**	**-**	**1.92**	**250.00**	**-**	**251.92**
Trade payables	**(13.13)**	**(1.33)**	**(17.60)**	**(32.06)**	**-**	**-**	**-**	**-**
Borrowings	**-**	**-**	**-**	**-**	**(207.48)**	**-**	**-**	**(207.48)**
Others	**(1.63)**	**-**	**(2.60)**	**(4.23)**	**0.07**	**5.67**	**-**	**5.74**
	306.52	**5.23**	**23.13**	**334.88**	**(205.49)**	**255.67**	**-**	**50.18**
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

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

33 **Financial instruments - Fair values and risk management *(Contd.)***

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 `/USD exchange rate and `/GBP exchange rate 'all other things being equal'.

If the Indian Rupee had strengthened/ weakened against the respective currency by 5% during the year ended March 31, 2019 (March 31, 2018: 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 2019	Year ended March 31 2018	**Year ended March 31 2019**	Year ended March 31 2018
Increase/ (decrease) in profit and equity				
USD	**(5.05)**	(0.48)	**5.05**	0.48
GBP	**(13.04)**	(12.72)	**13.04**	12.72
EUR and others	**(1.16)**	(1.38)	**1.16**	1.38
	(19.25)	(14.58)	**19.25**	14.58

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, 2019		Year ended March 31, 2018	
	Less than 180 days	**More than 180 days**	Less than 180 days	More than 180 days
Forward exchange contracts maturing				
Net exposure	**-**	**-**	75.38	-
Average `/ USD forward contract rate	**-**	**-**	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. At March 31, 2019, approximately 24% (March 31, 2018: 37%) 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	**398.49**	**195.00**	**593.49**
USD loans	**207.48**	**-**	**207.48**
As at March 31, 2019	**605.97**	**195.00**	**800.97**
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

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

33 Financial instruments - Fair values and risk management *(Contd.)*

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, 2019 and March 31, 2018. 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, 2019	As at March 31, 2018
Increase	+1%	6.06	3.52
Decrease	-1%	(6.06)	(3.52)

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.

At the reporting date, the exposure to listed equity securities at fair value was ` 15.44 (March 31, 2018: ` 14.31)

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, 2019	As at March 31, 2018
Trade receivables	(i)	766.27	677.97
Investments	(ii)	64.48	65.63
Loans	(iii)	14.15	8.70
Cash and cash equivalents	(iv)	6.75	7.78
Bank balances other than mentioned in cash and cash equivalents	(iv)	3.69	3.10
Security deposits	(v)	22.58	20.03
Advances recoverable	(v)	4.12	5.05
Interest receivable	(v)	0.48	0.44
Total		882.52	788.70

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

33 Financial instruments - Fair values and risk management *(Contd.)*

(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 adopted a practical measure of 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, 2019	As at March 31, 2018
Not more than 180 days	**757.04**	671.24
More than 180 days	**11.04**	9.66
Sub-total	**768.08**	680.90
Less: Loss allowance in accordance with expected credit loss model	**(1.81)**	(2.93)
Total	**766.27**	677.97

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 incase 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, 2019	As at March 31, 2018
Loans to related parties	**11.49**	5.82
Loans to employees	**2.66**	2.88
Net carrying amount	**14.15**	8.70

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.

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

33 Financial instruments - Fair values and risk management *(Contd.)*

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 debt 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

As at March 31, 2019	**Carrying amount**	**Less than 180 days**	**More than 180 days**
Borrowings*	**800.97**	**333.49**	**467.48**
Premium on financial guarantee	**2.74**	**0.40**	**2.34**
Interest accrued but not due on borowings	**3.06**	**3.06**	**-**
Trade payables	**382.58**	**382.58**	**-**
Liability towards supplier bills discounted	**18.81**	**18.81**	**-**
Unclaimed dividend	**3.69**	**3.69**	**-**
Employee benefits payable	**41.90**	**28.87**	**13.03**
Other payables	**48.13**	**40.28**	**7.85**
Total	**1,301.88**	**811.18**	**490.70**

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 borowings	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

*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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

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

34 Contingencies and commitments	As at March 31, 2019	As at March 31, 2018
a) Contingent liabilities		
- Claims against the company not acknowledged as debt		
Legal claims		
- Sales Tax / entry Tax - under appeal	**29.18**	32.11
- Excise Duty / Customs Duty / Service Tax / GST - under appeal	**15.44**	13.99
- Income-tax - under appeal	**1.82**	1.83
	46.44	47.93

(i) The Hon'ble Supreme Court in its ruling dated February 28, 2019 held that the allowances paid to employees are essentially a part of the basic wage, which are necessarily and ordinarily paid to all employee and are to be treated as wages for the purpose of ('PF') providend fund contribution, with fewer exception to the same. With respect to a demand of ` 1.63 pertaining to the period March 2011 to December 2013 raised earlier by PF authorities, a provision has been made, however writ petition / appeal has been filed by the Company challenging the same and pending before Madras High Court/ Tribunal. Based on legal advice, considering that the PF authorities has not commenced any proceedings claiming contribution on allowances for prior or subsequent periods and considering interpretative challenges surrounding the retrospective application of the judgment and absence of reliable measurement of provisions relating to earlier periods, this matter has been disclosed as a contingent liability.

(ii) 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 positions

- Guarantees		
Guarantees including financial guarantees issued to subsidiaries	**213.44**	175.58
- Other money for which the Company is contingently liable		
On Letters of credit	**4.97**	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	**179.29**	149.08

35 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

(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

(3) Mr Heramb R Hajarnavis

(4) Mr B Muthuraman

(5) Mr R Srinivasan

(6) Ms Preethi Krishna

(7) Dr. Nirmala Lakshman

(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

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

35 Related party disclosures (Contd.)

(III) Subsidiaries / joint ventures / associates of ultimate holding company:

(1) Brakes India Private Limited, Chennai, India
(2) Delphi TVS Diesel Systems Limited, Chennai, India
(3) India Motor Parts & Accessories Limited, Chennai, India
(4) India Nippon Electricals Limited, Chennai, India
(5) Lucas Indian Services Limited, Mumbai, India
(6) Lucas TVS Limited, Chennai, India
(7) Madurai Trans Carrier Limited, Chennai, India
(8) Southern Roadways Limited, Madurai, India
(9) Sundaram-Clayton Limited, Chennai, India
(10) The Associated Auto Parts Private Limited, Mumbai, India
(11) TVS Automobile solutions Private Limited, Madurai, India
(12) TVS Electronics Limited, Chennai, India
(13) TVS Logistics Services Limited, Madurai, India
(14) TVS Motor Company Limited, Chennai, India
(15) TVS Training and Services Limited, Chennai, India
(16) Wheels India Limited, Chennai, India

(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 company
Purchases					
Goods and materials (including reimbursement of expenses)	35.45	-	-	-	1.28
	(35.80)	(0.01)	-	-	(1.08)
Shares by cash	1.90	-	-	-	-
	-	-	-	-	-
Fixed assets	0.25	-	-	-	-
	-	-	-	-	-
Sales					
Goods and materials	15.59	80.52	-	-	171.11
	(12.48)	(76.83)	-	-	(156.50)
Services					
Rendered	0.43	-	-	-	0.11
	(0.97)	-	-	-	-
Received	11.25	4.27	-	-	5.79
	(12.90)	(0.00)*	-	-	(3.93)
Finance					
Interest on Inter-corporate Loans	0.56	-	-	-	-
	(0.47)	-	-	-	-
Dividend received	8.60	-	-	-	-
	(9.26)	-	-	-	-
Dividend paid	-	25.06	0.06	0.04	23.86
	-	(25.06)	(0.06)	(0.04)	(23.86)

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

35 Related party disclosures (Contd.)

(IV) Transactions with related parties referred in (I), (II) and (III) above, in the ordinary course of business: (Contd.)

Nature of transaction	Subsidiary Companies	Ultimate holding company	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries / joint ventures / Associates of ultimate holding company
Others					
Leasing inward or outward / hire purchase arrangements	0.15	-	0.93	0.07	0.22
	(0.59)	-	(1.13)	(0.06)	-
Guarantees and collaterals furnished or availed	81.85	-	-	-	-
	(112.53)	-	-	-	-
Loans given (Debenture subscription)	5.67	-	-	-	-
	-	-	-	-	-
Management contracts	-	-	44.36	-	-
	-	-	(38.55)	-	-
Outstanding balances					
Outstanding loan (including interest), due to the Company	11.57	-	-	-	-
	(5.82)	-	-	-	-
Due to the Company	4.08	8.92	-	-	33.37
	(2.58)	(10.46)	-	-	(38.33)
Due by the Company	2.12	2.44	39.73	-	0.79
	(3.25)	(0.00)*	(33.50)	-	(0.58)

(Previous year figures are in brackets)
* Amount less than ` 0.01

(V) Terms and conditions of transactions with related parties

- Transactions with related parties are at arm's length and all the outstanding balances are unsecured.

(VI) Particulars of loans, guarantees and investments under Section 186 of the Companies Act, 2013 during the financial year ended March 31, 2019

Name of the body corporate	Nature of relationship	Nature of transaction	Amount of transaction	Purpose for which the loan / security / acquisition / guarantee utilised by receipient
TVS Infotech Limited, Chennai	Subsidiary	Acquisition	1.90	Investment in equity shares
Clarion Wind Farm Private Limited, Chennai	NA	Acquisition	0.55	Investment in equity shares for purchase of power under group captive basis
Watsun Infra Build Private Limited, Ahmedabad	NA	Acquisition	0.97	Investment in equity shares for purchase of power under group captive basis
MMS Steel and Power Private Limited, Chennai	NA	Acquisition	0.20	Investment in equity shares for purchase of power under group captive basis
Clean switch India Private Limited, Chennai	NA	Acquisition	0.13	Investment in equity shares for purchase of power under group captive basis
Nagai power Private Limited, Hyderabad	NA	Acquisition	0.21	Investment in equity shares for purchase of power under group captive basis
Sundaram Money Fund Scheme of Sundaram Asset Management Co Limited., Chennai	NA	Investment in Mutual Funds	124.00	Treasury investments
TVS Upasana Limited, Chennai	Wholly-owned subsidiary	Guarantee	60.00	For availing term loan and working capital facility from Bank
Cramlington Precision Forge Limited, Northumberland, United Kingdom	Step down subsidiary	Guarantee	21.85	For availing term loan and working capital facility from Bank
Sundram International Limited, UK	Wholly-owned subsidiary	Loan (debenture subscription)	5.67	For its principal business activities

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

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

36 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, 2019	Year ended March 31, 2018
a) Future minimum lease payments		
Not later than one year	**0.36**	0.50
Later than one year and not later than five years	**0.31**	0.72
More than five years	**-**	-

b) Operating lease payments recognised in statement of profit and loss amounted to ` 5.36 (March 31, 2018: ` 4.48)

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.

37 Transfer pricing

Management believes that the Company's international transactions with related parties continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financil statements, particularly on amount of tax expense and that of provision for taxation.

38 Events after the reporting period

(i) The Board of Directors of the Company has declared interim dividend in its meeting held on May 9, 2019 as disclosed in note 14B(i)

(ii) The Board of Directors of the Company, in their meeting held on August 08, 2018, approved the scheme of amalgamation of its wholly-owned subsidiary Sundram Precision Components Limited ('SPCL'). The Company has received an order from National Company Law Tribunal dated April 11, 2019 approving the merger scheme with respect to merger of Sundram Precision Components Limited, a wholly-owned subsidiary with Sundram Fasteners Limited. The merger is effective subsequent to the year end.

39 Prior year comparatives

Prior year figures have been reclassified wherever necessary to conform to current year's classification.

The notes from 1 to 39 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
Firm's registration number: 101248W/W-100022

S SETHURAMAN
Partner
Membership No.: 203491

Place : Chennai
Date : May 9, 2019

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

SURESH KRISHNA
Chairman
(DIN: 00046919)

ARATHI KRISHNA
Managing Director
(DIN: 00517456)

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)

B S R & Co. LLP
Chartered Accountants

KRM Tower, 1st & 2nd Floor, No. 1, Harrington Road,
Chetpet, Chennai 600 031, India

Independent Auditor's Report

To the Members of Sundram Fasteners Limited

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

Opinion

We have audited the Consolidated Ind AS financial statements of Sundram Fasteners Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated Ind AS statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the Consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

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 of such subsidiaries as were audited by the other auditors, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("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, 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition under new accounting standard Ind AS 115: Revenue from Contracts with Customers

The key audit matter	How the matter was addressed in our audit
The Group has adopted Ind AS 115 - Revenue from Contracts with Customers (Ind AS 115) which is the new revenue accounting standard. Ind AS 115 is effective for the year beginning April 1, 2018 and establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price and appropriateness of the basis used to measure revenue recognized over a period or at a point in time. Revenue is recognized when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. In view of the above, the application and transition to this accounting standard is an area of focus in our audit. **See note 23 to the Consolidated Ind AS financial statements**	In view of the significance of the matter we applied the following key audit procedures among others: • Testing the design and operating effectiveness of controls relating to implementation of the new revenue accounting standard. • Verifying management's assessment of different types of customer contracts including the terms of contract and commercial substance thereof in order to assess the adherence to revised accounting policies in light of the requirements of Ind AS 115. • Selecting samples of existing and new contracts, testing management's assessment relating to identification of distinct performance obligations and determination of transaction prices. • Additionally, we also evaluated the adequacy of disclosures made in the financial statements.

Property, plant and equipment

The key audit matter	How the matter was addressed in our audit
During the year, the Group has incurred significant capital expenditure on multiple projects undertaken by it towards capacity augmentation / expansion. This matter is of importance to our audit due to the nature and volume of transactions, risk that the amount capitalized do not meet the capitalization criteria and risk of inappropriate classification of capital and revenue expenditure. **See note 5(a) and 5(b) to the Consolidated Ind AS financial statements**	In view of the significance of the matter we applied the following key audit procedures among others: • Assessed whether the Group's accounting policy with respect to capitalization of expenditure is in accordance with the requirements of relevant accounting standards. • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of controls surrounding the implementation of the aforesaid policy, in particular with respect to segregation of capital and revenue expenditure. • Also verified samples of costs incurred towards capital projects in evaluating management's assessment of whether costs recorded meet the capitalization criteria and that the classification of expenditure is appropriate.

Taxation and contingent liability related matters

The key audit matter	How the matter was addressed in our audit
Determination of tax provisions and assessment of contingent liabilities involves judgment with respect to various tax positions on deductibility of transactions, tax incentives/ exemptions, interpretation of laws and regulations etc. Judgment is also required in assessing the range of possible outcomes for some of these matters. Management makes an assessment to determine the outcome of these matters and decides to make an accrual or consider it to be a possible contingent liability in accordance with applicable accounting standards. Accordingly, taxation and contingent liability related matters are areas of focus in our audit. **See note 18 and 35 to the Consolidated Ind AS financial statements**	In view of the significance of the matter we applied the following key audit procedures among others: • We evaluated management's judgments in respect of estimates of provisions, exposures and contingencies. • In understanding and evaluating management's judgments, we deployed our tax specialists, considered third party advice received by the Group, wherever applicable, the status of recent and current tax assessments and enquiries, the outcome of previous claims, judgmental positions taken in tax returns and developments in the tax environment. • Additionally, we also evaluated the adequacy of disclosures on provisions and contingencies made in the financial statements.

Description of Key Audit Matter

Information Other than the Consolidated Ind AS financial statements and Auditors' Report thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS financial statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these Consolidated Ind AS financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit / loss and other comprehensive income, consolidated 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 (Ind AS) 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 each company 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 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 management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company 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.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of Consolidated Ind AS financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities within the Group to express an opinion on the Consolidated Ind AS financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the Consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

(a) We did not audit the financial statements/ financial information of six subsidiaries (including step down subsidiaries), whose financial statements/ financial information reflect total assets of Rs. 689.96 crores, total revenues of Rs. 406.96 crores and net cash outflows amounting to Rs. 8.74 crores as of and for the year ended March 31, 2019, 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, 2018, 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 (including step down subsidiary), whose financial statements / financial information reflect total assets of Rs. 6.84 crores, total revenues of Rs. 18.36 crores and net cash inflows amounting to Rs. 0.91 crores as of and for the year ended March 31, 2019, 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.

Our opinion 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

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' 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 purposes 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 statement of cash flows 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 Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 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 is disqualified as on March 31, 2019 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 and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.

B. 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 reports of the other auditors on separate financial statements of the subsidiaries, as noted in the ‘Other Matters’ paragraph:

i. The Consolidated Ind AS financial statements disclose the impact of pending litigations as at March 31, 2019 on the consolidated financial position of the Group - Refer Note 35 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, 2019 - Refer Note 21 to the Consolidated Ind AS financial statements

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

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 in the financial statements since they do not pertain to the financial year ended March 31, 2019.

C. With respect to the matter to be included in the Auditor’s Report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors are in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants
Firm’s Registration number: 101248W/W-100022

S Sethuraman
Partner
Membership No.: 203491

Place : Chennai
Date : May 9, 2019

B S R & Co. LLP
Chartered Accountants

KRM Tower, 1st & 2nd Floor, No. 1, Harrington Road,
Chetpet, Chennai 600 031, India

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, 2019

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

(Referred to in paragraph [(A)(f)] under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of **Sundram Fasteners Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

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 were operating effectively as at March 31, 2019, 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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('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 incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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 controls with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively as at March 31, 2019 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 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.

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 controls 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.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration number: 101248W/W-100022

S Sethuraman
Partner
Membership No.: 203491

Place : Chennai
Date : May 9, 2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

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

	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	5 (a)	**1,603.82**	1,143.80
Capital work-in-progress	5 (b)	**95.58**	110.88
Investment property	5 (c)	**8.44**	8.57
Goodwill	6	**3.34**	3.34
Other intangible assets	6	**5.07**	0.51
Financial assets			
- Investments	7	**65.63**	66.59
- Loans	8	**3.77**	2.05
- Others	9	**27.33**	24.49
Deferred tax assets, net	18	**0.62**	0.37
Other tax assets, net	10	**28.68**	32.79
Other non-current assets	11	**161.50**	140.35
		2,003.78	1,533.74
Current assets			
Inventories	12	**647.82**	523.18
Financial assets			
- Investments	7	**2.61**	3.52
- Trade receivables	13	**886.89**	793.61
- Cash and cash equivalents	14	**20.07**	30.65
- Bank balance other than those mentioned in cash and cash equivalents	14	**4.76**	4.51
- Loans	8	**1.15**	1.14
- Others	9	**5.14**	9.70
Other tax assets, net	10	**2.97**	1.09
Other current assets	11	**128.06**	86.28
		1,699.47	1,453.68
Total assets		**3,703.25**	2,987.42
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15A	**21.01**	21.01
Other equity		**1,848.96**	1,510.09
Total equity attributable to equity owners of the company		**1,869.97**	1,531.10
Non-controlling Interest		**7.77**	7.51
Total equity		**1,877.74**	1,538.61
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	16	**339.63**	218.08
- Trade payables	20		
- Total outstanding dues of micro enterprises and small enterprises; and		**-**	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		**1.38**	0.24
- Other financial liabilities	21	**0.64**	-
Provisions	17	**11.02**	8.93
Deferred tax liabilities, net	18	**151.89**	123.85
Other tax liabilities, net	19	**7.88**	6.39
		512.44	357.49
Current Liabilities			
Financial liabilities			
- Borrowings	16	**639.05**	382.74
- Trade payables	20		
- Total outstanding dues of micro enterprises and small enterprises; and		**9.68**	5.70
- Total outstanding dues of creditors other than micro enterprises and small enterprises		**477.32**	444.81
- Other financial liabilities	21	**152.43**	208.36
Other current liabilities	22	**8.71**	14.28
Provisions	17	**21.45**	19.74
Other tax liabilities, net	19	**4.43**	15.69
		1,313.07	1,091.32
Total liabilities		**1,825.51**	1,448.81
Total equity and liabilities		**3,703.25**	2,987.42

Significant accounting policies 3 and 4

The notes from 1 to 40 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
Firm's registration number: 101248W/W-100022

S SETHURAMAN
Partner
Membership No.: 203491

Place : Chennai
Date : May 9, 2019

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

SURESH KRISHNA
Chairman
(DIN: 00046919)

ARATHI KRISHNA
Managing Director
(DIN: 00517456)

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)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

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

	Note	**Year ended March 31, 2019**	Year ended March 31, 2018
Income			
Revenue from operations	23	**4,557.90**	3,911.49
Other income	24	**26.80**	23.20
Total income		**4,584.70**	3,934.69
Expenses			
Cost of materials consumed	25	**1,954.03**	1,520.00
Changes in inventories of finished goods and work in progress	26	**(97.19)**	(27.77)
Excise duty		**-**	56.58
Employee benefits expense	27	**459.32**	413.00
Finance costs	28	**46.01**	37.45
Depreciation and amortisation expense	29	**128.77**	112.33
Other expenses	30	**1,441.32**	1,269.17
Total expenses		**3,932.26**	3,380.76
Profit before tax		**652.44**	553.93
Tax expense			
a) Current tax	18	**165.90**	148.98
b) Deferred tax		**27.57**	16.78
Total tax expense		**193.47**	165.76
Profit for the year		**458.97**	388.17
Attributable to:			
Owners of the parent		**457.49**	386.57
Non-controlling interest		**1.48**	1.60
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i)Re-measurement gain on defined benefit plans		**0.18**	0.51
(ii)Income tax effect on above		**0.04**	0.33
(iii)Fair value (loss) / gain on equity instruments		**(2.95)**	36.39
(iv)Income tax effect on above		**2.49**	(11.65)
		(0.24)	25.58
Items that will be reclassified to profit or loss			
(i) Exchange differences on translation of foreign operations		**3.40**	0.32
(ii)Income tax relating to items that will be reclassified to profit or loss		**-**	-
		3.40	0.32
Total comprehensive income for the year		**462.13**	414.07
(Comprising of profit and other comprehensive income for the year)			
Attributable to:			
Owners of the parent		**460.61**	412.47
Non-controlling interest		**1.52**	1.60
Earnings per equity share	31		
Basic (in `)		**21.77**	18.40
Diluted (in `)		**21.77**	18.40

Significant accounting policies 3 and 4

The notes from 1 to 40 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
Firm's registration number: 101248W/W-100022

S SETHURAMAN
Partner
Membership No.: 203491

Place : Chennai
Date : May 9, 2019

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

SURESH KRISHNA
Chairman
(DIN: 00046919)

ARATHI KRISHNA
Managing Director
(DIN: 00517456)

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)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(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, 2017	15A	**21.01**
Changes in equity share capital during the year		-
Balance as at March 31, 2018	15A	**21.01**
Changes in equity share capital during the year		-
Balance as at March 31, 2019	15A	**21.01**

B. Other equity

Particulars	Note	Attributable to owners of the company								Non-controlling interest	Total
		Reserves and surplus				Items of other comprehensive income			Total other equity		
						Items that will not be reclassified to profit and loss		Items that will be reclassified to profit and loss			
		General reserve	Special economic zone reinvestment reserve	Special reserve	Retained earnings	Equity instruments	Remeasurement of defined benefit obligations	Foreign currency translation reserve			
Balances as at April 1, 2017		**1,066.19**	**-**	**0.82**	**95.74**	**21.79**	**(15.21)**	**45.79**	**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		-	-	-	-	24.74	0.84	0.32	25.90	-	25.90
Transfer from retained earnings		274.25	25.75	-	(300.00)	-	-	-	-	-	-
Dividend	15B (i)	-	-	-	(98.76)	-	-	-	(98.76)	(0.70)	(99.46)
Dividend distribution tax	15B (i)	-	-	-	(20.05)	-	-	-	(20.05)	(0.14)	(20.19)
Other adjustments		-	-	-	2.02	-	-	(0.71)	1.31	-	1.31
Balances as at March 31, 2018		**1,340.44**	**25.75**	**0.82**	**65.52**	**46.53**	**(14.37)**	**45.40**	**1,510.09**	**7.51**	**1,517.60**
Acquisition of subsidiary		-	-	-	(1.69)	-	-	-	(1.69)	(0.81)	(2.50)
Profit for the year		-	-	-	457.49	-	-	-	457.49	1.48	458.97
Other comprehensive income for the year		-	-	-	-	(0.46)	0.18	3.40	3.12	0.04	3.16
Utilization of reserves		-	(10.75)	-	10.75	-	-	-	-	-	-
Transfer (from)/ to retained earnings		279.27	20.73	-	(314.19)	-	14.19	-	-	-	-
Dividend	15B (i)	-	-	-	(98.76)	-	-	-	(98.76)	(0.71)	(99.47)
Dividend distribution tax	15B (i)	-	-	-	(21.90)	-	-	-	(21.90)	(0.15)	(22.05)
Other adjustments		(0.06)	-	-	0.67	-	-	-	0.61	0.41	1.02
Balances as at March 31, 2019		**1,619.65**	**35.73**	**0.82**	**97.89**	**46.07**	**-**	**48.80**	**1,848.96**	**7.77**	**1,856.73**

Significant accounting policies 3 and 4

The notes from 1 to 40 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
Firm's registration number: 101248W/W-100022

S SETHURAMAN
Partner
Membership No.: 203491

Place : Chennai
Date : May 9, 2019

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

SURESH KRISHNA
Chairman
(DIN: 00046919)

ARATHI KRISHNA
Managing Director
(DIN: 00517456)

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)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

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

		Note	**Year ended March 31, 2019**	Year ended March 31, 2018
A.	**Cash flows from operating activities**			
	Profit before tax		**652.44**	553.93
	Adjustments for:			
	Depreciation and amortisation expense	29	**128.77**	112.33
	Unrealised foreign exchange loss, net of gain		**9.50**	1.86
	Finance cost	28	**46.01**	37.45
	Interest Income	24	**(2.23)**	(5.36)
	Dividend income	24	**(0.67)**	(0.53)
	Loss on sale of property plant and equipment	30	**1.18**	0.93
	(Reversal) / loss allowance on trade receivables		**(0.85)**	2.76
	Amortisation expense of leasehold land		**0.54**	0.42
	Gain on sale of investments in mutual funds	24	**(0.05)**	(0.71)
	Fair value loss / (gain) on financial instruments at fair value through profit or loss		**0.92**	(0.84)
	Operating profit before working capital changes		**835.56**	702.24
	Adjustments for changes in working capital			
	Increase in inventories		**(124.71)**	(74.12)
	Increase in financial assets		**(100.22)**	(132.67)
	Increase in financial liabilities		**61.68**	106.54
	Increase in other assets		**(42.56)**	(22.08)
	Decrease in other liabilities and provisions		**(1.57)**	(1.82)
	Cash generated from / (used) in operating activities		**628.18**	578.09
	Income tax paid, net		**(170.73)**	(121.66)
	Net cash from operating activities		**457.45**	456.43
B.	**Cash flows from investing activities**			
	Acquisition of property, plant and equipment and investment property (including capital work-in-progress, capital advances and long-term lease rights)		**(594.85)**	(301.29)
	Proceeds from sale of property, plant and equipment		**0.94**	1.12
	Acquisition of investments		**(128.94)**	(621.04)
	Proceeds from sale of investments		**124.49**	621.32
	Dividend received	24	**0.67**	0.53
	Interest received		**2.05**	5.49
	Deposits with banks (maturity more than 3 months but less than 12 months)		**(0.25)**	(1.34)
	Net cash used in investing activities		**(595.89)**	(295.21)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

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

		Note	**Year ended March 31, 2019**	Year ended March 31, 2018
C.	**Cash flows from financing activities**			
	Proceeds from borrowings (net)		**387.48**	166.01
	Repayment of borrowings (net)		**(99.89)**	(173.50)
	Dividend paid (including dividend distribution tax)		**(121.52)**	(119.65)
	Interest paid		**(39.33)**	(39.95)
	Net cash from / (used in) financing activities		**126.74**	(167.09)
D.	**Net increase / (decrease) in cash and cash equivalents (A+B+C)**		**(11.70)**	(5.87)
E.	Cash and cash equivalents at the beginning of the year		**30.65**	37.14
F.	Effect of exchange differences on cash and cash equivalents held in foreign currency		**1.12**	(0.62)
G.	**Cash and cash equivalents at the end (D+E+F)**		**20.07**	30.65
	Reconciliation of the cash and cash equivalents as per the cash flow statement			
	Balance with banks in current accounts	14	**18.45**	25.76
	Cash on hand	14	**0.31**	0.37
			20.07	30.65

Significant accounting policies 3 and 4

The notes from 1 to 40 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
Firm's registration number: 101248W/W-100022

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

SURESH KRISHNA
Chairman
(DIN: 00046919)

S SETHURAMAN
Partner
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ARATHI KRISHNA
Managing Director
(DIN: 00517456)

ARUNDATHI KRISHNA
Joint Managing Director
(DIN: 00270935)

Place : Chennai
Date : May 9, 2019

S MEENAKSHISUNDARAM
Chief Financial Officer
(ACA Membership No.: 021555)

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

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, 2019 (including comparatives) are authorised by the Board on May 9, 2019.

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 (Rs.), 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 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 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 38 leases: whether an arrangement contains a lease; and
- Note 38 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 3.3.3.4)

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 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 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 35)

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 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 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

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.

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

The Group generates revenue primarily from manufacture and sale of automotive parts and components. The Group also earns revenue from rendering of services.

Effective April 1, 2018, the Group had applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The Group has adopted Ind AS 115 retrospectively (without practical expedients) and impact on adoption of this standard on consolidated financial statements of Group is insignificant.

2.1 Sale of products:

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the individual delivery and acceptance terms agreed with the customers. The amount of revenue to be recognized (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

2.2 Revenue from rendering of services:

Revenue from rendering of services is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration expected to be received in exchange for those services.

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.

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

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.
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:

a. 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.
b. 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.
c. 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 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 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 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 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.

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 amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss.

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

a. Impairment of financial instruments

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

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 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 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 taxes levied by same tax authority on same taxable entity, or on different tax entities, but they intend to settle such tax liabilities and assets on 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 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 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 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 employee 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 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 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 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 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 Rs., the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Rs. 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.

4. New standards and amendments to existing standards issued but not yet effective

(a) New standard

Ind AS 116, Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out principles for recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Group will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. In this regard, the Group is in process of carrying out assessment of potential impact on adoption of Ind AS 116 on accounting policies followed and accordingly impact on its financial statements on initial application of this standard is not reasonably estimable at present.

(b) Amendments to existing standard

Ind AS 12 - Income taxes (effective annual reporting periods beginning April 1, 2019)

The amendment to Ind AS 12 require income-tax consequence of distribution of profits (i.e. dividends), including payments on financial instruments classified as equity, to be recognised when a liability to pay dividend is recognised. The income tax consequence should be recognised in statement of profit and loss, other comprehensive income (OCI) or equity according to where the past transactions or events that generated distributable profits were originally recognised.

Appendix C has been added to Ind AS 12 which seeks to bring clarity to the accounting for uncertainties on income tax treatments that are yet to be accepted by tax authorities and to reflect it in the measurement of current and deferred taxes.

In this regard, the Group is in process of carrying out assessment of potential impact on adoption.

Ind AS 19 – Employee benefits (effective annual reporting periods beginning April 1, 2019)

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any impact on its financial statements.

Ind AS 23 – Borrowing costs (effective annual reporting periods beginning April 1, 2019)

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any significant impact from this amendment.

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

5 a) Property, plant and equipment

Gross block	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
As at April 1, 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**
Additions	-	119.97	457.15	2.68	6.75	1.31	587.86
Disposal	-	(1.03)	(5.55)	(0.07)	(0.15)	(0.07)	(6.87)
Other adjustments	-	(0.17)	(0.03)	0.13	-	0.02	(0.05)
Exchange difference on translation of foreign operations	-	0.45	2.52	0.04	0.03	0.01	3.05
As at March 31, 2019	**43.18**	**324.87**	**1,627.68**	**10.00**	**28.18**	**8.68**	**2,042.59**
Accumulated depreciation							
As at April 1, 2017	**-**	**12.30**	**183.90**	**1.25**	**6.56**	**0.90**	**204.91**
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**
For the year	-	10.34	112.15	0.89	3.65	1.05	128.08
Disposal	-	(1.01)	(3.57)	(0.04)	(0.09)	(0.04)	(4.75)
Other Adjustments	-	-	(0.01)	-	-	0.01	-
Exchange difference on translation of foreign operations	-	0.05	0.56	-	0.02	0.01	0.64
As at March 31, 2019	**-**	**29.04**	**390.73**	**2.98**	**13.44**	**2.58**	**438.77**
Net block							
As at March 31, 2018	43.18	185.99	891.99	5.09	11.69	5.86	1,143.80
As at March 31, 2019	**43.18**	**295.83**	**1,236.95**	**7.02**	**14.74**	**6.10**	**1,603.82**
b) Capital work-in-progress							
As at March 31, 2018	-	45.89	64.76	-	0.23	-	110.88
As at March 31, 2019	**-**	**8.17**	**87.17**	**-**	**0.24**	**-**	**95.58**

a) Plant and equipment includes net block of assets leased out amounting to ` 7.67 (March 31, 2018: ` 6.28)

b) Refer note 16 for assets pledged as securities for borrowings.

c) Refer note 35(c) for capital commitments.

d) Freehold land pending registration: ` 2.56 (March 31, 2018: ` 2.56)

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

5 c) Investment property

Gross block	Land	Building	Total
As at April 1, 2017	**2.72**	**6.78**	**9.50**
Additions	-	-	-
Disposals	-	-	-
Exchange difference on translation of foreign operations	-	0.02	0.02
As at March 31, 2018	**2.72**	**6.80**	**9.52**
Additions	-	-	-
Disposals	-	-	-
Exchange difference on translation of foreign operations	-	0.22	0.22
As at March 31, 2019	**2.72**	**7.02**	**9.74**
Accumulated depreciation			
As at April 1, 2017	-	**0.62**	**0.62**
For the year	-	0.32	0.32
Disposals	-	-	-
Exchange difference on translation of foreign operations	-	0.01	0.01
As at March 31, 2018	-	**0.95**	**0.95**
For the year	-	0.33	0.33
Disposals	-	-	-
Exchange difference on translation of foreign operations	-	0.02	0.02
As at March 31, 2019	-	**1.30**	**1.30**

Net block			
As at March 31, 2018	2.72	5.85	8.57
As at March 31, 2019	**2.72**	**5.72**	**8.44**

Notes:

1. Information regarding income and expenditure of investment property

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rental income from the investment property	**0.87**	0.60
Less: Expenses that:		
Contribute to the rental income (including repairs and maintenance)	**0.04**	0.01
Profit before depreciation	**0.83**	0.59
Less: Depreciation	**0.33**	0.32
Profit	**0.50**	0.27

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

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

6 Goodwill and intangible assets

Gross block	Goodwill	Other intangible assets - Software	Total
As at April 1, 2017	**3.34**	**1.36**	**4.70**
Additions	-	0.01	0.01
Disposals	-	(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**
Additions	-	4.92	4.92
Disposals	-	(0.35)	(0.35)
Exchange differences on translation of foreign operations	-	0.03	0.03
As at March 31, 2019	**3.34**	**5.96**	**9.30**

Accumulated amortisation

As at April 1, 2017	**-**	**0.62**	**0.62**
For the year	-	0.25	0.25
Disposals	-	(0.02)	(0.02)
Exchange differences on translation of foreign operations	-	0.01	0.01
As at March 31, 2018	**-**	**0.86**	**0.86**
For the year	-	0.36	0.36
Disposals	-	(0.35)	(0.35)
Exchange differences on translation of foreign operations	-	0.02	0.02
As at March 31, 2019	**-**	**0.89**	**0.89**

Net block

As at March 31, 2018	3.34	0.51	3.85
As at March 31, 2019	**3.34**	**5.07**	**8.41**

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

	As at March 31, 2019	As at March 31, 2018
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, 2018: 75,000) fully paid equity shares of ` 2/- each in Housing Development Finance Corporation Limited, Mumbai	**14.76**	13.69
b) 2,500 (March 31, 2018: 2,500) fully paid equity shares of ` 2/- each in HDFC Bank Limited, Mumbai	**0.58**	0.47
c) 20,439 (March 31, 2018: 20,439) fully paid equity shares of ` 10/- each in IDBI Bank Limited, Mumbai	**0.10**	0.15
d) 6,188 (March 31, 2018: 6,188) fully paid-up equity shares of ` 5/- each in India Nippon Electricals Limited, Chennai	**0.26**	0.29
e) 7,800 (March 31, 2018: 7,800) fully paid equity shares of ` 10/- each in Sundaram Brake Linings Limited, Chennai	**0.25**	0.39
	15.95	14.99
(ii) Unquoted		
1,25,000 (March 31, 2018: 1,25,000) equity shares of ` 10/- each in Madras Engineering Industries Private Limited, Chennai	**39.62**	43.53
	39.62	43.53
Total of (I)	**55.57**	58.52
II) Investments measured at cost		
(A) Investment in venture capital fund		
168 units (March 31, 2018: 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, 2018: 35) equity shares of ` 100/- each (` 65/- paid-up) in The Adyar Property Holding Co. Limited aggregating to ` 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, 2018: 12,935) Class A equity shares of ` 10/- each and 2,84,169 (March 31, 2018: 3,24,169) Class B equity shares of ` 10/- each in PPS Enviro Power Private Limited., Hyderabad	**1.19**	1.23
b) 23,85,762 (March 31, 2018: 18,40,221) equity shares of ` 10/- each in Clarion Wind Farm Private Limited, Chennai	**2.39**	1.84
c) 12,28,233 (March 31, 2018: 13,38,578) Class A equity shares of ` 10/- each in Beta Wind Farm Private Limited, Chennai	**2.33**	2.54
d) 11,00,000 (March 31, 2018: 11,00,000) equity shares of ` 10/- each in Gayatri Green Power Limited, Chennai	**1.10**	1.10

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

7 Non-current investments (Contd.)

	As at March 31, 2019	As at March 31, 2018
e) Nil (March 31, 2018: 2,229) equity shares of ` 10/- each in Suryadev Alloys and Power Private Limited, Chennai	**-**	0.03
f) 9,67,306 (March 31, 2018: Nil) equity shares of ` 10/- each in Watsun Infra Build Private Limited, Ahmedabad	**0.97**	-
g) 1,88,550 (March 31, 2018: Nil) equity shares of ` 10/- each in MMS Steel and Power Private Limited, Chennai	**0.19**	-
h) 2,13,100 (March 31, 2018: Nil) equity shares of ` 10/- each in Nagai power Private Limited, Hyderabad	**0.21**	-
i) 8,000 (March 31, 2018: 3,000) Class A equity shares of ` 10/- each fully paid in Clean switch India Private Limited, Hyderabad	**0.01**	0.05
j) 42,000 (March 31, 2018: 1,40,000) Class B equity shares of ` 10/- each fully paid in Clean Switch India Private Limited, Hyderabad	**0.04**	0.14
k) 4,85,540 (March 31, 2018: Nil) Class B equity shares of ` 10/- each fully paid in Gamma Green Power Private Limited, Chennai	**0.49**	-
*The right to sell/ transfer these shares are subject to terms and conditions of respective shareholder agreement.		
(ii) Other investments		
3,51,00,000 (March 31, 2018: 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, 2018: ` 2.37)	**1.14**	1.14
Total (III)	**10.06**	8.07
Total (I+II+III)	**65.63**	66.59
** Amount less than ` 0.01		
Aggregate amount of quoted investments and market value thereof	**15.95**	14.99
Aggregate value of unquoted investments	**49.68**	51.60
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, 2018: 1,320) equity Shares of ` 1/- each (March 31, 2018: ` 1/-) fully paid up in State Bank of India	**0.04**	0.03
b) 1 (March 31, 2018: 1) equity Share of ` 5/- each fully paid up in Maruti Suzuki India Limited, New Delhi **	**-**	-
c) 1,000 (March 31, 2018: 1,000) equity shares of ` 2/- each, fully paid up in Sterling Tools Limited	**0.03**	0.04
d) 83 (March 31, 2018: 83) equity shares of ` 10/- each, fully paid up in Lakshmi Precision Screws Limited **	**-**	-
e) 500 (March 31, 2018: 500) equity shares of ` 2/- each, fully paid up in Simmonds-Marshall Limited **	**-**	0.01
f) 50 (March 31, 2018: 50) equity shares of ` 2/- each, fully paid up in Bharat Forge Limited **	**-**	-

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

7 Current investments (Contd.)

	As at March 31, 2019	As at March 31, 2018
g) 13,900 (March 31, 2018: 13,900) equity shares of ` 10/- each, fully paid up in Sundaram Brake Linings Limited	**0.45**	0.70
h) 1,994 (March 31, 2018: 1,994) equity shares of ` 5/- each, fully paid up in Sundaram Clayton Limited	**0.58**	0.96
i) 1,994 (March 31, 2018: 1,994) equity shares of ` 5/- each, fully paid up in WABCO-INDIA Limited	**1.33**	1.58
j) 1,968 (March 31, 2018: 1,968) equity shares of ` 10/- each, fully paid up in India Motor Parts and Accessories Limited	**0.18**	0.20
	2.61	3.52
** Amount less that ` 0.01		
Aggregate amount of quoted investments and market value thereof	**2.61**	3.52
Aggregate value of unquoted investments	**-**	-
Aggregate amount of impairment in value of investments	**-**	-

	As at March 31, 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
8 Loans				
(Unsecured considered good, unless otherwise stated)				
Loans to employees	**3.77**	**1.15**	2.05	1.14
	3.77	**1.15**	2.05	1.14
The Group’s exposure to credit risk and market risk are disclosed in note 34.				
9 Other financial assets				
(Unsecured considered good, unless otherwise stated)				
Security deposits	**27.27**	**-**	24.40	-
Advances recoverable	**-**	**-**	-	5.33
Interest receivable	**-**	**0.66**	-	0.48
Other receivables	**0.06**	**4.48**	0.09	3.89
	27.33	**5.14**	24.49	9.70
The Group's exposure to credit risk and market risk are disclosed in note 34.				
10 Other tax assets, net				
Advance income tax, net of provision	**28.68**	**2.97**	32.79	1.09
	28.68	**2.97**	32.79	1.09

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

	As at March 31, 2019		As at 31 March 2018	
	Non-current	**Current**	Non-current	Current
11 Other assets				
(Unsecured considered good, unless otherwise stated)				
Prepaid expenses	**0.88**	**12.66**	0.61	7.80
Capital advance	**39.28**	**-**	42.47	-
Balance with statutory/government authorities	**50.19**	**21.25**	49.42	1.55
Export incentives and other advances	**-**	**53.92**	-	52.00
Advances to suppliers	**-**	**39.55**	-	24.50
Prepayments under operating leases	**71.15**	**0.68**	47.85	0.43
	161.50	**128.06**	140.35	86.28

	As at March 31, 2019	As at March 31, 2018
12 Inventories		
(Valued at lower of cost and net realisable value)		
Raw materials and components (includes in transit of ` 13.83 (March 31, 2018 : ` 19.87))	**182.98**	167.94
Work-in-progress	**142.83**	128.59
Finished goods (includes in transit of ` 3.51 (March 31, 2018 : ` 2.28))	**259.44**	175.47
Stores and spares	**21.71**	16.89
Loose tools	**40.86**	34.29
	647.82	523.18

For the carrying value of inventories pledged as securities for borrowings, refer note 16

13 Trade receivables		
Trade receivables considered good - unsecured	**891.75**	799.32
Less: Loss allowance	**(4.86)**	(5.71)
Net trade receivables	**886.89**	793.61
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties (refer note 36)	**46.12**	52.22
Loss allowance	**-**	-
	46.12	52.22
Movement in loss allowance of trade receivables		
Opening balance	**5.71**	2.95
Amount written off	**(2.98)**	(1.88)
Impairment loss	**2.13**	4.64
Closing balance	**4.86**	5.71

The Group's exposure to credit risks and loss allowances related to trade receivables are disclosed in note 34.

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

	As at March 31, 2019	As at March 31, 2018
14 Cash and cash equivalents		
Balance with banks in current accounts	**18.45**	25.76
Balance with banks in deposit accounts (original maturity of 3 months or less)	**1.31**	4.52
Cash on hand	**0.31**	0.37
Total cash and cash equivalents (A)	**20.07**	30.65
Other bank balances		
Earmarked balances with banks - dividend warrant accounts	**3.69**	3.10
Deposits with banks (maturity more than 3 months but less than 12 months)	**1.07**	1.41
Total bank balance other than those mentioned in cash and cash equivalents (B)	**4.76**	4.51
Total (A) + (B)	**24.83**	35.16

Note:

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirements does not pertain to financial year ended March 31, 2019.

15 Share capital and other equity

A Share capital

	As at March 31, 2019	As at March 31, 2018
Authorised		
25,00,00,000 (March 31, 2018: 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, 2018: 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, 2019		As at March 31, 2018	
	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 holding / ultimate 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

	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	**1,49,27,755**	**7.10%**	1,45,21,102	6.91%
	11,90,13,035	**56.64%**	11,86,06,382	56.44%

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

15 Share capital and other equity (Contd.)

d) Rights, preferences, 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 the period of five years immediately preceding the financial year ended March 31, 2019:

(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 Group's capital management objectives is to ensure adequate return to the shareholder by maintaining the optimal capital structure. The Group'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 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, 2019	As at March 31, 2018
Total debt (in the form of external borrowings)		**995.13**	700.02
Cash and cash equivalents		**(20.07)**	(30.65)
Net debt	A	**975.06**	669.37
Equity attributable to equity holders of the parent		**1,869.97**	1,531.10
Total equity	B	**1,869.97**	1,531.10
Net debt to equity	C = (A/B)*100	**52.14%**	43.72%

B Other equity

(i) Dividends

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

	Year ended March 31, 2019	Year ended March 31, 2018
Attributable to Owners of the Company		
First interim dividend of ` 2.00/- (March 31, 2018: ` 1.90/-) per equity share for the respective years	**42.03**	39.92
Dividend distribution tax on above	**10.30**	8.18
Second interim dividend of ` 2.70/- for the year 2017-18 per equity share	**56.73**	-
Dividend distribution tax on above	**11.60**	-
Final dividend of ` 2.80 /- for the year 2016-2017 per equity share	**-**	58.84
Dividend distribution tax on above	**-**	11.87
	120.66	118.81

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

15 Share capital and other equity (Contd.)

	Year ended March 31, 2019	Year ended March 31, 2018
Attributable to Non-controlling interests		
Dividend of ` 30/- (March 31, 2018: ` 30/-) per equity share declared by subsidiary Sundram Non-Conventional Energy Systems Limited	**0.71**	0.70
Dividend distribution tax on above	**0.15**	0.14
	0.86	0.84
	121.52	119.65

After the reporting dates the following interim dividend (excluding dividend distribution tax) was declared by the directors; this dividend has not been recognised as liabilities and would attract dividend distribution tax when paid .

	Year ended March 31, 2019	Year ended March 31, 2018
Second interim dividend of ` 3.10/- (March 31, 2018: ` 2.70) per equity share	**65.14**	56.73
	65.14	56.73

C Nature and purpose of reserves

(i) General reserve

General reserve is an accumulation of retained earnings of the Group, apart from the statement of profit and loss balance, which can be utilised for meeting future obligations.

(ii) Special Economic Zone reinvestment reserve

The Special Economic Zone (SEZ) re-investment reserve has been created out of the profit of eligible SEZ units in terms of the provisions of section 10AA(1)(ii) of the Income-tax Act, 1961. The reserve will be utilised by the Company for acquiring new assets as per the terms of section 10AA(2) of Income-tax Act, 1961.

(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 till the same is derecognised or disposed off.

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.

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

	As at March 31, 2019		As at March 31, 2018	
16 Borrowings	**Non-current**	**Current**	Non-current	Current
Financial liabilities at amortised cost				
a) Secured				
Term loan				
From banks in local currency (refer note (i) below)	**93.90**	**-**	69.47	0.25
From banks in foreign currency (refer note (i) below)	**-**	**-**	97.04	-
Working capital loans				
Working capital facility from bank (refer note (ii) below)	**-**	**112.34**	-	122.26
	93.90	**112.34**	166.51	122.51
Less: Current maturities of long term borrowings	**(16.45)**	**-**	(99.20)	-
	77.45	**112.34**	67.31	122.51
b) Unsecured				
Term loan from banks (refer note (i) below)	**262.18**	**-**	150.77	-
Working capital facility from bank (refer note (ii) below)	**-**	**526.71**	-	259.73
Loan from other parties (refer note (iii) below	**-**	**-**	-	0.50
	262.18	**526.71**	150.77	260.23
Total	**339.63**	**639.05**	218.08	382.74

(i) Term loan from banks include

(a) The secured foreign currency term loan from a bank of USD 10 million, equivalent to Rs. 65.18 and an ECB loan of USD 5 million equivalent to ` 31.86 outstanding as at March 31, 2018 were repaid during the year.

(b) An outstanding term loan from a bank amounting to ` 0.25, secured against laptops has been repaid during the year.

(c) An outstanding term loan from a bank amounting to ` 58.00 (March 31, 2018: ` 48.00), 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. The interest rate is linked to MCLR + agreed spread.

(d) An outstanding term loan from a bank amounting to GBP 0.75 million, equivalent to ` 6.67 (March 31, 2018: GBP 1 million, equivalent to ` 8.62), repayable in 8 equal quarterly installments. The agreement contains a negative pledge preventing the company from creating or allowing to subsist and security over any of its assets. The 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.

(e) An outstanding term loan from a bank amounting to RMB 2.88 million equivalent to ` 29.23 (March 31, 2018: RMB 13.08 million equivalent to ` 12.85). This loan is secured by land use right , factory buildings, plant and equipments. The interest rate is linked to Base Rate + agreed spread p.a.

(f) An outstanding term loan amounting to GBP 6.15 million equivalent to ` 54.70 (March 31, 2018: GBP 61,46,655 equivalent to ` 53.00), repayable in two installments of 50% each, on August 19, 2020 and 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.

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

16 Borrowings (Contd.)

(g) External Commercial Borrowing (ECB) loan from a bank amounting to USD 15 million, equivalent to ` 103.74 (March 31, 2018: USD 15 million, equivalent to ` 97.77), repayable over 3 equal yearly instalments commencing from July 2021. The loan is unsecured and its interest rate linked to Libor + agreed spread p.a.

(h) During the year, the Group obtained a new unsecured ECB loan from a bank amounting to USD 15 million, equivalent to ` 103.74 (March 31, 2018: ` Nil), repayable over 3 equal yearly instalments commencing from August 2022. The loan is unsecured and its interest rate linked to Libor + agreed spread p.a.

(ii) Working capital loan from banks include

(a) Outstanding working capital facilities amounting to ` 38.49 (March 31, 2018: ` 72.40) carrying interest rate ranging from 8.10% - 15% p.a. These facilities are repayable on demand, secured by pari-passu first charge on current assets viz., stocks of raw materials, work in progress and finished goods.

(b) Outstanding working capital facility amounting to ` 23.08 (March 31, 2018: ` 0.40) 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.

(c) Export packing credit loan amounts to ` 7.00 (March 31, 2018: ` 7.00). These 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%.

(d) Cash credit facilities of ` 2.58 (March 31, 2018: ` 1.79) from Axis bank carrying interest rate 3M MCLR+0.5% payable monthly. The facility is repayable on demand and is secured by hypothecation of current assets.

(e) Outstanding working capital facilities of GBP 1.22 million equivalent to ` 10.88 (March 31, 2018: GBP 0.66 million equivalent to ` 5.67) carrying interest rate being base rate + agreed spread p.a.

(f) The Company has working capital facilities of RMB 2 million equivalent to ` 2.03 (March 31, 2018: Nil). The loan is secured by land use right and factory buildings. The interest rate is linked to base rate + agreed spread p.a.

(g) Preshipment packing credit loan is availed in ` and foreign currency amounting to ` 555.00 (March 31, 2018: ` 294.73) These are partly secured to the extent of ` 28.28 (March 31, 2018: Nil) 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 rate in the range of 4.80% to 5.60%.

(iii) Unsecured loan from other parties represents loan taken from subsidiary's director which carried an interest rate of 10% and was fully repaid during the year.

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

(iv) Reconciliation of cash flow from financing activities	**As at March 31, 2019**	As at March 31, 2018
Cash and cash equivalents	**(20.07)**	(30.65)
Current borrowings	**639.05**	382.74
Non-current borrowings	**356.07**	317.28
Net debt	**975.05**	669.37

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

16 Borrowings (Contd.)

	Other assets	Liabilities from financing activities		Total
	Cash and cash equivalents	Current borrowings	Non-current borrowings	
Net debt as at April 1, 2018	(30.65)	382.74	317.28	669.37
Net cash flows	10.58	256.31	31.28	298.17
Foreign exchange adjustments	-	-	6.82	6.82
Other non-cash movements	-	-	0.69	0.69
Net debt as at March 31, 2019	**(20.07)**	**639.05**	**356.07**	**975.05**
Net debt as at April 1, 2017	(37.14)	469.69	230.81	663.36
Net cash flows	6.49	(88.18)	95.67	13.98
Foreign exchange adjustments	-	1.23	(9.76)	(8.53)
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, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
Provision for employee benefits				
Provision for gratuity*	**2.54**	**7.26**	2.43	6.92
Provision for compensated absences	**8.48**	**1.69**	6.50	1.87
Provision for others	**-**	**12.50**	-	10.95
	11.02	**21.45**	8.93	19.74

* 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.

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.

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

17 Provisions (Contd.)

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, 2019	Year ended March 31, 2018
Amount recognised in statement of profit and loss	4.15	3.73
Amount recognised in other comprehensive income	(0.03)	(0.63)
Total expense	**4.12**	3.10
Net employee benefit expense		
Recognised in statement of profit and loss		
Current service cost	3.68	3.31
Interest cost on benefit obligation	0.47	0.42
Amount recognised in statement of profit and loss	**4.15**	3.73
Recognised in other comprehensive income		
Actuarial loss arising from change in financial assumptions	0.15	(0.33)
Actuarial gain arising from experience adjustments	(0.18)	(0.30)
Amount recognised in other comprehensive income	**(0.03)**	(0.63)

The following table sets out the defined obligation and funded status including that relating to its related entities

	As at March 31, 2019	As at March 31, 2018
Net defined obligation		
Present value of defined benefit obligation	50.95	48.91
Fair value of plan assets	(42.87)	(41.54)
	8.08	7.37
Changes in present value of the defined benefit obligation are as follows:		
Balance at the beginning of the year	48.91	46.75
Interest cost	3.60	3.13
Current service cost	3.68	3.23
Benefits paid	(5.06)	(3.90)
Actuarial gain on obligation	(0.18)	(0.30)
Balance at the end of the year	50.95	48.91
Changes in the fair value of plan assets are as follows:		
Balance at the beginning of the year	41.54	39.18
Expected return on plan assets	3.13	2.71
Actuarial loss / (gain) on asset	(0.15)	0.42
Contribution made by the employer	3.27	3.11
Benefits paid	(4.92)	(3.88)
Balance at the end of the year	42.87	41.54

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

17 Provisions (Contd.)

	As at March 31, 2019	As at March 31, 2018
Plan assets comprises of :		
% of Investment with insurer	**100.00**	100.00
Principal actuarial assumptions used		
Discount rate	**7.60%**	7.80%
Salary escalation rate	**8.00%**	8.00%
Attrition rate	**10.00%**	10.00%
Classification		
- Current	**6.71**	6.49
- Non-current	**1.37**	1.15

Sensitivity

	As at March 31, 2019		As at March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate				
> Sensitivity level	**0.50% to 1.00%**	**0.50% to 1.00%**	1.00%	1.00%
> Impact on defined benefit obligation	**(2.58)**	**2.88**	(12.96)	12.68
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	**2.37**	**(2.18)**	10.80	(11.50)

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, 2019	Year ended March 31, 2018
Recognised in statement of profit and loss		
Current service cost	**0.09**	0.09
Interest cost on benefit obligation	**0.13**	0.11
Amount recognised in statement of profit and loss	**0.22**	0.20
Recognised in other comprehensive income		
Actuarial loss arising from change in financial assumptions	**0.04**	(0.05)
Actuarial gain arising from experience adjustments	**(0.19)**	0.17
Amount recognised in other comprehensive income	**(0.15)**	0.12

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

17 Provisions (Contd.)

	Year ended March 31, 2019	Year ended March 31, 2018
Changes in present value of the defined benefit obligation are as follows:		
Defined benefit obligation at the beginning of the year	**1.71**	1.64
Interest cost	**0.13**	0.11
Current service cost	**0.08**	0.09
Benefits paid	**(0.05)**	(0.25)
Actuarial loss on obligation	**(0.15)**	0.12
Defined benefit obligation at the year end	**1.72**	1.71
Principal actuarial assumptions used		
Discount rate	**7.60%**	7.80%
Attrition rate	**10.00%**	10.00%
Remaining working lives for selected class of employees	**5.23**	5.49
Classification		
- Current	**0.55**	0.43
- Non-current	**1.17**	1.28

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.

	As at March 31, 2019	As at March 31, 2018
Principal actuarial assumptions used		
Discount rate	**7.60%**	7.80%
Interest rate declared by EPFO	**8.65%**	8.55%
Remaining working lives	**7.61**	7.63

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

17 Provisions (Contd.)

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, 2019	Year ended March 31, 2018
Recognised in statement of profit and loss:		
Current Service cost	**1.22**	1.00
Interest cost on benefit obligation	**0.58**	0.32
Net actuarial loss recognised	**0.41**	2.09
	2.21	3.41

Principal actuarial assumptions used:	**As at March 31, 2019**	As at March 31, 2018
Discount rate	**6.70%-7.80%**	7.20%-7.90%
Salary escalation rate	**7%-8%**	8.00%
Attrition rate	**1%-49%**	1%-34%

b) Provision for others

Balance at the beginning of the year	**10.94**	7.61
Provision made during the year (net)	**1.56**	3.34
Balance at the end of the year	**12.50**	10.95

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

	Year ended March 31, 2019	Year ended March 31, 2018
18 Income tax		
A Amounts recognised in statement of profit and loss		
Current tax (a)		
Current period	**165.90**	148.98
Deferred tax (b)		
Attributable to - origination and reversal of temporary differences	**27.57**	16.78
Tax expense (a) + (b)	**193.47**	165.76

B Income tax recognised in other comprehensive income

Particulars	**As at March 31, 2019**			As at March 31, 2018		
	Amount	**Tax (expense) / benefit**	**Net of tax**	Amount	Tax (expense) / benefit	Net of tax
Fair value (loss) / gain on equity investments	**(2.95)**	**2.49**	**(0.46)**	36.39	(11.65)	24.74
Remeasurement gain on defined benefit plans	**0.18**	**0.04**	**0.22**	0.51	0.33	0.84
Total	**(2.77)**	**2.53**	**(0.24)**	36.90	(11.32)	25.58

	Year ended March 31, 2019	Year ended March 31, 2018
C Income tax recognised directly in equity	**-**	-

D Reconciliation of effective tax rate

Particulars	**Year ended March 31, 2019**		Year ended March 31, 2018	
	%	**Amount**	%	Amount
Profit before tax		**652.44**		553.93
Tax using the Company's domestic tax rate	**34.94%**	**227.99**	34.61%	191.71
Effect of:				
- Deduction under section 10AA of the Income Tax Act, 1961	**(4.71%)**	**(30.75)**	(6.19%)	(34.31)
- Expenditure on research and development	**(0.66%)**	**(4.27)**	(0.61%)	(3.40)
- Others	**0.08%**	**0.51**	2.12%	11.76
Effective tax rate / tax expense	**29.65%**	**193.47**	29.93%	165.76

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

18 Income tax (Contd.)

E Recognised deferred tax assets and liabilities

(a) Deferred tax liabilities, net

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, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
Property, plant and equipment, intangible assets and investment property	**-**	-	**145.73**	120.27	**145.73**	120.27
Investments measured at fair value through OCI	**-**	-	**9.16**	11.65	**9.16**	11.65
Amortisation of borrowings under effective interest rate method	**-**	-	**-**	0.25	**-**	0.25
Provision for employee benefits	**(3.61)**	(2.92)	**-**	-	**(3.61)**	(2.92)
Premium on financial guarantee	**-**	(0.15)	**0.14**	-	**0.14**	(0.15)
Others	**-**	(3.18)	**3.38**	-	**3.38**	(3.18)
	(3.61)	(6.25)	**158.41**	132.17	**154.80**	125.92
Minimum alternative tax	**(2.91)**	(2.07)	**-**	-	**(2.91)**	(2.07)
	(6.52)	(8.33)	**158.41**	132.17	**151.89**	123.85

Movement in temporary differences for the year ended March 31, 2019

Particulars	Balance as at April 1, 2018	Recognised in profit and loss during 2018-19	Recognised in OCI during 2018-19	Other adjustments	Balance as at March 31, 2019
Property, plant and equipment, intangible assets and investment property	120.27	**25.44**	**-**	**0.02**	**145.73**
Investments measured at fair value through OCI	11.65	**-**	**(2.49)**	**-**	**9.16**
Amortisation of borrowings under effective interest rate method	0.25	**(0.25)**	**-**	**-**	**-**
Provision for employee benefits	(2.92)	**(0.68)**	**(0.01)**	**-**	**(3.61)**
Premium on financial guarantee	(0.15)	**0.29**	**-**	**-**	**0.14**
Others	(3.18)	**6.54**	**-**	**0.02**	**3.38**
	125.92	**31.34**	**(2.50)**	**0.04**	**154.80**
Minimum alternative tax	(2.07)	**(3.68)**	**-**	**2.84**	**(2.91)**
	123.85	**27.66**	**(2.50)**	**2.88**	**151.89**

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

18 Income tax (Contd.)

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

Particulars	Balance as at April 1, 2017	Recognised in profit and loss during 2017-18	Recognised in OCI during 2017-18	Other adjustments	Balance as at March 31, 2018
Property, plant and equipment, intangible assets and investment property	110.16	10.13	-	(0.02)	120.27
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	(10.93)	7.71	-	0.04	(3.18)
	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**

(b) Deferred tax assets, net

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, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
Property, plant and equipment, intangible assets and investment property	**(0.26)**	(0.30)	-	-	**(0.26)**	(0.30)
Provision for employee benefits	**(0.23)**	(0.07)	-	-	**(0.23)**	(0.07)
	(0.49)	(0.37)	**-**	-	**(0.49)**	(0.37)
Minimum alternative tax	**(0.13)**	-	**-**	-	**(0.13)**	-
	(0.62)	(0.37)	**-**	-	**(0.62)**	(0.37)

Movement in temporary differences for the year ended March 31, 2019

Particulars	Balance as at April 1, 2018	Recognised in profit and loss during 2018-19	Recognised in OCI during 2018-19	Other adjustments	Balance as at March 31, 2019
Property, plant and equipment, intangible assets and investment property	(0.30)	**0.04**	**-**	**-**	**(0.26)**
Provision for employee benefits	(0.07)	**(0.13)**	**(0.03)**	**-**	**(0.23)**
	(0.37)	**(0.09)**	**(0.03)**	**-**	**(0.49)**
Minimum alternative tax	-	**-**	**-**	**(0.13)**	**(0.13)**
	(0.37)	**(0.09)**	**(0.03)**	**(0.13)**	**(0.62)**

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

18 Income tax (Contd.)

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

Particulars	Balance as at April 1, 2017	Recognised in profit and loss during 2017-18	Recognised in OCI during 2017-18	Other adjustments	Balance as at March 31, 2018
Property, plant and equipment, intangible assets 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)**

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, 2019		As at March 31, 2018	
	Gross amount	**Unrecognised tax effect**	Gross amount	Unrecognised tax effect
Long term capital loss *	**5.76**	**2.01**	5.74	1.99
Business loss other than speculative business loss #	**9.29**	**2.42**	9.29	2.32

* The long term capital loss expire in FY 2025-26

The business loss will expire over the period by 2027-28

	As at March 31, 2019		As at March 31, 2018	
	Non-current	**Current**	Non-current	Current
19 Other tax liabilities, net				
Provision for taxation, net of advance income tax	**7.88**	**4.43**	6.39	15.69
	7.88	**4.43**	6.39	15.69
20 Trade payables				
Dues to related parties (refer note 36)	**-**	**3.23**	-	0.59
Dues to micro and small enterprises (refer note below)	**-**	**9.68**	-	5.70
Dues to others	**1.38**	**474.09**	0.24	444.22
	1.38	**487.00**	0.24	450.51

Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006

	As at 31 March 2019	As at 31 March 2018
i. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	**9.68**	5.70
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.	**-**	-

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

20 Trade payables (Contd.)

	As at 31 March 2019	As at 31 March 2018
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	**-**	-
	9.68	5.70

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.

The Group’s exposure to currency risks and liquidity risk related to trade payables are disclosed in note 34.

	As at March 31, 2019		As at March 31, 2018	
21 Other financial liabilities	**Non-current**	**Current**	Non-current	Current
a) **Financial liabilities at fair value through profit or loss**				
Derivative liabilities*	**-**	**-**	-	9.51
b) **Financial liabilities at amortised cost**				
Current maturities of term loans from banks (refer note 16)	**-**	**16.45**	-	99.20
Interest accrued but not due on borrowings	**-**	**4.65**	-	2.01
Liability towards supplier bills discounted	**-**	**18.81**	-	17.06
Unclaimed dividend	**-**	**3.69**	-	3.10
Employee benefits payable	**0.64**	**49.01**	-	33.68
Other payables (includes managerial commission of ` 39.73 (March 31, 2018: ` 33.50)) (also refer note 36).	**-**	**59.82**	-	43.80
	0.64	**152.43**	-	208.36

* 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 liabilities are disclosed in note 34.

	As at March 31, 2019	As at March 31, 2018
22 Other current liabilities		
Advance from customers	**1.50**	2.16
Statutory dues	**7.21**	11.60
Others	**-**	0.52
	8.71	14.28

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

	Year ended March 31, 2019	Year ended March 31, 2018
23 Revenue from operations		
(a) Revenue from sale of products (including excise duty)	**4,357.37**	3,760.95
(b) Rendering of services	**38.69**	39.59
(c) Other operating revenue (refer note (i) below)	**161.84**	110.95
	4,557.90	3,911.49
Note:		
(i) Other operating revenue		
(i) Scrap sales (including excise duty)	**100.04**	69.75
(ii) Export incentives	**60.57**	40.89
(iii) Others	**1.23**	0.31
	161.84	110.95
(ii) Disaggregation of revenue from contracts with customers		
In the following disclosure, revenue from contract with customers have been disaggregated based on type of revenue and customers		
a) Revenue from sale of products		
(i) Domestic (including retail sales)	**2,786.90**	2,457.87
(ii) Exports	**1,570.47**	1,303.08
	4,357.37	3,760.95
b) Revenue from rendering of services	**38.69**	39.59
c) Scrap sales	**100.04**	69.75
d) Total revenue from contracts with customers (a+b+c)	**4,496.10**	3,870.29
Note:		
e) Other operating revenues		
- Export incentives	**60.57**	40.89
- Others	**1.23**	0.31
Total other operating revenue (e)	**61.80**	41.20
Total revenue from operations (d + e)	**4,557.90**	3,911.49
(iii) Contract assets		
The following disclosure provide information about receivables, contract assets and liabilities from contract with customers		
Receivables which are included in trade receivables (refer note 13)	**886.89**	793.61
Advance from customers (refer note 22)	**1.50**	2.16
(iv) On account of retrospective application of Ind AS 115, the revenue from sale of products for the year ended March 31, 2018 has increased by ` 23.68 with a corresponding increase in other expenses.		
24 Other income		
Interest income on		
- bank deposits	**-**	0.27
- others	**2.23**	5.09
Net foreign exchange gain	**20.06**	13.05
Dividend income	**0.67**	0.53
Fair value gain on financial instruments at fair value through profit or loss	**-**	0.84
Profit on sale of property, plant and equipment	**0.14**	-
Gain on sale of investment in mutual funds	**0.05**	0.71
Other non-operating income	**3.65**	2.71
	26.80	23.20

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

	Year ended March 31, 2019	Year ended March 31, 2018
25 Cost of raw materials and components consumed		
Opening stock of raw materials and components	**167.94**	126.54
Add / (less): Exchange rate fluctuation on acccount of foreign currency translation	**0.53**	(14.14)
Add : Purchases during the year	**1,968.86**	1,555.46
Less: Closing stock of raw materials and components	**182.98**	167.94
Less / (add): Exchange rate fluctuation on acccount of foreign currency translation	**0.32**	(20.08)
	1,954.03	1,520.00
26 Changes in inventories of finished goods and work-in-progress		
A) Opening stock:		
Work-in-progress	**128.59**	101.99
Finished goods	**175.47**	178.41
Less: Excise duty on finished goods	**-**	4.41
Add / (less): Exchange rate fluctuation on account of foreign currency translation	**1.81**	(0.37)
	305.87	275.62
B) Closing stock:		
Work-in-progress	**142.83**	128.59
Finished goods	**259.44**	175.47
Less: Excise duty on finished goods	**-**	-
Add / (less): Exchange rate fluctuation on account of foreign currency translation	**0.79**	(0.67)
	403.06	303.39
Total (A- B)	**(97.19)**	(27.77)
27 Employee benefits expense		
Salaries and wages	**398.50**	348.65
Expenses related to post-employment benefit plan (refer note 17)	**4.37**	3.93
Contribution to provident and other funds (refer note below)	**20.66**	19.94
Staff welfare expenses	**35.79**	40.48
	459.32	413.00

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.

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

	Year ended March 31, 2019	Year ended March 31, 2018
28 Finance costs		
Interest expense on financial liabilities measured at amortised cost	**41.48**	26.75
Exchange differences regarded as an adjustment to borrowing cost	**7.94**	14.04
Other borrowing costs	**0.06**	0.04
Less: Borrowing costs capitalised	**(3.47)**	(3.38)
	46.01	37.45
29 Depreciation and amortisation expense		
Depreciation on property, plant and equipment	**128.08**	111.75
Depreciation on investment property	**0.33**	0.32
Amortization on intangible assets	**0.36**	0.25
	128.77	112.33
30 Other expenses		
Consumption of stores, tools and spares	**465.91**	414.45
Power and fuel	**183.25**	160.94
Rent	**3.78**	3.46
Rates and taxes	**4.12**	4.50
Repairs and maintenance		
- Building	**30.79**	27.66
- Plant and equipment	**52.14**	41.93
- Other assets	**11.48**	8.76
Sub-contract expenses	**411.28**	349.94
Auditor's remuneration (refer note below)	**1.14**	1.04
Net foreign exchange loss	**0.08**	0.30
Research and development expenditure (refer note 32)	**13.57**	13.45
Expenditure on corporate social responsibility (refer note 33)	**8.30**	5.82
Freight and cartage outward	**106.26**	108.38
Loss on sale of property, plant and equipment	**1.18**	0.93
Finance guarantee expenses	**-**	0.86
Miscellaneous expenses	**148.04**	126.75
	1,441.32	1,269.17
Note:		
Auditor's remuneration*		
As auditor	**0.91**	0.81
Taxation matters	**0.05**	0.09
Other services	**0.11**	0.05
Reimbursement of expenses	**0.08**	0.09
	1.14	1.04

* Comprise of payments made to auditors of subsidiaries and payments partly for the year ended March 31, 2018 to the predecessor auditors.

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

		Year ended March 31, 2019	Year ended March 31, 2018
31 Earnings per equity share (EPS)			
Net profit attributable to owners of the parent	(A)	**457.49**	386.57
Weighted average number of equity shares outstanding as at reporting date	(B)	**210,128,370**	210,128,370
Basic earnings per share (in `)	**(A/B)**	**21.77**	18.40
Diluted EPS			

The Group does not have any potential equity shares. Accordingly, basic and diluted EPS would remain the same.

	Year ended March 31, 2019	Year ended March 31, 2018
32 Details of research and development expenditure		
i) Capital expenditure	**1.21**	0.94
ii) Revenue expenditure		
a) Raw material and components consumed	**0.95**	0.63
b) Salaries, wages, bonus and allowances	**8.71**	8.06
c) Staff and labour welfare expenses	**0.08**	0.03
d) Consumption of stores, tools and spares	**2.39**	2.98
e) Repairs and maintenance		
– Building	**0.12**	0.04
– Plant and equipment	**0.39**	0.16
– Others	**0.01**	0.00*
f) Sub-contract expenses	**0.00***	0.89
g) Freight and cartage outward	**0.00***	0.01
h) Miscellaneous expenses	**0.92**	0.65
	13.57	13.45
Total research and development expenditures [(i) +(ii)]	**14.78**	14.39

* Amount less than ` 0.01.

Note : The research and development expenditure are incurred towards projects approved by DSIR (Department of Scientific and Industrial Research)

		Year ended March 31, 2019	Year ended March 31, 2018
33 Expenditure on corporate social responsibility*			
a) Amount required to be spent by the Group during the year		**8.28**	5.81
b) Amount spent during the year:			
i) Construction / acquisition of any asset	(A)	**-**	-
ii) On purposes other than (i) above			
a) Education		**4.89**	3.70
b) Healthcare		**2.06**	1.63
c) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art		**1.00**	0.49
d) Others		**0.35**	-
	(B)	**8.30**	5.82
	(A) + (B)	**8.30**	5.82

* The above aggregated CSR expenditure disclosed are relating to holding company and TVS Upasana Limited.

(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	March 31, 2019				March 31, 2018			
		FVTPL	FVOCI	Amortised cost	Total	FVTPL	FVOCI	Amortised cost	Total
Financial assets									
Investments	7	12.67	55.57	-	68.24	11.59	58.52	-	70.11
Loans	8	-	-	4.92	4.92	-	-	3.19	3.19
Security deposits	9	-	-	27.27	27.27	-	-	24.40	24.40
Advances recoverable	9	-	-	-	-	-	-	5.33	5.33
Interest receivable	9	-	-	0.66	0.66	-	-	0.48	0.48
Other financial assets	9	-	-	4.53	4.53	-	-	3.98	3.98
Trade receivables	13	-	-	886.89	886.89	-	-	793.61	793.61
Cash and cash equivalents	14	-	-	20.07	20.07	-	-	30.65	30.65
Bank balance other than those mentioned in cash and cash equivalents	14	-	-	4.76	4.76	-	-	4.51	4.51
Total financial assets		12.67	55.57	949.10	1,017.34	11.59	58.52	866.15	936.26
Financial liabilities									
Borrowings	16	-	-	978.68	978.68	-	-	600.82	600.82
Trade payables	20	-	-	488.38	488.38	-	-	450.75	450.75
Derivative financial liabilities	21	-	-	-	-	9.51	-	-	9.51
Current maturities of term loans from banks	21	-	-	16.45	16.45	-	-	99.20	99.20
Interest accrued but not due on borrowings	21	-	-	4.65	4.65	-	-	2.01	2.01
Liability towards supplier bills discounted	21	-	-	18.81	18.81	-	-	17.06	17.06
Unclaimed dividend	21	-	-	3.69	3.69	-	-	3.10	3.10
Employee benefits payable	21	-	-	49.65	49.65	-	-	33.68	33.68
Other payables	21	-	-	59.82	59.82	-	-	43.80	43.80
Total financial liabilities		-	-	1,620.13	1,620.13	9.51	-	1,250.42	1,259.93

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

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

34 Financial instruments - fair values and risk management (Contd.)

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 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, 2019				March 31, 2018			
		Carrying amount	Fair Value			Carrying amount	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets									
Investments	7	**68.24**	**18.56**	**-**	**49.68**	70.11	18.51	-	51.60
Loans #	8	**4.92**	**-**	**-**	**-**	3.19	-	-	-
Security deposits #	9	**27.27**	**-**	**-**	**-**	24.40	-	-	-
Advances recoverable #	9	**-**	**-**	**-**	**-**	5.33	-	-	-
Interest receivable #	9	**0.66**	**-**	**-**	**-**	0.48	-	-	-
Other financial assets	9	**4.53**	**-**	**-**	**-**	3.98	-	-	-
Trade receivables #	13	**886.89**	**-**	**-**	**-**	793.61	-	-	-
Cash and cash equivalents #	14	**20.07**	**-**	**-**	**-**	30.65	-	-	-
Bank balance other than those mentioned in cash and cash equivalents #	14	**4.76**	**-**	**-**	**-**	4.51	-	-	-
Total financial assets		**1,017.34**	**18.56**	**-**	**49.68**	936.26	18.51	-	51.60
Financial liabilities									
Borrowings	16	**978.68**	**-**	**-**	**-**	600.82	-	-	-
Trade payables #	20	**488.38**	**-**	**-**	**-**	450.75	-	-	-
Derivative liabilities	21	**-**	**-**	**-**	**-**	9.51	-	9.51	-
Current maturities of term loans from banks	21	**16.45**	**-**	**-**	**-**	99.20	-	-	-
Interest accrued but not due on borrowings #	21	**4.65**	**-**	**-**	**-**	2.01	-	-	-
Liability towards supplier bills discounted #	21	**18.81**	**-**	**-**	**-**	17.06	-	-	-
Unclaimed dividend #	21	**3.69**	**-**	**-**	**-**	3.10	-	-	-
Employee benefits payable #	21	**49.65**	**-**	**-**	**-**	33.68	-	-	
Other payables #	21	**59.82**	**-**	**-**		43.80	-	-	-
Total financial liabilities		**1,620.13**	**-**	**-**	**-**	1,259.93	-	9.51	-

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.

34 Financial instruments - fair values and risk management (Contd.)

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.

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

34 Financial instruments - fair values and risk management (Contd.)

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, 2019								
Financial assets	333.63	6.56	46.12	386.31	1.69	-	-	1.69
Financial liabilities	(15.77)	(1.33)	(21.31)	(38.41)	(207.41)	-	-	(207.41)
	317.86	**5.23**	**24.81**	**347.90**	**(205.72)**	**-**	**-**	**(205.72)**
March 31, 2018								
Financial assets	240.94	5.78	47.33	294.05	3.38	-	-	3.38
Financial liabilities	(124.40)	(1.33)	(14.46)	(140.19)	(97.70)	-	-	(97.70)
	116.54	4.45	32.87	153.86	(94.32)	-	-	(94.32)

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 Rs./USD exchange rate and Rs./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, 2019 (March 31, 2018: 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, 2019	Year ended March 31, 2018	**Year ended March 31, 2019**	Year ended March 31, 2018
Increase / (decrease) in profit and equity				
USD	**(5.61)**	(1.11)	**5.61**	1.11
GBP	**(0.26)**	(0.22)	**0.26**	0.22
EUR and others	**(1.24)**	(1.64)	**1.24**	1.64

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

34 Financial instruments - fair values and risk management (Contd.)

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, 2019		Year ended March 31, 2018	
	Less than 180 days	**More than 180 days**	Less than 180 days	More than 180 days
Forward exchange contracts maturing				
Net exposure	**-**	**-**	75.38	-
Average `/ USD forward contract rate	**-**	**-**	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, 2019, approximately 21% (March 31, 2018: 31%) 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 Loans	**473.82**	**207.75**	**681.57**
USD	**207.48**	**-**	**207.48**
GBP and others	**106.08**	**-**	**106.08**
As at March 31, 2019	**787.38**	**207.75**	**995.13**
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

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, 2019 and March 31, 2018. 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, 2019	As at March 31,2018
Increase	**+1%**	**7.87**	4.83
Decrease	**-1%**	**(7.87)**	(4.83)

The Company does not expect any change in interest rates on fixed rate borrowings and accordingly have not presented any sensitivities on such borrowings.

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

34 Financial instruments - fair values and risk management (Contd.)

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.

As at the reporting date, the exposure to listed equity securities at fair value was ` 18.56 (March 31, 2018: ` 18.51)

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 credit worthiness 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, 2019	As at March 31, 2018
Trade receivables	(i)	**886.89**	793.61
Investments	(ii)	**68.24**	70.11
Loans	(iii)	**4.92**	3.19
Cash and cash equivalents	(iv)	**20.07**	30.65
Bank balances other than mentioned in cash and cash equivalents	(iv)	**4.76**	4.51
Security deposits	(v)	**27.27**	24.40
Advances recoverable	(v)	**-**	5.33
Interest receivable	(v)	**0.66**	0.48
Other financial assets		**4.53**	3.98
Total		**1,017.34**	936.26

(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.

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

34 Financial instruments - fair values and risk management (Contd.)

The maximum exposure to credit risk for trade and other receivables are as follows:

	As at March 31, 2019	As at March 31, 2018
Not more than 180 days	**879.05**	784.21
More than 180 days	**12.70**	15.11
Sub-total	**891.75**	799.32
Less: Loss allowance in accordance with expected credit loss model	**(4.86)**	(5.71)
Total	**886.89**	793.61

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, 2019	As at March 31, 2018
Loans to employees	**2.92**	3.19
Net carrying amount	**2.92**	3.19

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.

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

34 Financial instruments - fair values and risk management (Contd.)

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, 2019	Carrying amount	Less than 180 days	More than 180 days
Borrowings (including current maturities)*	**995.13**	**389.50**	**605.63**
Trade payables	**488.38**	**486.82**	**1.56**
Interest accrued but not due on borrowings	**4.65**	**4.65**	**-**
Liability towards supplier bills discounted	**18.81**	**18.81**	**-**
Unclaimed dividend	**3.69**	**3.69**	**-**
Employee benefits payable	**49.65**	**35.75**	**13.90**
Other payables	**59.82**	**51.82**	**8.00**
Total	**1,620.13**	**991.04**	**629.09**

As at March 31, 2018	Carrying amount	Less than 180 days	More than 180 days
Borrowings (including current maturities)*	700.02	401.94	298.08
Derivative liabilities	9.51	9.51	-
Trade payables	450.75	450.43	0.32
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	33.68	33.68	-
Other payables	43.80	43.80	-
Total	1,259.93	961.53	298.40

* excluding contractual interest payment

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.

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

35 Contingencies and commitments

(to the extent not provided for)

a) Contingent liabilities	Year ended March 31, 2019	Year ended March 31, 2018
- Claims against the company not acknowledged as debt		
- Sales tax / entry tax - under appeal	**35.49**	37.96
- Excise duty / Customs duty / Service tax - under appeal	**15.44**	13.99
- Income-tax - under appeal	**3.16**	3.38
	54.09	55.33

(i) The Hon'ble Supreme Court in its ruling dated February 28, 2019 held that the allowances paid to employees are essentially a part of the basic wage, which are necessarily and ordinarily paid to all employees and are to be treated as wages for the purpose of ('PF') Provident Fund contribution, with fewer exception to the same. With respect to a demand of ` 1.63 pertaining to the period March 2011 to December 2013 raised earlier by PF authorities a provision has been made, however Writ Petition/Appeal has been filed by the Company challenging the same and pending before Madras High Court/Tribunal. Based on legal advice, considering that the PF authorities has not commenced any proceedings claiming contribution on allowances for prior or subsequent periods and considering interpretative challenges surrounding the retrospective application of the judgment and absence of reliable measurement of provisions relating to earlier periods, this matter has been disclosed by the Group as contingent liability.

(ii) 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.

	As at March 31, 2019	As at March 31, 2018
- Guarantees excluding financial guarantees for which impairment is not considered		
- On Letters of guarantee	**-**	0.50
- Other money for which the Group is contingently liable		
- On letters of credit	**5.36**	7.01
- 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	**183.35**	188.55

36 RELATED PARTY DISCLOSURES

Related Parties :

(I) Where Control exists:

(A) Ultimate holding Company

(1) TV Sundram Iyengar & Sons Private Limited, Madurai, 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*

(5) Mr R Dilip Kumar* and

(6) Mr Vinod Krishnan#

Non-executive directors

(1) Mr K Ramesh

(2) Mr S Mahalingam

(3) Mr Heramb R Hajarnavis

(4) Mr B Muthuraman

(5) Mr R Srinivasan

(6) Ms Preethi Krishna and

(7) Dr. Nirmala Lakhsman

(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

36 RELATED PARTY DISCLOSURES (Contd.)

(III) Subsidiaries / joint ventures / associates of ultimate holding company:

(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

(15) India Nippon Electricals Limited, Chennai, India and

(16) TVS Automobile solutions Private Limited, Madurai, India

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

36 RELATED PARTY DISCLOSURES (Contd.)

(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	-	-	-	1.28
	(0.01)	-	-	(1.08)
Sales				
Goods and materials	81.89	-	-	189.66
	(76.83)	-	-	(173.47)
Services				
Rendered	-	-	-	0.12
	-	-	-	-
Received	4.27	-	-	5.79
	(0.00)*	-	-	(3.94)
Finance				
Dividend received	-	-	-	0.01
	-	-	-	-
Dividend paid	25.06	0.06	0.04	24.57
	(25.06)	(0.06)	(0.04)	(24.57)
Others				
Leasing inward or outward/ hire purchase arrangements	-	0.93	0.07	0.22
	-	(1.13)	(0.06)	(0.01)
Management contracts, including deputation of employees and sitting fees	-	45.15	-	-
	-	(39.21)	-	-
Freight and cartage	-	-	-	0.06
	-	-	-	(0.06)
Outstanding balances				
Due to the company	9.02	-	-	37.10
	(10.46)	-	-	(41.76)
Due by the company	2.44	39.73	-	0.79
	(0.00)*	(34.00)	-	(0.59)

(Previous year figures are in brackets)

* Amount less than ` 0.01

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

36 RELATED PARTY DISCLOSURES (Contd.)

(V) Terms and conditions of transactions with related parties

- Transactions with related parties are at arm's length and all the outstanding balances are unsecured.

(VI) Particulars of loans, guarantees and investments under Section 186 of the Companies Act, 2013 during the financial year ended March 31, 2019

Name of the body corporate	Nature of relation-ship	Nature of transaction	Amount of transaction	Purpose for which the loan/ security/ acquisition/ guarantee utilised by recipient
Clarion Wind Farm Private Limited, Chennai	NA	Acquisition	0.55	Investment in equity shares for purchase of power under group captive basis
Watsun Infra Build Private Limited, Ahmedabad	NA	Acquisition	0.97	Investment in equity shares for purchase of power under group captive basis
MMS Steel and Power Private Limited, Chennai	NA	Acquisition	0.20	Investment in equity shares for purchase of power under group captive basis
Clean Switch India Private Limited, Hyderabad	NA	Acquisition	0.13	Investment in equity shares for purchase of power under group captive basis
Nagai Power Private Limited, Hyderabad	NA	Acquisition	0.21	Investment in equity shares for purchase of power under group captive basis
Beta Wind Farm Private Limited, Chennai	NA	Acquisition	0.03	Investment in equity shares for purchase of power under group captive basis
Gamma Green Power Private Limited, Chennai	NA	Acquisition	0.49	Investment in equity shares for purchase of power under group captive basis
Sundaram Money Fund Scheme of Sundaram Asset Management Company Limited, Chennai	NA	Investment in Mutual Funds	124.00	Treasury investments

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

37 a) GROUP INFORMATION

Information about subsidiaries

The Group's subsidiaries as at March 31, 2019 and March 31, 2018 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, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
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	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	**67.65%**	66.31%	**32.35%**	33.69%
TVS Infotech Inc. USA	Software services	United States of America	**67.65%**	66.31%	**32.35%**	33.69%
TVS Next Private Limited, Chennai*	Software services	India	**67.65%**	59.68%	**32.35%**	40.32%

* TVS Next Private Limited merged with TVS Infotech Limited based on a National Company Law Tribunal order dated April 30, 2019 with the appointed date of April 01, 2018.

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

37 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 i.e. total assets minus total 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 total comprehensive income	Amount*
	Parent Company								
1	Sundram Fasteners Limited								
	Balance as at March, 31 2019	101.56%	1,907.08	95.24%	437.12	(5.39%)	(0.17)	94.55%	436.95
	Balance as at March 31, 2018	103.28%	1,589.00	94.67%	367.47	98.06%	25.40	94.88%	392.87
	Indian subsidiaries								
2	Sundram Fasteners Investments Limited, Chennai								
	Balance as at March, 31 2019	0.35%	6.50	(0.00%)	(0.00)	(5.61%)	(0.18)	(0.04%)	(0.18)
	Balance as at March 31, 2018	0.43%	6.67	(0.00%)	(0.00)	0.73%	0.19	0.04%	0.19
3	TVS Upasana Limited, Chennai								
	Balance as at March, 31 2019	3.94%	74.01	3.50%	16.05	(1.07%)	(0.03)	3.47%	16.02
	Balance as at March 31, 2018	4.16%	64.04	4.49%	17.45	(0.10%)	(0.02)	4.21%	17.42
4	Sundram Non-Conventional Energy Systems Limited, Chennai								
	Balance as at March, 31 2019	0.20%	3.73	0.35%	1.63	-	-	0.35%	1.63
	Balance as at March 31, 2018	0.25%	3.91	0.54%	2.09	-	-	0.50%	2.09
5	Sundram Precision Components Limited, Chennai								
	Balance as at March, 31 2019	0.64%	11.98	0.33%	1.52	(0.01%)	(0.00)	0.33%	1.52
	Balance as at March 31, 2018	0.87%	13.42	0.50%	1.94	(0.01%)	(0.00)	0.47%	1.94
6	TVS Infotech Limited, Chennai (TVSI)								
	Balance as at March, 31 2019	0.86%	16.13	0.17%	0.77	(2.11%)	(0.07)	0.17%	0.70
	Balance as at March 31, 2018	0.88%	13.53	0.04%	0.15	0.27%	0.07	0.07%	0.23
7	TVS Next Private Limited, Chennai (TNPL)								
	Balance as at March, 31 2019	0.09%	1.73	0.18%	0.83	6.22%	0.20	0.22%	1.03
	Balance as at March 31, 2018	0.05%	0.70	0.18%	0.71	(0.23%)	(0.06)	0.16%	0.65
	Foreign subsidiaries								
8	Sundram Fasteners (Zhejiang) Limited, China								
	Balance as at March, 31 2019	10.70%	200.87	3.93%	18.04	(15.57%)	(0.49)	3.80%	17.55
	Balance as at March 31, 2018	11.63%	178.93	3.43%	13.31	1.70%	0.44	3.32%	13.75
9	Cramlington Precision Forge Limited, United Kingdom								
	Balance as at March, 31 2019	0.66%	12.42	(1.52%)	(7.00)	8.72%	0.28	(1.45%)	(6.72)
	Balance as at March 31, 2018	1.21%	18.67	(1.18%)	(4.59)	(0.33%)	(0.08)	(1.13%)	(4.67)
10	Sundram International Inc., USA								
	Balance as at March, 31 2019	(0.00%)	(0.06)	(0.00%)	(0.00)	0.00%	0.00	(0.00%)	(0.00)
	Balance as at March 31, 2018	(0.00%)	(0.05)	(0.00%)	(0.01)	(0.00%)	(0.00)	(0.00%)	(0.01)
11	TVS Infotech Inc., USA (TVSI Inc)								
	Balance as at March, 31 2019	0.17%	3.23	0.14%	0.62	(0.54%)	(0.02)	0.13%	0.60
	Balance as at March 31, 2018	0.16%	2.47	0.22%	0.84	0.01%	0.00	0.20%	0.84
12	Sundram International Limited, UK (SIL)								
	Balance as at March, 31 2019	12.33%	231.48	(0.07%)	(0.34)	0.80%	0.03	(0.07%)	(0.31)
	Balance as at March 31, 2018	14.61%	224.82	(0.19%)	(0.72)	(0.16%)	(0.04)	(0.18%)	(0.76)
13	**Non-controlling interests in all subsidiaries**								
	Balance as at March, 31 2019	0.41%	7.77	0.32%	1.48	1.16%	0.04	0.33%	1.52
	Balance as at March 31, 2018	0.49%	7.51	0.41%	1.60	0.00%	0.00	0.39%	1.60
14	**Sub total**								
	Balance as at March, 31 2019	131.91%	2,476.87	102.56%	470.72	(13.07%)	(0.41)	101.77%	470.31
	Balance as at March 31, 2018	138.02%	2,123.62	103.11%	400.24	100.00%	25.90	102.91%	426.14
15	**Less: Effect of inter company adjustments / eliminations**								
	Balance as at March, 31 2019	31.91%	599.13	2.56%	11.75	(113.07%)	(3.57)	1.77%	8.18
	Balance as at March 31, 2018	38.02%	585.03	3.11%	12.07	0.00%	0.00	2.92%	12.07
16	**Total**								
	Balance as at March, 31 2019	100.00%	1,877.74	100.00%	458.97	100.00%	3.16	100.00%	462.13
	Balance as at March 31, 2018	100.00%	1,538.61	100.00%	388.17	100.00%	25.90	100.00%	414.07

* Amount less than ` 0.01.

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

38 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 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, 2019	Year ended March 31, 2018
a) Future minimum lease payments		
Not later than 1 year	**1.65**	3.13
Later than one year and not later than five years	**5.18**	5.81
More than five years	**2.89**	3.89
	9.72	12.83

b) Operating lease payment recognised in the statement of profit and loss amounting to ` 7.73 (March 31, 2018 ` 6.92).

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.

39 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company has declared interim dividend in its meeting held on May 9, 2019 as disclosed under note 15B(i).

40 PRIOR YEAR COMPARATIVES

Previous year figures have been reclassified wherever necessary to conform to current years' classification / presentation.

The notes from 1 to 40 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
Firm's registration number: 101248W/W-100022

S SETHURAMAN
Partner
Membership No.: 203491

Place : Chennai
Date : May 9, 2019

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

SURESH KRISHNA
Chairman
(DIN: 00046919)

ARATHI KRISHNA
Managing Director
(DIN: 00517456)

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)

Form - AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part 'A' - Subsidiaries

(` In crores)

S. No.	Particulars	Domestic Subsidiaries						Foreign Subsidiaries				
1	Name of the Subsidiary	TVS Upasana Limited	Sundram Precision Components Limited	Sundram Non-Conventional Energy Systems Limited	Sundram Fasteners Investments Limited	TVS Infotech Limited	TVS Next Private Limited	Cramlington Precision Forge Limited	TVS Infotech Inc.	Sundram Fasteners (Zhejiang) Limited	Sundram International Inc	Sundram International Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019	01/01/2018 to 31/12/2018	01/04/2018 to 31/03/2019	01/01/2018 to 31/12/2018	01/04/2018 to 31/03/2019	01/01/2018 to 31/12/2018
3	Reporting currency	INR	INR	INR	INR	INR	INR	GBP	USD	RMB	USD	GBP
	Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Refer Note 3 below										
4	Share capital	11.90	7.00	0.50	2.49	29.66	0.01	12.45	2.55	155.62	1.26	0.03
5	Reserves & surplus	62.11	4.98	3.23	4.01	(13.53)	1.72	(0.03)	0.68	45.25	(1.32)	231.45
6	Total assets	209.17	19.29	4.17	6.50	18.71	10.42	53.86	6.83	313.54	0.01	292.60
7	Total Liabilities	135.15	7.31	0.44	0.00*	2.58	8.69	41.45	3.60	112.66	0.07	61.12
8	Investments	3.12	0.11	-	3.87	8.14	-	-	-	-	-	286.99
9	Turnover	169.82	25.89	2.67	0.01	6.22	21.62	119.37	18.36	258.02	-	-
10	Profit / (Loss) before taxation	21.47	2.12	2.21	(0.00)*	0.80	0.99	(8.24)	0.65	23.01	(0.00)*	(0.34)
11	Provision for taxation	5.43	0.60	0.59	-	0.03	0.16	(1.24)	0.03	4.98	-	-
12	Profit / (Loss) after taxation	16.05	1.52	1.63	(0.00)*	0.77	0.83	(7.00)	0.62	18.04	(0.00)*	(0.34)
13	Proposed dividend	-	-	-	-	-	-	-	-	-	-	-
14	% of shareholding	100.00%	100.00%	52.94%	100.00%	67.65%	67.65%	100.00%	67.65%	100.00%	100.00%	100.00%

* Amount less than ` 0.01

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	USD	GBP	RMB
Closing Rate	69.16	88.91	10.15

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.

ARUNDATHI KRISHNA
Joint Managing Director
(DIN: 00270935)

ARATHI KRISHNA
Managing Director
(DIN: 00517456)

SURESH KRISHNA
Chairman
(DIN: 00046919)

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, 2019

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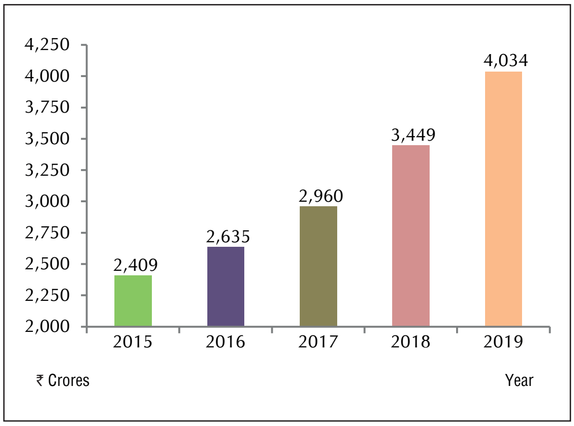
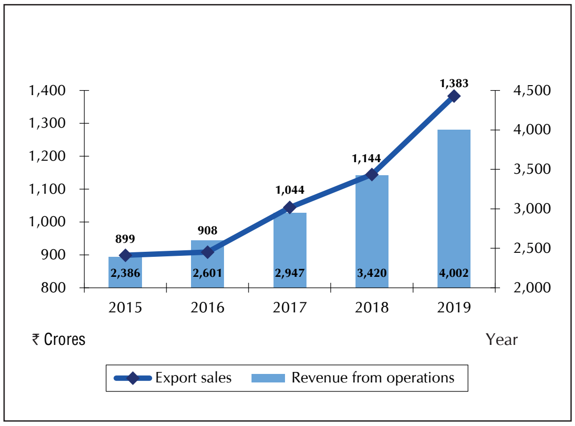
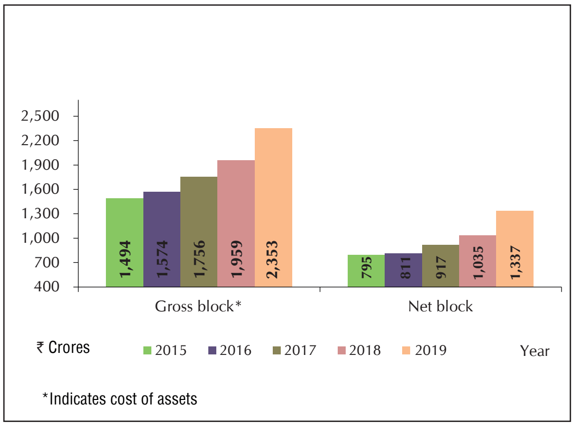
Total revenue*



Export sales and revenue from operations*

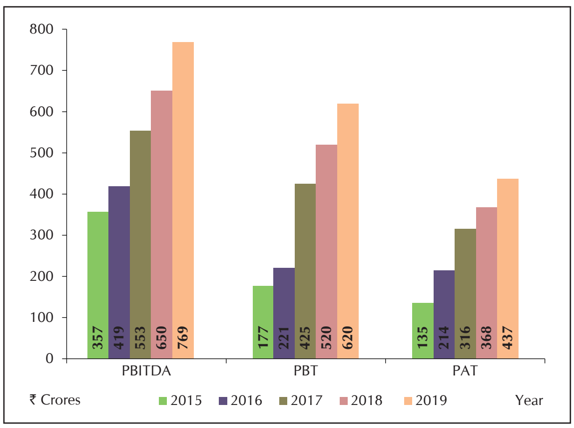


Gross and net block of property, plant and equipment

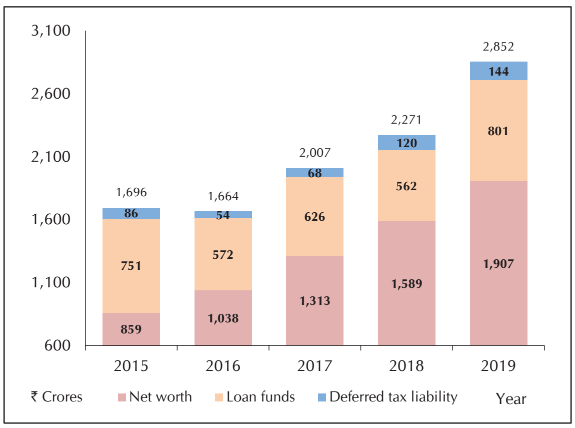


Capital expenditure

Profits



Funds employed



*Revenue from operations and Total revenue are net of excise duty
Financials from the years 2016 are as per Ind AS