Sundram Fasteners Limited

ANNUAL REPORT

for the year ended
March 31, 2023

BOARD OF DIRECTORS

Sri SURESH KRISHNA
Chairman and Non-Executive Director

Ms ARATHI KRISHNA
Managing Director

Ms ARUNDATHI KRISHNA
Joint Managing Director

Ms PREETHI KRISHNA
Non-Executive Non-Independent Director

Independent Directors
Sri B MUTHURAMAN

Sri HERAMB R HAJARNAVIS

Sri S MAHALINGAM

Dr NIRMALA LAKSHMAN

CHIEF FINANCIAL OFFICER

Sri S Meenakshisundaram (Upto June 30, 2022)
Sri R Dilip Kumar (Effective July 1, 2022)

COMPANY SECRETARY

Sri R Dilip Kumar (Upto June 30, 2022)
Sri G Anand Babu (Effective July 1, 2022)

REGISTERED OFFICE

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

CORPORATE IDENTITY NUMBER

L35999TN1962PLC004943

FACTORIES *(In India)*

Tamil Nadu: Padi, Hosur, Aviyur, Mittamandagapet,
Velappanchavadi, Gummidipoondi,
SEZ - Mahindra World City
Puducherry: Korkadu
Telangana: Bonthapally
Andhra Pradesh: SEZ - Sri City
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.

The Hongkong and Shanghai Banking Corporation Ltd.

STATUTORY AUDITORS

M/s B S R & CO. LLP
Chartered Accountants,
KRM Tower, 1st & 2nd Floors,
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
E-Mail : srirams@integratedindia.in

WEBSITE

www.sundram.com

REDRESSAL OF INVESTOR COMPLAINTS

E-mail: investorshelpdesk@sfl.co.in
Telephone: +91-44-28478500 Extn. 213

CONTENTS

FINANCIAL HIGHLIGHTS

₹ in crores

Particulars	2013-14*	2014-15*	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Operating results										
Revenue from operations #	2,022	2,386	2,601	2,947	3,420	3,990	3,125	3,065	4,173	**4,919**
Total revenue #	2,071	2,409	2,635	2,960	3,449	4,020	3,145	3,082	4,198	**4,949**
EBITDA	305	357	419	553	650	769	568	599	752	**798**
Interest	59	82	61	36	32	39	44	14	13	**25**
EBDT	246	275	358	517	618	730	524	585	739	**773**
Depreciation	76	88	92	90	98	110	137	147	153	**157**
EBIT	229	269	327	463	552	659	432	452	599	**641**
Profit before tax	160	177	221	425	520	620	376	438	556	**616**
Tax	39	42	7	109	152	184	62	110	149	**152**
Profit after tax	121	135	214	316	368	436	314”	328	407	**464**
Financial status										
Net fixed assets	803	810	865	967	1,066	1,431	1,658	1,669	1,658	**1,698**
Investments	123	117	309	320	359	350	310	337	323	**347**
Net current assets	592	769	490	720	846	1,072	848	898	1,144	**1,427**
Share capital	21	21	21	21	21	21	21	21	21	**21**
Reserves and surplus	755	838	1,017	1,292	1,568	1,887	1,996	2,312	2,524	**2,888**
Net worth	776	859	1,038	1,313	1,589	1,908	2,017	2,333	2,545	**2,909**
Loan funds	651	751	572	626	562	801	693	456	461	**436**
Deferred tax liability	91	86	54	68	120	144	107	115	118	**127**
Total capital employed	1,518	1,696	1,664	2,007	2,271	2,853	2,830	2,914	3,130	**3,480**
Performance parameters - %										
EBITDA to revenue from operations	15.1	15.0	16.1	18.8	19.1	19.3	18.2	19.5	18.0	**16.2**
EBIT to revenue from operations	11.3	11.3	12.6	15.7	16.3	16.5	13.8	14.7	14.4	**13.0**
PBT to revenue from operations	7.9	7.4	8.5	14.4	15.3	15.5	12.0	14.3	13.3	**12.5**
EBITDA / average capital employed [ROCE]	19.7	22.2	24.9	30.1	30.4	30.0	20.0	20.9	24.9	**24.1**
EBIT / average capital employed	14.8	16.7	19.5	25.2	25.8	25.7	15.2	15.7	19.8	**19.4**
PAT / average net worth	16.4	16.6	22.6	26.9	25.4	24.9	16.0	15.1	16.7	**17.0**
EPS - ₹	5.75	6.44	10.18	15.01	17.49	20.76	14.95	15.62	19.39	**22.10**
Dividend per share - ₹**	1.70	1.75	2.15	4.50	4.60	5.10	4.15	4.70	6.45	**8.63**
Dividend payout ratio	29.55	27.17	21.11	29.92	26.26	24.57	27.77	30.09	33.26	**39.05**
Book value per share - ₹	36.91	40.88	49.40	62.50	75.67	90.83	95.99	111.04	121.13	**134.60**
Market value per share - ₹	62.80	174.50	170.80	386.00	551.30	566.45	292.50	800.45	899.80	**978.00**

* Financials for these years are as per Accounting Standards

** Represents dividend declared for the relevant financial year

Revenue from operations and Total Revenue are net of excise duty

” Includes deferred tax favourable impact of ₹ 31.60 Crores

Notice of the 60th Annual General Meeting to the Members

NOTICE is hereby given that the **Sixtieth** Annual General Meeting of the Members of the Company will be held on **Thursday, June 29, 2023** at 10.00 a.m. IST (Indian Standard Time) through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') 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, 2023 along with the Reports of the Board of Directors and Auditor's thereon.

   "**RESOLVED THAT** the Audited financial statement including the consolidated financial statement for the year ended March 31, 2023 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 appoint Ms Arundathi Krishna (DIN: 00270935), who retires by rotation and being eligible offers herself for re-appointment as a Director of the Company.

   "**RESOLVED THAT** Ms Arundathi Krishna (DIN: 00270935), who retires by rotation and being eligible for re-appointment is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS

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

3. To ratify the remuneration payable to the Cost Auditor for the financial year ending March 31, 2024.

   "**RESOLVED THAT** the remuneration of ₹ 5,00,000/- (Rupees Five 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, 2024, 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 Rule 14 of the Companies (Audit and Auditors) Rules, 2014 is hereby ratified."

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

4. To approve the re-appointment of Dr Nirmala Lakshman (DIN: 00141632) as a Non-Executive Independent Director of the Company for the second consecutive term of 5 (five) years commencing from September 20, 2023 to September 19, 2028.

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160, 197 and 198 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification) Rules, 2014 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members be and is hereby accorded for the re-appointment of Dr Nirmala Lakshman (DIN: 00141632) as a Non-Executive Independent Director of the Company, to hold such office for her second consecutive term of 5 (five) years commencing from September 20, 2023 to September 19, 2028 and be paid remuneration by way of fee (for attending meetings of the Board or Committees thereof or for any other purpose whatsoever), commission and such other remuneration as may be payable, besides 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 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as determined by the Board, from time to time.

By Order of the Board

G ANAND BABU

Chennai — Manager - Finance &

May 4, 2023 — Company Secretary

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

Agenda No 3

Ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2024

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 March 31, 2024.

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 the financial years ended March 31, 2014 to March 31, 2023 for conducting the Cost Audit as mandated by the Act. Pursuant to the recommendation of the Audit Committee, the Board has considered and approved the re-appointment of Sri P Raju Iyer, Practising Cost Accountant, as the Cost Auditor for the financial year ending March 31, 2024 at a remuneration of ₹ 5,00,000/- (Rupees Five 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.

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

The Board recommends the resolution set forth in the notice (Agenda No 3) for approval by the members.

Agenda No 4

Approval of re-appointment of Dr Nirmala Lakshman (DIN 00141632) as a Non-Executive Independent Director of the Company for the second consecutive term of 5 (five) years commencing from September 20, 2023 to September 19, 2028

Dr Nirmala Lakshman (DIN: 00141632) is a Non-Executive Independent Director of the Company. She is also the Chairperson of Stakeholders' Relationship Committee and a member of the Corporate Social Responsibility Committee. She joined the Board of Sundram Fasteners Limited on September 20, 2018. Dr Nirmala Lakshman is a Ph.D. in Postmodern Literature from Stella Maris College, the University of Madras and has a Master's Degree in English from the United States. A writer and a senior journalist, she was the Joint Editor of 'The Hindu' for two decades. She is a seasoned commentator on a range of social, gender and development issues as well as on the arts, literature and culture. She is also the editor of an anthology of contemporary Indian journalism titled 'Writing a Nation' which was published in the year 2007. In various senior editorial roles at the Hindu for nearly three decades, Dr Nirmala Lakshman conceptualised and created several supplements for the paper, and has also edited the various feature sections of the newspaper. Dr Nirmala Lakshman is also on the Board of THG Publishing Private Limited.

She was appointed as a Non-Executive Independent Director for a consecutive term of five years from September 20, 2018 to September 19, 2023, not liable to retire by rotation and her appointment was approved by the shareholders through Postal Ballot on March 26, 2019.

Dr Nirmala Lakshman is proposed to be re-appointed as a Non-Executive Independent Director for the second term of five consecutive years, commencing from September 20, 2023 to September 19, 2028 on such remuneration by way of fees, commission and other remuneration, if any, as may be payable, reimbursement of expenses for participation in the meetings of the Board and / or committees as determined by the Board on recommendation by the Nomination and Remuneration Committee from time to time.

The Company has received a notice in writing from a member under the provision of Section 160 of the Companies Act, 2013, proposing the candidature of Dr Nirmala Lakshman 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 Dr Nirmala Lakshman, a declaration to the effect that she 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 she 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.

She has registered her name on the databank portal with the Indian Institute of Corporate Affairs (Institute) [www.iica.nic.in] pursuant to the Companies (Appointment and Qualification of Directors) Rules, 2014, which came into effect from December 1, 2019.

The proposed resolution seeks the approval of members by way of special resolution for her re-appointment as an Independent Director pursuant to Section 149(10) and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder and Regulation 25(2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. She will not be liable to retire by rotation.

Dr Nirmala Lakshman, the Independent Director proposed to be re-appointed, fulfils the conditions specified in the Act and the Rules made thereunder and she is independent of the management.

Dr Nirmala Lakshman has the skills and capabilities required for the role as an Independent Director, as have been identified by the Board of Directors of the Company, such as, experience in leading well-governed organizations, with an understanding of organizational systems and processes complex business and regulatory environment, strategic planning, financial management and risk management, understanding of emerging local and global trends and management of accountability and performance.

After evaluation of her performance, mix of skills, experience, competency and other attributes, the Nomination and Remuneration Committee and the Board were of the opinion that her continued association would be of immense benefit to the Company and have recommended her re-appointment for a second consecutive term.

In the opinion of the Board of Directors, Dr Nirmala Lakshman, the Independent Director proposed to be re-appointed, fulfils the conditions specified in the Act, the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and she is independent of the management.

A copy of the letter of re-appointment of Dr Nirmala Lakshman 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.

In view of the above said managerial experience and expertise of Dr Nirmala Lakshman, the Company proposes to avail her services as an Independent Director.

Except Dr Nirmala Lakshman, 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 proposal set forth in the Notice (Item No. 4) for consideration and approval of the members.

Besides sittings fees for meetings and re-imbursement of expenses, she will also be entitled to commission as may be fixed by the Board in accordance with the approval of the shareholders obtained on June 16, 2022.

Other details as required under Secretarial Standards on General Meetings (SS-2) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are furnished below, which forms part of this statement.

By Order of the Board

G ANAND BABU
Manager - Finance &
Company Secretary

Chennai
May 4, 2023

PARTICULARS OF DIRECTORS AS REQUIRED TO BE FURNISHED UNDER (SS-2) SECRETARIAL STANDARD ON GENERAL MEETINGS/ SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

AGENDA NO 2

<table>
<tr><td>Name</td><td>Ms. Arundathi Krishna</td></tr>
<tr><td>Age</td><td>49 years</td></tr>
<tr><td>DIN</td><td>00270935</td></tr>
<tr><td>Qualification</td><td>MA degree in Econometrics from University of Madras ranked 2nd in graduating class.
MBA from University of Michigan, USA.</td></tr>
<tr><td>Experience</td><td>Ms Arundathi Krishna was associated with America-On-Line Netscape, San Francisco, USA. She was with The Hindu & Business Line as a Freelance Journalist during the years 1994 to 1998. She was also associated with Pond’s (India) Limited, as a Brand Manager during the year 1996.
She joined Sundram Fasteners Limited (the Company) in 1997 as Manager - Business Strategy and Systems. She structured and developed Gear Shifter Assembly Project in the Company. She oversees the operations of TVS Upasana Limited and overseas subsidiaries of Sundram Fasteners Limited.
She was engaged in the implementation of Total Productive Maintenance (TPM) and Total Quality Management (TQM) practices. She was re-designated as Deputy Managing Director of the Company with effect from May 30, 2013 and was re-appointed as Managing Director (designated as Deputy Managing Director) for a period of five years from September 18, 2013. She was subsequently re-appointed for a period of five years with effect from September 18, 2018 and for a further period of five years effective September 18, 2023. She was re-designated as Joint Managing Director of the Company effective April 20, 2018.
She is a Whole-time Key Managerial Personnel under Section 203 of the Companies Act, 2013.</td></tr>
<tr><td>Date of first appointment on the Board</td><td>September 18, 2008</td></tr>
<tr><td>Shareholding in the Company</td><td>51,840 Equity Shares of ₹ 1/- each</td></tr>
<tr><td>Current remuneration (last drawn remuneration)</td><td>₹ 552.50 lakhs per annum . The Joint Managing Director does not draw sitting fee for attending the meetings of the Board and its Committees.</td></tr>
<tr><td>Relationship with other Directors, Manager and other Key Managerial Personnel of the Company</td><td>Daughter of Sri Suresh Krishna, Chairman and Non-Executive Director and sister of Ms Arathi Krishna, Managing Director and Ms Preethi Krishna, Non-Executive Non-Independent Director.</td></tr>
<tr><td>Number of meetings of the Board attended during the year</td><td>2 (Two) meetings attended during the financial year 2023-2024 out of 2 meetings held / conducted.</td></tr>
<tr><td>Other Directorships, Memberships / Chairmanship of Committees of other Boards</td><td><table>
<tr><th>Name of the Company</th><th>Directorship</th><th>Committee Membership</th></tr>
<tr><td>TVS Upasana Limited</td><td>Managing Director</td><td>-</td></tr>
<tr><td>Sunfast TVS Limited</td><td>Director</td><td>-</td></tr>
<tr><td>TVS Engineering Limited</td><td>Director</td><td>-</td></tr>
</table></td></tr>
<tr><td>Nature of expertise in specific functional area</td><td>General Management / Marketing / Sales / Project Management / Risk Management / Human Resources</td></tr>
</table>

AGENDA NO 4

<table>
<tr><td>Name</td><td>Dr Nirmala Lakshman</td></tr>
<tr><td>Age</td><td>69 years</td></tr>
<tr><td>DIN</td><td>00141632</td></tr>
<tr><td>Qualification</td><td>Ph.D. in Postmodern Literature from Stella Maris College, the University of Madras and a Master's Degree in English from the United States.</td></tr>
<tr><td>Experience</td><td>A writer, and a senior journalist, she was the Joint Editor of 'The Hindu' for two decades. She is a seasoned commentator on a range of social, gender and development issues as well as on the arts, literature and culture. She is also the editor of an anthology of contemporary Indian journalism titled 'Writing a Nation' which was published in the year 2007.
In various senior editorial roles at the Hindu for nearly three decades, Dr Nirmala Lakshman conceptualised and created several supplements for the paper, and has also edited the various feature sections of the newspaper.
Dr Nirmala Lakshman was a Press Fellow at the University Cambridge, UK and has also been a Fellow of the 21st Century Trust in the UK. She has also served as a Trustee on the board of various philanthropic trusts and organisations.</td></tr>
<tr><td>Current remuneration (last drawn remuneration)</td><td>Sitting fee is being paid at ₹ 50,000/- per Board Meeting and ₹ 20,000/- per Committee meeting. Payment of Commission amounting to ₹ 10.00 lakhs for the financial year 2022-2023.</td></tr>
<tr><td>Date of first appointment on the Board</td><td>September 20, 2018</td></tr>
<tr><td>Shareholding in the Company</td><td>Nil</td></tr>
<tr><td>Relationship with other Directors, Manager and other Key Managerial Personnel of the Company</td><td>Nil</td></tr>
<tr><td>Number of meetings of the Board attended during the year</td><td>2 (Two) meetings attended during the financial year 2023-2024 out of 2 meetings held/ conducted.</td></tr>
<tr><td>Other Directorships, Memberships / Chairmanship of Committees of other Boards</td><td><table><tr><td>Name of the Company</td><td>Directorship</td><td>Committee Membership</td></tr><tr><td>THG Publishing Private Limited</td><td>Whole-time Director</td><td>-</td></tr></table></td></tr>
<tr><td>Nature of expertise in specific functional area</td><td>Corporate Strategy / Finance / General Management / Human Resources / Risk Management</td></tr>
</table>

NOTES:

1. The Ministry of Corporate Affairs ("MCA") vide its circular dated December 28, 2022 read with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021 and May 5, 2022 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the **facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**

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 and 4 of the Notice is annexed hereto.

4. **Members desiring any information as regards financial statement are requested to write to the Company on or before June 23, 2023 (Friday) through e-mail at investorshelpdesk@sfl.co.in.** The same will be replied by the management suitably.

5. In the case of joint holders, the vote of the first holder who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders.

6. The Securities and Exchange Board of India vide its circular dated November 3, 2021 had mandated all holders of physical securities to furnish the PAN, Nomination details, contact details including postal address with PIN, mobile number, e-mail address, bank account details and specimen signature to the Company/ Registrar & Share Transfer Agents (RTA) of the Company in Forms ISR-1, ISR-2, SH-13 etc.

   Pursuant to the circulars dated November 3, 2021, January 25, 2022 read with March 16, 2023, the RTA has obtained documents / is in the process of obtaining the details of PAN, KYC details and nomination (wherever, the same is not available in the folio), while processing any service requests or complaint from the holder(s) / claimant(s). As indicated in the SEBI Circular dated March 16, 2023, the physical folios of those shareholders who have not submitted the above-mentioned documents / details on or after October 1, 2023 will be frozen by the RTA.

   The securities in the frozen folios shall be:-

   a. **eligible to lodge grievance or avail service request from the RTA only after furnishing the complete documents / details as aforesaid;**

   b. **eligible for any payment including dividend, interest or redemption payment only through electronic mode;**

   c. **referred by the RTA / listed company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and / or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.**

   The shareholders shall be eligible to lodge any grievance or avail service request and receive dividend from the Company only after furnishing the above said complete documents.

   In this regard, the members who have not yet submitted the above-mentioned documents are requested to furnish the above-mentioned details in Forms ISR-1, ISR-2, SH-13 etc., so that the Company / RTA shall revert the frozen folio to normal status upon receiving the above-mentioned documents. The forms are available on the Company's website www.sundram.com. Alternatively, the members may also dematerialize all the shares held by them.

7. Members who have not yet registered their e-mail addresses and mobile numbers are requested to update the said details in the records of the relevant depositories (National Securities Depository Limited / Central Depository Services (India) Limited) through their depository participants (Or) may contact the Registrar and Share Transfer Agent, Sri S Sriram, 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, E-mail: srirams@integratedindia.in for receiving any documents / communication from the Company.

8. 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.

9. Details of dividend declared by the Company from financial year 2015-2016 onwards are given below:

Financial Year	Pay-out	Date of Declaration	Date of completion of seven years period	Due date for transfer to IEPF
2015-2016	2nd Interim	09-03-2016	15-04-2023	15-05-2023
2016-2017	Interim	02-11-2016	03-12-2023	02-01-2024
2016-2017	Final	24-08-2017	27-09-2024	28-10-2024
2017-2018	1st Interim	02-11-2017	09-12-2024	08-01-2025
2017-2018	2nd Interim	09-05-2018	15-06-2025	15-07-2025
2018-2019	1st Interim	29-10-2018	05-12-2025	04-01-2026
2018-2019	2nd Interim	09-05-2019	15-06-2026	15-07-2026

Financial Year	Pay-out	Date of Declaration	Date of completion of seven years period	Due date for transfer to IEPF
2019-2020	1st Interim	04-11-2019	11-12-2026	10-01-2027
2019-2020	2nd Interim	26-02-2020	03-04-2027	03-05-2027
2020-2021	1st Interim	04-11-2020	11-12-2027	10-01-2028
2020-2021	2nd Interim	06-05-2021	12-06-2028	12-07-2028
2021-2022	Interim	10-02-2022	19-03-2029	18-04-2029
2022-2023	1st Interim	08-11-2022	15-12-2029	14-01-2030
2022-2023	2nd Interim	04-05-2023	10-06-2030	10-07-2030

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.

10. 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 duly transferred 38,249 equity shares during the financial year 2022-2023 to the IEPF Authority.

11. In compliance with the aforesaid MCA Circulars, the Notice of the AGM along with the Annual Report for the financial year 2022-2023 *inter-alia* indicating the process and manner of remote e-voting / e-voting during the meeting is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories.

12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the notice will be available for electronic inspection. Members seeking to inspect such documents electronically can send an e-mail to **investorshelpdesk@sfl.co.in.**

13. Members may note that the Notice of AGM and the Annual Report for the financial year 2022-2023 will also be available on the Company's website **www.sundram.com,** websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL https://www.evoting.nsdl.com. For any communication in this regard, including the requirement of physical copy of Annual Report, members may send their request letters to **investorshelpdesk@sfl.co.in / srirams@integratedindia.in.**

14. Corporate members are requested to provide a duly certified copy of the board resolution / power of attorney **on or before June 23, 2023 (Friday)** authorizing their representatives for the purpose of voting through remote e-voting or to participate and vote in the meeting through VC / OAVM.

15. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

16. The Members can join the AGM through VC/OAVM either 15 minutes prior to the commencement of the meeting (Or) within 15 minutes from the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through video conferencing will be made available for 1,000 members on first-come first-serve basis. This will not include large Shareholders (Shareholders holding more than 2% shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee and Auditors who are allowed to attend the AGM without restriction on account of first-come first-serve basis.

17. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

18. In compliance with the aforesaid MCA Circulars, the video recordings of the AGM will be made available on the website of the Company, **www.sundram.com.**

Voting through electronic means

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by MCA and SEBI, the Company is providing facility of remote e-voting / e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the Annual General Meeting will be provided by NSDL.

The instructions for members to cast their votes through remote e-voting are given hereunder:-

The remote e-voting period begins on Monday, June 26, 2023 at 09:00 A.M. IST and ends on Wednesday, June 28, 2023 at 5:00 P.M. IST. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. June 22, 2023 (Thursday), may cast their vote electronically. The voting right of shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date, being June 22, 2023 (Thursday).

How do I 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: Access to NSDL e-Voting system

A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. 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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	4. Shareholders/Members can also download NSDL Mobile App **“NSDL Speede”** facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL.	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing myeasi username & password. 2. After successful login, the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also a link provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers..
Individual Shareholders (holding securities in demat mode) login through their depository participants.	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note : Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

<u>How to Log-in to NSDL e-Voting website?</u>

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 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   *Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at **https://eservices.nsdl.com/** with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
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. Password details for shareholders other than Individual shareholders 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, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on **<u>"Forgot User Details/Password?"</u>** (If you are holding shares in your demat account with NSDL or CDSL) option available on <u>www.evoting.nsdl.com</u>.
   b) "**<u>Physical User Reset Password</u>**?" (If you are holding shares in physical mode) option available on <u>www.evoting.nsdl.com</u>.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at <u>evoting@nsdl.co.in</u> mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

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.

Step 2: Cast your vote electronically and join the Annual General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join the Annual General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to **skco.cs@gmail.com / sriram.krishnamurthy@rediffmail.com** with a copy marked to **evoting@nsdl.co.in**. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of **www.evoting.nsdl.com** or call on.: 022 - 4886 7000 / 022 - 2499 7000 or send a request to NSDL at **evoting@nsdl.co.in**.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case, shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **investorshelpdesk@sfl.co.in / srirams@integratedindia.in.**
2. In case, shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **investorshelpdesk@sfl.co.in / srirams@integratedindia.in**. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively, shareholder/members may send a request to **evoting@nsdl.co.in** for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

The instructions for members for e-Voting on the day of the AGM are as under:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-voting.

Instructions for members for attending the AGM through VC/OAVM are as under:

1. The members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access the same at **https://www.evoting.nsdl.com** under shareholders / members login by using the remote e-voting / e-voting credentials. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against Company's name. You are requested to click on VC/OAVM link placed under 'Join Meeting' menu. The link for VC/OAVM will be available in the Shareholder / Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. **System requirements:** Further, the members may ensure availability of a Camera to facilitate interface and use Internet Connection with good speed to avoid any disturbance during the meeting. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network and calls being received. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

4. Shareholders who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at **investorshelpdesk@sfl.co.in** from **June 20, 2023 (9:00 a.m. IST) to June 23, 2023 (5:00 p.m. IST).** Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Other information

i. 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, **June 22, 2023 (Thursday).** Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

ii. Any person who acquires the shares of the Company and becomes a member of the Company after dispatch of the notice of AGM and the Annual Report through electronic mode, and holding shares as of the cut-off date **June 22, 2023 (Thursday)** may obtain the login ID and password by sending a request to **evoting@nsdl.co.in** / **srirams@integratedindia.in**.

iii. 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 e-voting on the day of AGM.

iv. The Company has appointed Sri K Sriram, Practicing Company Secretary (CP No.2215) as Scrutiniser to scrutinize the e-voting and remote e-voting process in a fair and transparent manner.

v. The Scrutiniser shall, immediately after the conclusion of e-voting on the date of AGM first count the e-votes cast during the AGM, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutiniser shall within two working days of conclusion of the meeting submit his report of the total votes cast in favor or against, if any, to the Chairman / Managing Director / Joint Managing Director / Chief Financial Officer / Manager – Finance & Company Secretary of the Company.

vi. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting, i.e., **June 29, 2023.** 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

Chennai
May 4, 2023

G ANAND BABU
Manager - Finance & Company Secretary

REPORT OF THE BOARD OF DIRECTORS

The Directors are pleased to present the Sixtieth Annual Report together with the audited financial statement for the year ended March 31, 2023.

FINANCIAL HIGHLIGHTS (STANDALONE)	₹ in Crores	
	2022 - 2023	2021 - 2022
Revenue from Operations	**4,919.43**	4,172.57
Other Income	**29.98**	25.61
Total Revenue	**4,949.41**	4,198.18
Total Expenditure	**4,151.83**	3,446.00
Gross Profit before interest, depreciation and taxes	**797.58**	752.18
Less: Interest	**18.67**	6.22
Exchange Losses / (Gains)	**5.96**	7.17
Depreciation	**157.02**	152.83
Provision for impairment of investments in subsidiaries	**-**	30.00
Profit before Tax	**615.93**	555.96
Less: Provision for tax	**151.53**	148.50
Profit after Tax	**464.40**	407.46
Add: Balance brought forward	**207.59**	155.70
Balance available for appropriation	**671.99**	563.16
Appropriations		
Interim / Final Dividends	**117.12**	206.98
Transfer to Reserves	**175.00**	150.00
Transfer from other comprehensive income to reserves	**0.06**	(1.41)
Balance carried forward	**379.81**	207.59
	671.99	563.16

TRANSFER TO RESERVES

The Company has transferred ₹ 175.00 Crores to Reserves.

DIVIDEND

The Board had earlier during the year, declared an interim dividend of ₹ 3.57/- per share (357%) for the financial year 2022-2023 and a special dividend of ₹ 2.00 per share (200%) to commemorate the 60th year of incorporation of the Company absorbing a sum of ₹ 117.12 Crores and the same was paid to the shareholders on November 30, 2022. The Directors have decided to pay a second interim dividend of ₹ 3.06 per share (306%), which, together with the first interim dividend and a special dividend, declared and paid earlier, would amount to a total dividend of ₹ 8.63 per share (863%) for the financial year 2022-2023. No final dividend has been recommended by the Board of Directors.

The Dividend Distribution Policy, formulated in accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on the Company's website at :- http://sundram.com/pdf/corporate/DividendDistributionPolicy02022017.pdf

CONSOLIDATED FINANCIAL STATEMENT

In addition to the financial statement, 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 financial statement in respect of each of its subsidiary on its website, www.sundram.com. The Company shall provide a copy of audited 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 enclosed to this report. *Management Discussion and Analysis* detailing the state of the Company's affairs is also enclosed to this report (Please refer Page Nos. 36 to 41).

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility and Sustainability Report for the year ended March 31, 2023 is enclosed to this report (Please refer Page Nos. 42 to 72).

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Ms. Arundathi Krishna, Joint Managing Director (DIN: 00270935) 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 recommends her re-appointment as a Director of the Company. A brief resume of Ms. Arundathi Krishna and other relevant information have been furnished in the notice convening the AGM.

Sri Heramb R Hajarnavis, Director (DIN: 01680435) has been re-appointed as a Non-Executive Independent Director for the second term, from September 20, 2022 to September 19, 2027.

Sri S Mahalingam, Director (DIN: 00121727) has been re-appointed as a Non-Executive Independent Director for the second term, from January 30, 2023 to January 29, 2028.

Sri S Meenakshisundaram (DIN: 00513901) whose appointment as the Whole-Time Director was approved by the shareholders at the Annual General Meeting held on June 11, 2020, had retired from the office of Whole-Time Director with effect from the closing hours of April 22, 2022. He continued as the Chief Financial Officer of the Company upto the closing hours of June 30, 2022 to ensure smooth transition and retired from the services of the Company effective July 1, 2022. 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 Whole-Time Director and Chief Financial Officer.

Sri R Dilip Kumar, who held the position in the Company as Executive Vice President-Finance & Company Secretary was appointed as the Chief Financial Officer of the Company effective July 1, 2022.

Sri G Anand Babu was appointed as the Company Secretary and the Compliance Officer of the Company effective July 1, 2022.

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).

ANNUAL RETURN

In terms of the requirement of Section 92(3) read with Section 134(3) of the Companies Act, 2013, the annual return of the Company as on March 31, 2022 and the draft annual return of the Company as on March 31, 2023 is available on the Company's website, www.sundram.com.

BOARD MEETINGS

During the year, four meetings of the Board of Directors were held. The details of the meetings and the attendance are furnished in the Annual Report disclosures under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is enclosed to this Report (Please refer Page No 75).

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, 2023.

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.

DETAILS IN RESPECT OF FRAUD, IF ANY, REPORTED BY THE AUDITORS

M/s. B S R & Co. LLP, Chartered Accountants, Chennai, the Statutory Auditors of the Company have stated that during the course of their audit, there were no fraud by the Company or on the Company by its officers or employees noticed or reported in the Independent Auditors' Report which forms part of this Report. Hence, there was no requirement to report the same to the Audit Committee or Board of Directors of the Company.

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 Companies Act, 2013 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 No.77).

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 - I**.

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 Companies Act, 2013 is enclosed vide **Annexure - II** 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 Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is enclosed vide **Annexure - III.**

RISK MANAGEMENT

Brief description of terms of reference:-

i. To review and approve the risk management policy of the Company and to make amendments thereto from time to time.
ii. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
iii. To periodically review the risk management policy, by considering the changing industry dynamics and evolving complexity
iv. To identify methodology, processes and systems to monitor and evaluate risk.
v. To identify internal and external risks in particular including financial, operational, sectoral, department-wise risk, business sustainability particularly, Environmental, Social and Governance (ESG) related risks, information and cyber security risks. Cyber security risks cover ransomware, phishing, data leakage, hacking, insider threat etc.

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.

During the year, two meetings of the Risk Management Committee were held. The details of the meetings are furnished in the Report on Corporate Governance disclosures under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which forms part of this Report (Please refer Page No 79).

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY AND IMPLEMENTATION

The salient features of the Policy are to:

i. 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;

ii. drive measures and to provide solutions that will balance economic, social and environmental issues; and

iii. 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 and the Annual report on CSR activities for the Financial Year 2022-2023 is enclosed vide **Annexure – IV** forming part of this report.

The CSR Policy, including the annual action plan is available on the Company's website at www.sundram.com/investors.php.

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 Annual Report disclosures under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which forms part of this report.

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

The Company has 6 Domestic Subsidiaries and 5 Overseas Subsidiaries. The financial performance of the subsidiaries during the financial year 2022-2023 is summarised hereunder:-

Sundram Fasteners (Zhejiang) Limited, China (SFZL, China), Cramlington Precision Forge Limited, United Kingdom (CPFL, UK) and TVS Next Inc., USA are step-down overseas subsidiaries of the Company. The principal activity of SFZL, China is manufacture of fasteners and bearing housing and that of CPFL, UK is manufacture of precision forgings.

The total revenue of SFZL, China during the year under review was at ₹ 335.75 Crores as against ₹ 369.10 Crores in the previous year. The net profit was at ₹ 4.30 Crores as against ₹ 9.63 Crores in the previous year.

The total revenue of CPFL, UK during the year under review was at ₹ 176.55 Crores as against ₹ 156.18 Crores in the previous year. The net profit was at ₹ 3.69 Crores as against a net loss at ₹ (9.25) Crores in the previous year.

The total revenue of TVS Next Inc., USA, a step-down overseas subsidiary during the year under review was at ₹ 64.18 Crores as against ₹ 15.93 Crores in the previous year. The net profit was at ₹ 1.35 Crores as against ₹ 0.33 Crores 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 total revenue of TVS Upasana Limited during the year under review was at ₹ 181.39 Crores as against ₹ 165.67 Crores in the previous year. The net profit was at ₹ 12.05 Crores as against ₹ 5.75 Crores in the previousyear.

The total revenue of Sundram Non-Conventional Energy Systems Limited, a subsidiary during the year under review was at ₹ 3.94 Crores as against ₹ 3.20 Crores in the previous year. The net profit was at ₹ 3.59 Crores as against ₹ 2.00 Crores in the previous year.

The total revenue of Sundram Fasteners Investments Limited, a wholly-owned subsidiary during the year under review was at ₹ 0.24 Crores as against ₹ 0.36 Crores in the previous year. The net profit was at ₹ 0.27 Crores as against ₹ 0.30 Crores in the previous year.

TVS Next Limited (TVSN), a subsidiary engaged in the 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 total revenue of TVSN during the year under review was at ₹ 82.86 Crores as against ₹ 73.11 Crores in the previous year. The net profit was at ₹ 10.92 Crores as against ₹ 12.56 Crores in the previous year.

Sunfast TVS Limited (Sunfast), a *wholly-owned* subsidiary is engaged in the business of marketing of aerospace and defence components. The total revenue of Sunfast during the year under review was at ₹ 0.77 Crores as against ₹ 0.24 Crores in the previous year. The net profit was at ₹ 0.04 Crores as against a net loss of ₹ (0.01) Crores during the year.

TVS Engineering Limited (TEL), a *wholly-owned* subsidiary is engaged in the manufacture of non-auto, aerospace and defence components. The total revenue of TEL during the year under review was at ₹ 3.47 Crores as against ₹ Nil in the previous year. The net (loss) were at ₹ (0.70) Crores as against net (loss) at ₹ (0.99) Crores during the year under review.

The total revenue of Sundram International Inc., USA, a wholly-owned subsidiary during the year under review was at ₹ Nil as against ₹ Nil in the previous year. The net profit / (loss) was at ₹ Nil as against ₹ Nil in the previous year.

Sundram International Limited, United Kingdom, a wholly-owned overseas subsidiary, was established as an intermediate holding company that holds investments in two operating subsidiaries viz., in China and United Kingdom. The total revenue from Sundram International Limited during the year under review was at ₹ 0.21 Crores as against ₹ 32.04 Crores (earned by way of dividend) in the previous year. The net (loss) was at ₹ (27.20) Crores as against net profit of ₹ 31.20 Crores in the previous year.

The total revenue from all the subsidiaries of the Company in aggregate during the year under review was at ₹ 849.36 Crores resulting in an overall contribution of 14.88% of the consolidated revenue as against ₹ 815.83 Crores which resulted in an overall contribution of 16.51% of the consolidated revenue in the previous year.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statement of the Company's subsidiaries, Associates and Joint Ventures in detail in Form AOC-1 is enclosed to the financial statement of the Company in Page No 244.

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 2022-23.

AMALGAMATION OF SUNFAST TVS LIMITED AND TVS ENGINEERING LIMITED, WHOLLY-OWNED SUBSIDIARIES WITH SUNDRAM FASTENERS LIMITED (HOLDING COMPANY)

During the year, Sunfast TVS Limited and TVS Engineering Limited, wholly-owned subsidiaries of the Company have submitted a joint application with the Hon'ble National Company Law Tribunal, Chennai Bench seeking its approval for the amalgamation of Sunfast TVS Limited and TVS Engineering Limited with the Company. The application is pending for approval by Hon'ble National Company Law Tribunal, Chennai Bench.

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.

PROCEEDINGS PENDING, IF ANY, UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

The Company has *neither* filed an application during the year under review *nor* are any proceedings pending under the Insolvency and Bankruptcy Code, 2016 as at March 31, 2023.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

No such event has occurred during the year under review.

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 monitor the effectiveness of internal financial controls, ensuring adequacy with respect to financial statement 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 and the management comments on the internal audit observations every quarter 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.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The statement in terms of Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed vide **Annexure V** 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 of Managerial Personnel) 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, M/s. B S R & Co. LLP, Chartered Accountants, Chennai, (Registration No. 101248 W / W- 100022 with the Institute of Chartered Accountants of India), were appointed as Statutory Auditors of the Company at the Fifty Ninth Annual General Meeting (AGM) of the Company for the *second* term of five consecutive years commencing from the conclusion of the Fifty Ninth AGM (i.e., June 29, 2022). M/s. BSR & Co. LLP holds Peer Review Certificate No 014196 dated May 18, 2022 issued by the Institute of Chartered Accountants of India.

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 2022-2023. 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 vide **Annexure VI** 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 2023-2024. Necessary consent has been received from them to act as Secretarial Auditors. M/s. S. Krishnamurthy & Co, Company Secretaries holds Peer Review Certificate No. 739/2020 dated May 28, 2020, issued by the Institute of Company Secretaries of India, which is valid for a period of five years from the date of issue.

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 has appointed Sri P Raju Iyer, Practising Cost Accountant (Membership No.6987) as Cost Auditor for the financial year 2023-2024. 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 2022.

SECRETARIAL STANDARDS

The Company has complied with the mandatory applicable Secretarial Standards on Board Meetings and General Meetings (including Postal Ballots) issued by the Institute of Company Secretaries of India.

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 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

INDUSTRIAL RELATIONS

Industrial relations continued to remain congenial during the year under review. 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, Telangana, Andhra Pradesh and Uttarakhand, customers and vendors, employees for all the support provided by them from time to time.

On behalf of the Board

SURESH KRISHNA
Chairman
DIN: 00046919

May 4, 2023
Chennai

Annexure - I

Particulars of loans, guarantees and investments under Section 186 of the Companies Act, 2013 during the financial year ended March 31, 2023

₹ in crores

Name of the Body Corporate	Nature of relationship	Nature of transaction	Amount of transaction during the year	Purpose for which the loan / security / acquisition / guarantee utilized by the recipient
First Energy TN1 Private Limited	NA	Acquisition	1.91	Investment in Equity shares for purchase of power under group captive basis.
Sundaram Asset Management Co. Limited, Chennai, India:- Sundaram Overnight Direct Growth Fund Scheme	NA	Investments in Mutual Funds	1,332.50	Treasury Investments*
TVS Engineering Limited	Wholly-owned subsidiary	Loans	2.52	For working capital purposes

* It has been ensured that the outstanding investments of temporary surplus funds from time to time in the units of Mutual Fund has not exceeded the maximum limit of Rs 100 Crores fixed by the Board.

Annexure - II

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

   All contracts / arrangements / transactions with related parties were on arm's length basis and in the ordinary course of business.

2. Details of material contracts or arrangement or transactions at arm's length basis

   There was no material related party contract or arrangement or transaction during the year.

On behalf of the Board

SURESH KRISHNA
Chairman
DIN: 00046919

May 4, 2023
Chennai

Annexure - III

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

Conservation of Electrical Power:

The Company has taken specific initiatives towards conservation of electrical energy through usage of energy efficient equipment, substitution of electrical power for applications such as heating and usage of alternate / renewable energy.

The total renewable power consumption aggregates to 1,080.35 lakh units during the financial year 2022-2023 (1,086.80 lakhs units during the financial year 2021-2022) which represents 39.91% of total power consumption. The use of renewable power sources has resulted in reduction of emission of Green House Gases equivalent to 875.08 MT CO_2.

a. The Company also focused on energy savings at its manufacturing units through implementation of energy conservation initiatives / projects. The steps taken on conservation of energy are as follows:-

   1) Onsite Solar power generation capacity has been doubled from 2.69 MWp to 5.78 MWp with an additional capacity commissioned in Q4 of FY 2023. This has led to the annual generation increase from 35.54 Lakh kWh units to 40.85 Lakh kWh units. The full benefit of additional capacity will be realized in FY 2024.

   2) Hot water circulation in heat treatment furnaces is used to wash tanks which resulted in elimination of electrical heaters.

   3) Reduction in power consumption of tempering furnace process by eliminating the heat loss in hatch cooling jacket system.

   4) Reduction in transformer loss by switching off 1250 KVA 11 KV/433V Transformer and shared the loads through Bus Coupler, which is used to couple one bus to the other without any interruption in power supply.

   5) Power consumption of air compressors has been reduced by eliminating pneumatically operated grippers in machines.

   6) Power consumption in Sealed Quench Furnace (SQF) process has been reduced by elimination of Endo generator.

TECHNOLOGY ABSORPTION

(i)	The efforts made towards technology absorption	i. Adoption of technologies such as installation of double face grinding machines for a higher surface finished parts and dynamic balancing machines for a low Noise, Vibration and Harshness (NVH) power transmission parts. ii. Development of spline rolling and precision machining process for hybrid transmission parts.
(ii)	The benefits like product improvement, cost reduction, product development or import substitution;	The efforts made towards technology absorption has led to:- i. Development of high compressible water atomized powder for Variable Valve Timing (VVT) parts and sprocket Powder Metallurgy parts. ii. Development of new mixes for Powder Metallurgy part for automotive manufacturers as per customer requirements. iii. Development of high compressible water atomised diffusion bonded pre-alloyed steel powder for automotive applications. iv. Optimisation of process to reduce the manufacturing cost.
(iii)	Imported Technology	Not Applicable
	a) Details of technology imported	
	b) The year of import	
	c) Whether the technology has 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 : ₹ 0.11 crores Revenue Expenditure : ₹ 9.19 crores Total Research & Development Expenditure: (Net of revenue) ₹ 9.30 crores

FOREIGN EXCHANGE EARNINGS AND OUTGO

The total foreign exchange earned and used are as under:

Foreign exchange earned *(₹ in crores)*	₹ 1,419.14 *crores*
Foreign exchange used *(₹ in crores)*	₹ 378.11 *crores*

The Company continues to be a net foreign exchange earner.

Annexure - IV

ANNUAL REPORT ON CORPORATE SOCIAL REPSONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2022-2023

1. Brief Outline of the Company's CSR Policy

The Company has framed the CSR Policy pursuant to the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended by the Companies (CSR Policy) Amendment Rules, 2021.

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 value system the Company beholds. 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

Sundram Matriculation Higher Secondary School

The Company set up an English medium higher secondary co-educational school in Aviyur Village in Virudhunagar district of Tamil Nadu about 30 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 469 students including 227 girl students from 8 villages near Krishnapuram plant through Sundram Matriculation Higher Secondary School.

Primary education and higher education

In addition to deploying its 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. With a view to supporting the higher education of indigent students, through Sugun Thomas Foundation, the Company extended support to 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.

The Company also supported the Clarke School for the Deaf, a school that aims to educate, train and rehabilitate the hearing impaired, intellectually challenged, deaf-blind and differently abled children to help them avail all the privileges that are available to the able bodied.

Collaborating for positive impact

The Company supported multi-disciplinary research in the area of Environmental studies, Mathematics, Marketing and Operations management at Krea University's undergraduate 'School of Business and Science'.

The grant utilized by the faculty members have helped shape policies and drive impact through studies such as examining demographic, economic, and environmental relationships with Pulicat Lake to advise livelihood interventions for people around the landscape, advancements in the field of mathematics through research on computational aspects of pure mathematics and research on ring theory and aspects of the representation theory of non-commutative rings, Unique curriculum in Product and Brand Management course 'En-ROADS Climate Workshop' designed based on the simulator developed by Climate Interactive and MIT Management Sustainability Initiative, barriers and acceptance of screening for Breast and Cervical cancer in the State of Tamil Nadu.

Support to the underprivileged and marginalized sections of the society

Ensuring welfare of the children in need of care and protection, the Company has supported SOS Villages of India - Chatnath Homes, Chennai in meeting its basic requirements such as purchase of school van, bunker cot & mattress, water purifiers, sanitary napkin incinerator, construction and renovation of toilets, bathrooms, septic tank and children's play area etc.

Sundram Fasteners Centre for Social Action and Research was established in association with BALM to support their initiatives in addressing the quality deficits in human resources and services in the mental health sector for marginalized populations. Through education, the centre aims to tackle complex and chronic problems affecting people with mental health issues, with the goal of building solidarity across stakeholders to develop culturally resonant, social justice-oriented collaborative care models from the promotion, and prevention, to acute care and long term care. The centre focuses on training and capacity building of students choosing a career as a mental health professional and others such as community mobilisers, health care workers, policymakers etc. So far, the Centre has supported 464 students in masters' and diploma education in a practice based immersive curriculum. The Centre's success lies in student's applying the values they have learnt at the Centre in day-to-day practice, as changemakers in the sector.

Through research, the centre understands challenges and highlights levels of adherence and fidelity to internally developed protocols. The centre then translates findings from research and training to a wide range of social action and public policy initiatives that are sustained by students, volunteers, peer workers and faculty.

The Company has also supported the creation of a mental Health Resource hub that would be a repository of case studies from the Global South for care coordinators working in a range of mental health settings. This will include content creation through teaching and research, creating policies based on the findings etc.

Healthcare

In view of the widespread inadequacies and inequalities in the rural areas, 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) through its CSR arm, Krishna Educational Society thereby benefitting about 2,500 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.

Through Vaastu foundation, the Company provides primary medical care to people belonging to a poor community in eight villages in Nagapattinam district of Tamil Nadu. Through the East West Foundation, the Company provided eye, dental, and general health camps for 1000 persons of the Edaikazhinadu Town Panchayat in collaboration with nearby hospitals and pathology labs. With a focus on women's health, a fortnightly Gynaecologist visit to the Foundation Clinic has also been started.

The Company sponsored the treatment costs for women with breast cancer and children with cancer in collaboration with Cancer Hospital, Adyar, and the Ray of Light Foundation. The Company funded the treatment of needy children with congenital and rheumatic heart disease as well as children in need of emergency trauma care through CHIME foundation (MIOT Hospital). These women and children hail from poor socio-economic backgrounds and without financial aid, they would not have been able to access treatment.

Apart from this, the Company also sponsors a program designed by Mithra Trust to engage in conversations around mental health being accessible, available and inviting to those who may need it including the queer community and those who have faced gender-based violence.

Environment & Wildlife

The Company extended its commitment towards environment and preservation of environment through projects like water conservation in the Arignar Anna Zoological Park (AAZP) through the construction of a retaining wall for the channels to carry rain water to Otteri Lake that is situated inside the zoo and is the only water resource for the zoo.

The Company has been making a documentary to showcase the rich diversity of species and habitats that Tamil Nadu state holds and use this film as an opportunity to communicate key environmental issues of our times including examples where people continue to share space and co-exist with wildlife.

Community Development

The Company has helped restore Thenmelpakkam Village Lake in support of the community surrounding the factory premises by building a walkway to the pond, installing adequate inlets and outlets, and building earthen bunds to ensure good water retention. In order to prevent encroachments and other issues, a fence has been installed around the pond.

The Company has also funded the construction of a drainage system in Pudugumudipoondi area which is frequently inundated during rains.

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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. The 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”. Every year, 100% of the employees participate 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**

S. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	Ms Arathi Krishna Managing Director	Chairperson of the Committee	1	1
2	Ms Arundathi Krishna Joint Managing Director	Member of the Committee	1	1
3	Dr. Nirmala Lakshman Independent and Non-Executive Director	Member of the Committee	1	1

3. **The Web-Link**

The Company has framed a CSR Policy pursuant to the Companies Act, 2013. Our Corporate Social Responsibility Policy, composition of CSR Committee and the CSR projects approved by the Board can be accessed at http://www.sundram.com/investors.php

4. Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 if applicable: The impact assessment study is not required to be carried out by the Company during the financial year 2022-23. The impact assessment study shall be applicable for three projects completed in March 2023 and the said impact assessment study is proposed to be undertaken as per the provisions specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

5. a) Average Net Profit of the Company as per Section 135(5): ₹ **456.09 Crores**
   b) Two percent of average net profit of the Company as per Section 135 (5): ₹ **9.12 crores**
   c) Surplus arising out of the CSR projects/programmes of the previous financial year: **Nil**
   d) Amount required to be set off for the financial year, if any: **Nil**
   e) Total CSR obligation for the financial year (5b+5c-5d): ₹ **9.12 crores**

6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ **0.35 crores towards ‘ongoing projects’ and ₹ 8.77 crores towards ‘other than ongoing projects’.**
   b) Amount spent in Administrative Overheads: **Nil**
   c) Amount spent on Impact Assessment, if applicable: **Nil**
   d) Total amount spent for the Financial Year [6a+6b+6c]: ₹ **9.12 crores**

e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (₹ in crores)	Amount unspent (₹ in Crores)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 9.12	NIL				

(f) Excess amount for set off, if any

S No	Particulars	Amount (₹ in crores)
(i)	Two percent of average net profit of the Company as per Section 135(5)	₹ 9.12
(ii)	Total Amount spent for the Financial Year	₹ 9.12
(iii)	Excess amount spent for the Financial Year [(ii) – (i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial year, if any.	Nil
(v)	Amount available for set off in succeeding years [(iii) – (iv)]	Nil

7. Details of Unspent CSR amount for the preceding three financial years:

1	2	3	4	5	6		7	8
S No	Preceding Financial Year	Amount transferred to unspent CSR Account under Section 135(6) (₹ in Crores)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (₹ in Crores)	Amount Spent in the Financial Year (₹ in Crores)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any.		Amount remaining to be spent in succeeding financial years (₹ in Crores)	Deficiency, if any
					Amount (₹ in Crores)	Date of transfer		
1	2021-2022	₹ 0.70	₹ 0.35	₹ 0.35	Not Applicable		₹ 0.35	-

Note: The Company has entirely met the CSR Obligation for the financial year 2019-2020 and 2020-2021 and there was no unspent amount during the said financial years.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **Nil**

If yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
NIL							

9. Specify the reasons, if the company has failed to spend two per cent of the average net profit as per Section 135(5): **Nil**

Chennai
May 4, 2023

Nirmala Lakshman
Non-Executive Independent Director
Member of the CSR Committee

Arathi Krishna
Managing Director
Chairperson of the CSR Committee

Arundathi Krishna
Joint Managing Director
Member of the CSR Committee

Annexure V

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	69.44	9.18%
2	Ms Arathi Krishna	Managing Director	78.05	5.03%
3	Ms Arundathi Krishna	Joint Managing Director	91.12	19.66%
4	Ms Preethi Krishna*	Director	2.15	282.35%
5	Sri B Muthuraman*	Director	2.28	245.00%
6	Sri Heramb R. Hajarnavis*	Director	2.28	176.00%
7	Sri S Mahalingam*	Director	2.21	191.30%
8	Dr Nirmala Lakshman*	Director	2.11	430.77%
9	Sri S Meenakshisundaram**	Whole-Time Director and Chief Financial Officer	10.03	(49.90%)
10	Sri R Dilip Kumar***	Chief Financial Officer	14.80	20.96%
11	Sri G Anand Babu****	Manager - Finance & Company Secretary	2.99	17.59%

* Sitting fees were paid for attending the Board / Committee meetings / meeting of the Independent Directors during the financial year 2022-2023. Further, the remuneration to the Independent and Non-Executive Directors is inclusive of the commission for the financial year 2022-2023.

** Retired from the Board as Whole-time Director effective April 23, 2022 and from the office of Chief Financial Officer effective July 1, 2022.

*** Appointed as Chief Financial Officer effective July 1, 2022.

**** Appointed as Company Secretary effective July 1, 2022.

(ii) The percentage increase in the median remuneration of employees in the financial year: 9.41%

(iii) The number of permanent employees on the rolls of Company as on March 31, 2023: 2,957

(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. 2022-2023 was 14.15% whereas the increase in the managerial remuneration for the same financial year was 11.47%.

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

Annexure VI

Form No. MR-3

Secretarial Audit Report for the financial year ended March 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To the Members of
Sundram Fasteners Limited,
[*CIN:L35999TN1962PLC004943*]
98-A, VII Floor, Dr. Radhakrishnan Salai, Mylapore,
Chennai 600004

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **SUNDRAM FASTENERS LIMITED** *(hereinafter called "the Company")* **during the financial year from April 1, 2022 to March 31, 2023** (*"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 and scanned copies of some of them provided to us through electronic form for our verification, forms and returns filed, and compliance related action taken by the Company during the financial year as well as after March 31, 2023 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; and

(iv) **Representations** made, documents shown and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, **during the audit period covering the financial year ended on March 31, 2023** 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. <u>Compliance with specific statutory provisions</u>

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 March 31, 2023 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 as 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 listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) *(Agreements);* and

(vi) Secretarial Standards on General Meetings (SS-2) issued by The Institute of Company Secretaries of India to the extent applicable to the 59th Annual General Meeting and the 12th, 13th and the 14th Postal Ballot processes.

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

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

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

(iii) 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.

(iv) 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 Special Economic Zones); and

(b) Export Oriented Unit Scheme (for the units having Letters of Approval under the Scheme); and

(v) The Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) to the extent applicable to Board meetings. The Company has not adopted the Secretarial Standards on Dividend (SS-3) and the Secretarial Standards on Board's Report (SS-4) issued by the Institute of Company Secretaries of India, since they are not mandatory.

1.5. The Company **was not required to comply with** the following on account of the **non- occurrence of events** that necessitate such compliance, during the year:

(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, 2018*;*

(iv) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(vi) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

(vii) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021*.*

2. <u>Board processes:</u>

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. At the beginning of the year, the Company had nine directors out of whom four were independent directors and five were non-independent directors. The Company had time upto April 25, 2022 to appoint an Independent Director in the causal vacancy which arose on the resignation of an Independent Director with effect from January 28, 2022. In the meanwhile, consequent to the cessation of Sri. S Meenakshisundaram, a Non-Independent Director, with effect from the close of April 22, 2022, the Board's strength became eight directors, with 4 (four) Independent Directors and 4 (four) Non-independent directors, which was in accordance with the statutory requirement.

2.2 As on March 31, 2023 the Board has **Eight directors**, out of whom there are:

(i) Two Executive Directors;

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

(iii) Four Independent Directors.

2.3 As on March 31, 2023, the Board has **Four women directors** out of whom there are:

(i) Two Executive Directors;

(ii) One Non-Executive Non-Independent director; and

(iii) One 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) Sri. S Meenakshisundaram, Whole-time Director (Non-Independent) ceased to be a Director with effect after the close of office hours on April 22, 2022.

(ii) The casual vacancy arising on the resignation of an Independent Director on January 28, 2022 was not required to be filled up.

(iii) Re-appointment of Ms. Preethi Krishna, the Non-Independent Director who retired by rotation at the 59th Annual General Meeting held on June 29, 2022;

(iv) Approval of re-appointment of Sri. Heramb R Hajarnavis (DIN: 01680435), as a Non-Executive and Independent Director for a second term of five consecutive years from September 20, 2022 to September 19, 2027, by the members through 12th Postal Ballot on June 16, 2022, by way of a Special Resolution;

(v) Approval of re-appointment of Sri. S Mahalingam (DIN: 00121727), as a Non-Executive and Independent Director for a second term of five consecutive years from January 30, 2023 to January 29, 2028, including for his continuation on the Board even after attaining 75 years during such tenure, approved by the members through Postal Ballot on December 20, 2022, by way of a Special Resolution; and

(vi) Re-appointment and remuneration of Ms. Arundathi Krishna (DIN: 00270935), Joint Managing Director, for 5 (five) years from September 18, 2023, approved by the members through Postal Ballot on December 20, 2022.

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 7 (seven) days in advance.

2.7 Agenda and detailed notes on agenda were sent to the directors at least 7 (seven) days before the Board meetings with the exception of the following items, which were either circulated separately or at the Board meetings and consent of the Board for so circulating/ presenting them was duly obtained as required under SS-1:

(i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts/ results, unaudited financial results and connected papers; and

(ii) Additional subjects/ information/ presentations and supplementary notes.

2.8 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.

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.

4. Specific events/ actions We further report that:

4.1 Consequent to the approval of The National Company Law Tribunal, Chennai Bench, vide its order dated December 6, 2021, for the composite scheme of amalgamation and arrangement involving, besides other entities, T V Sundram Iyengar & Sons Private Limited ("TVSS"), Southern Roadways Private Limited ("SRPL") and TVS Sundram Fasteners Private Limited ("TPL"), under Sections 230 to 232 of the Act and the rules made thereunder and its subsidiary, TPL **have become the Promoters** in place of TVSS and SRPL **with effect from February 4, 2022**. The request received from TVSS and SRPL for re-classification of their status from 'Promoter' category to 'Public' category in terms of Regulation 31A of LODR was approved by the shareholders through the 13th Postal Ballot on September 6, 2022. The Company has filed applications requesting the re-classification, along with relevant documents, to NSE and BSE and their approval is awaited.

4.2 The Board of Directors at their Meeting held on November 8, 2022 had approved the amalgamation of two Wholly Owned Subsidiaries viz., Sunfast TVS Limited and TVS Engineering Limited with the Company effective from April 1, 2023 under Sections 230 to 232 of the Companies Act, 2013. Application has been filed with National Company Law Tribunal, Chennai Bench (NCLT).

4.3 The Hon'ble High Court of Judicature at Madras, vide its order dated February 15, 2023, has relieved the Chairman, Managing Director, Joint Managing Director and two erstwhile Key Managerial Personnel from their respective liabilities in terms of ten matters for which the Registrar of Companies , Southern Region, Ministry of Corporate Affairs, Chennai, had issued show cause notices during the financial year ended March 31, 2019 [based on an inspection conducted by the Office of the Regional Director in July 2017 pursuant to Section 207 of the Act], pursuant to the petitions filed by them under Section 463 of the Act.

For S Krishnamurthy & Co.,
Company Secretaries,
(Peer Review Certificate No 739/2020)

K Sriram,
Partner.
Membership No: F6312
Certificate of Practice No: 2215
UDIN: F006312E000255517

Date: May 4, 2023
Place: Chennai

Annexure – A to Secretarial Audit Report of even date

To the Members of
Sundram Fasteners Limited, [*CIN: L35999TN1962PLC004943*]
98-A, VII Floor, Dr. Radhakrishnan Salai, Mylapore,
Chennai 600004

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended March 31, 2023 is to be read along with this letter.

1. **Management's Responsibility:**

   The Company's management is responsible for maintenance of secretarial records, making the statutory/ regulatory disclosures/ filings and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards.

2. **Secretarial Auditors' Responsibility:**

   Our responsibility as a Secretarial Auditor is to express an opinion on the compliance with the applicable laws and maintenance of records based on our audit.

3. 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 and the audit was conducted in accordance with applicable auditing standards issued by The Institute of Company Secretaries of India. Those Standards require that the Auditor comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

4. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after March 31, 2023 but before the issue of this report.

5. We have considered compliance related actions taken by the Company based on independent legal / professional opinion obtained as being in compliance with law.

6. 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.

7. We have not verified the correctness and appropriateness of financial statements, financial records and books of accounts of the Company.

8. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.

9. 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.

10. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards.

For S Krishnamurthy & Co.,
Company Secretaries,
(Peer Review Certificate No 739/2020)

K Sriram,
Partner.
Membership No: F6312
Certificate of Practice No: 2215
UDIN: F006312E000255517

Date: May 4, 2023
Place: Chennai

Management Discussion and Analysis – Financial Year: 2022-2023

Industry structure and developments

The year 2022 was special for India as it marked the 75th year of Independence, a momentous milestone in its journey and became the fifth largest economy in the world. The economy has recovered from the pandemic induced contraction and staged a broad-based recovery across sectors, positioning itself to ascend to the pre-pandemic growth path in FY 2023. The Gross Tax Revenue registered a year-on-year growth driven by robust growth in the direct taxes and GST collections.

India's GDP is estimated to grow at 7% in FY 2023 and at 6% in FY 2024. Despite the global slowdown, India's economic growth rate is stronger than in many peer economies and reflects relatively strong domestic consumption and lesser dependence on global demand. The Government of India's strong infrastructure push under the Gati Shakti (National Master Plan for Multimodal Connectivity) initiative, logistics development, and industrial corridor development will contribute significantly to raising industrial competitiveness and boosting future growth.

In the automotive sector, the Indian Commercial Vehicle (CV) Industry is poised for a healthy growth and there will be adoption of alternate fuel usages also. The Medium & Heavy Commercial Vehicles (M&HCV) Industry is the backbone of Indian Economy and is undergoing technological upgradation through the implementation of Real-Time Driving Emission (RDE) Norms from April 2023. With strong push for road infrastructure, the demand for trailers / multi-axle vehicles will increase. The strong e-commerce industry moving to Tier 1 and Tier 2 cities will increase the demand for Light Commercial Vehicles (LCVs). The demand for buses also improved as schools and offices have started in full swing after Covid shutdowns.

The tractor sales in India crossed the 1 million mark in FY 2023. The main growth drivers were the increased minimum support price (MSP) that boosted the farm income and another year of above average monsoon. The Company's presence with almost all the players in the segment gave us a significant uptick and helped outperform the industry. The tractor market is price sensitive, especially in the lower Horsepower (HP) segment and hence implementation of Bharat Stage 5 (BS5) will be dependent on the response of the market. However, higher HP tractors will see its implementation. The emphasis on infrastructure development by Government will spur the demand for Off Highway Vehicles (OHV).

The Passenger Vehicles (PVs) market has revived but the shortages of electronic components including chips are still expected to continue this year as well. The sale of PVs clocked an all-time high sale in FY 2023. The growth was mainly led by the Sports Utility Vehicles (SUV) segment, which clocked over 2 million vehicles, and grew by over 33% over FY 2022. The SUV segment commands a market share of over 50% in the PV segment. Many of the OEM's have indicated that industry growth in FY 2024 will be around 6-8%, as the base is higher. The dealer stocks of entry level PVs have reached higher levels of 38 days and the market demand for these models is cooling off**.** All OEM's are hiking production of SUV's. As the Company's presence in SUV's segment is increasing with more new parts developed over the last two years for major OEM's, the Company stands to benefit from this change.

The switch over to Electric Vehicles (EVs) are happening in a slow and steady phase. The cost of entry level cars is increasing due to stringent emission and safety norms. This is triggering new launches in Utility Vehicles (UV) which will increase the demand for fasteners.

The two wheeler (2W) segment clocked 19.5 million vehicles in FY 2023. This is however lower than the 21 million vehicles clocked in FY 2019. The 2W segment has been hit badly over the past three years, and it is only in the current year it has made a moderate comeback. The 2W EV segment has grown significantly at 0.7 million vehicles in FY 2023, a growth of over 188% as compared to FY 2022. As many as 85,000 electric 2W's were sold in March 2023, and the projection for FY 2024, is over 100% growth. The Government is incentivizing EV adoption to achieve 30% by 2030. The charging infrastructure is seeing lots of investments to support with private and public sector companies' participation. After the announcement of vehicle scrappage policy, the Government has taken the lead to scrap all its vehicles beyond 15 years.

As exports are concerned, container availability has improved but with headwinds of inflation and Ukraine war, it is expected to be a challenge. The fall in exports to a few countries has been mainly due to unfavourable forex situation. A dip witnessed in exports is a concern, but an improvement is expected in the coming months. The Government's push to use rupee for trade will also aid recovery.

Indian Rupee ended above 75 levels against USD on March 31, 2022. The currency weakened significantly to end the year on March 31, 2023 above 82 levels due to continued impact of Russia-Ukraine conflict, macroeconomic uncertainties and increase in interest rates by US Federal Reserve from time to time in order to combat higher inflation rates resulting in dollar outflows from the equity and bond markets. Indian rupee is expected to remain under pressure in the first half of FY 2023-24 against the US dollar owing to the continued impact of inflation and high interest rates. The rupee is expected to stabilise in the second half of FY 2023-24 once US and other economies pause the interest rate hikes and the foreign investors start looking at emerging economies for their investment options.

Segment-wise or Product Wise Performance

The following table depicts the production trend of various segments in the automotive industry:

Category	Production		
Segment/Sub-segment	April-March		
	2022-23	2021-22	% Change
I. Passenger Vehicles (PVs)			
Passenger Cars	**21,84,844**	18,44,985	18.42
Sports Utility Vehicles (SUVs)	**22,53,272**	16,91,081	33.24
Vans	**1,40,523**	1,14,632	22.59
Total Passenger Vehicles (PVs)	**45,78,639**	**36,50,698**	**25.42**
II. Commercial Vehicles (CVs)			
M&HCVs			
Passenger Carrier	**43,807**	15,510	182.44
Goods Carrier	**3,35,452**	2,56,657	30.70
Total M & HCVs	**3,79,259**	**2,72,167**	**39.35**
LCVs			
Passenger Carrier	**45,011**	21,984	104.74
Goods Carrier	**6,11,356**	5,11,376	19.55
Total LCVs	**6,56,367**	**5,33,360**	**23.06**
Total Commercial Vehicles (CVs)	**10,35,626**	**8,05,527**	**28.57**
III. Three Wheelers			
Passenger Carrier	**7,23,524**	6,60,487	9.54
Goods Carrier	**1,00,221**	86,278	16.74
E-Rickshaw	**28,185**	10,622	165.34
E-Cart	**3,766**	1,282	193.76
Total Three Wheelers	**8,55,696**	**7,58,669**	**12.79**
IV. Two Wheelers			
Scooter	**56,01,501**	44,57,790	25.66
Motor Cycles	**1,34,21,208**	1,28,90,149	4.12
Mopeds	**4,36,300**	4,73,172	(7.79)
Total Two Wheelers	**1,94,59,009**	**1,78,21,111**	**9.19**
Grand Total of All Categories	**2,59,28,970**	**2,30,36,005**	**12.56**

Source: *Society of Indian Automobile Manufacturers*

Revenues

Domestic Sales:

Domestic sales of the Company increased by 22.95% from ₹ 2,631.22 Crores to ₹ 3,235.04 Crores. The increase in domestic sales is attributable to strong demand from domestic OEMs during the financial year 2023.

The frequent raw material price increases over the past few years affected the material flow both for the vehicle manufacturers and the component makers. In the aftermarket (Retail), the Company witnessed good surge in the order inflow for the industrial and the auto segment for most part of the year. The steel price has reduced globally while in India, it is stable. However, alloy elements' cost are increasing and hence alloy steel prices are increasing but at a lower pace than previous year (FY 2022).

Export Sales:

Despite the headwinds in global markets, Export sales has increased by 7.59% from ₹ 1,421.09 Crores to ₹ 1,528.95 Crores.

Operating Revenues:

The operating revenue of the Company was at ₹ 4,919.43 Crores (PY: ₹ 4,172.57 Crores).

Financial Performance:

Steel is one of the principal raw materials used by the company. The Company mitigates its major raw material price risks, namely steel, through price increase realised from customers and improvement in operational efficiency. The Company's contracts with major OEMs have pass through arrangement for passing on the increase in raw material costs.

The Company, through procuring from cost-effective alternative sources, has managed to keep the cost of power under control. The Company has been continuing its efforts to increase the share of renewable sources of power to support its manufacturing processes. The manpower cost has been kept under control by optimising the deployment of manpower.

During the financial year 2022-2023, PBIDT (Profit before interest, foreign exchange fluctuation, depreciation, exceptional income and tax) was at ₹ 797.58 Crores as against ₹ 752.18 Crores in the previous year, an increase of 6.04%.

Financing costs amounted to ₹ 24.63 Crores (₹ 13.39 Crores). The constant increase in repo rate by the Reserve Bank of India during the year coupled with depreciating rupee has led to higher borrowing costs. The Company continues to exercise prudence in its borrowings and management of working capital requirements.

Profit before tax was higher at ₹ 615.93 Crores (₹ 555.96 Crores). After providing for taxes, the Profit after Tax amounted to ₹ 464.40 Crores (₹ 407.46 Crores).

Summary of Operating Results: **₹ in Crores**

Particulars	2022-23	2021-22
Net Revenue From Operations	**4,919.43**	4,172.57
Other Income	**29.98**	25.61
Total Income	**4,949.41**	4,198.18
Total Expenditure	**4,151.83**	3,446.00
Profit Before Interest, Depreciation And Tax (PBIDT)	**797.58**	752.18
Finance Cost	**24.63**	13.39
Depreciation/Amortization	**157.02**	152.83
Provision for impairment of investments in subsidiaries	**-**	30.00
Profit Before Tax (PBT)	**615.93**	555.96
Provision for Tax	**151.53**	148.50
Profit After Tax (PAT)	**464.40**	407.46

Details of significant changes in key financial ratios:

Sr. No.	Key Ratios	Unit of measurement	Current year 2022-23	Previous year 2021-22	Significant change compared with previous year i.e. 25% or more	Detailed explanation for significant change
1	Debtors Turnover	Days	63	66	N.A.	N.A.
2	Inventory Turnover	Days	60	62	N.A.	N.A.
3	Interest Coverage Ratio	Times	33.63	90.38	*	*
4	Current Ratio	Times	1.90	1.69	N.A.	N.A.
5	Debt Equity Ratio	Times	0.15	0.18	N.A.	N.A.
6	Operating Profit Margin (%) (PBT before exceptional item / Revenue from operations)	%	12.47%	14.04%	N.A.	N.A.
7	Operating Profit Margin (%) (EBITDA / Revenue from operations)	%	16.06%	18.0%	N.A.	N.A.
8	Net Profit Margin (%)	%	9.44%	9.77%	N.A.	N.A.

* During the year, there was an increase in interest cost due to constant hike in repo rates by the Reserve Bank of India and depreciating Indian Rupee against United States Dollar.

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

Particulars	2022-23	2021-22
Return on Net worth	17.0%	16.7%

The Company was able to sustain its return on networth despite the increase in raw material prices and other headwinds facing global economies.

Consolidated Performance

The total revenue of the Company and its subsidiaries on a consolidated basis during the year under review was at ₹ 5,707.60 Crores as against ₹ 4,941.40 Crores.

Capacities and Capital Expenditure:

During the year, the Company incurred ₹ 212.94 Crores towards capital expenditure on existing and new projects. The capital investments were incurred in tandem with the production plans of key customers.

Awards:

During the year under review, the Company received Awards for its various units as given hereunder:-

i. The Company's Metal Forms Division located in Hosur, Tamil Nadu received the "Best Supplier" Award for the year 2022 from Avtec, "Quality, Delivery and NPD Quality" Award for the year 2022 from India Nippon Electricals Limited (INEL) and the "Zero PPM" Award for the year 2022 from Mahle Electric Drives.

ii. The Company's Krishnapuram Unit located in Virudhunagar, Madurai received the "Supplier Award" for Best Performance from Bosch for the year 2022.

iii. The Company's Powertrain Components Division located in SEZ has won the "Supplier of the Year" Award for the 10th time from General Motors for the year 2022 and the "Certificate of Appreciation" Award for quality performance from Ford for the year 2022.

iv. The Company's Radiator Caps Division located in Chennai, Tamil Nadu received the "Quality Zero PPM" Award for the year 2021 and 2022 from Denso Kirloskar Industries.

Total Quality Management, Human Resources, Industrial Relations, Learning and Development:

The Company continues its focus on the principles of Total Quality Management (TQM). During the Financial Year 2022-2023, the Company has focused intensive training on QC Story way of problem solving & Design of Experiments to strengthen the manufacturing processes to supply zero-defect products to the customers. The Company further initiated a zero-defect process at the in-house & sub-contract suppliers to improve their internal quality besides sustaining its existing Total Quality Management (TQM) activities. This has helped the organization to ensure the elimination of customer complaints and also a reduction in internal rejections.

The Company believes that Human Resources are its key assets and is committed to attracting, developing and retaining and creating a positive workplace culture.

The Company runs several initiatives to promote overall employee wellness including mental and financial well-being. Every employee of the Company contributes back to the society by way of both monetary and volunteering activities. These activities also bring in good engagement among employees.

Industrial relations continued to remain cordial at all the manufacturing units.

The Company gives significant impetus to Learning and Education. Learning and development initiatives focus on upskilling our employees for their roles. The Company continues to leverage the strength of our internal trainers who are subject matter experts to share their expertise and experience with other employees. The business-related priority areas are selected, necessary competencies are developed in order to improve organisational capability. We have started individual development plans for high-potential employees in order to create a talent pipeline and have nominated them for leadership development programs in order to prepare them for future leadership roles.

Health, Safety and Environment:

The Company gives top priority for the safety of its employees and has various measures to ensure the same. All our business processes are built with complete respect for the environment, health and safety protocols. All employees are trained on safety. All units have medical facilities which are operational 24/7. All employees are provided with medical insurance support for the benefit of employees and their families.

Safety across units was ensured, resulting in no fatal accident. Training on safety has been imparted to all temporary employees also. Safety is made an integral part of the system through notifications being displayed to the operators and promoting safety awareness.

To make sure that the mental health of our employees is not affected, we also provided support through an Employee Assistance Program. Dedicated counsellors were offered to employees to ensure their wellbeing. Mental Wellness programs were conducted across SFL.

All the Company's manufacturing facilities comply with occupational health and management safety systems.

Internal Control Systems:

Policies and Standard Operating Procedures covering all the major process relevant to the business are in place and adequate to handle the business related transactions. In-built checks and controls in the SAP system provide the users facility to seamlessly handle all transactions relating to sourcing & procurement, manufacturing, finance, costing, despatch and sales. Internal controls and the methodology of monitoring are benchmarked with the industry standards and reviewed from time to time. Continuous improvements are done in the SAP system to improve the quality of controls and also enhance effectiveness. On an on-going basis, the Audit Committee reviews the internal controls relating to key areas i.e. operations, financial records, inventory, fixed assets, compliance to requirements under various statutes. The present internal checks and controls are holistic and provide adequate assurance to the management.

Prospects, Risks and Concerns:

Even as nations across the world battle difficulties and struggle to recover from the disruptions caused by the Covid-19 pandemic, India has emerged as the best performer among the large economies. India will be a USD 30 trillion economy by 2047 by the time it completes 100 years of independence.

This is the decade of technology and in the field of Information Technology, India has become a force to reckon with globally.

Over the years, the Indian Government has introduced many initiatives to strengthen the nation's economy. Many of the Government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission and the Atal Mission for Rejuvenation and Urban Transformation, are aimed at creating immense opportunities in India. In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community. The Union Budget of 2023-24 has seven priorities: Infrastructure and investment, Inclusive development, reaching the last mile, green growth, youth power, unleashing the potential and financial sector. The capital investment outlay in the current Budget is three times the outlay in 2019-2020.

All the above measures augur well for India and the opportunities for developments galore in the wake of such initiatives.

Based on the current market conditions, the domestic equity markets could experience some volatility in the short term. However, in the long run, the Indian equity markets are likely to remain attractive for investors due to the country's strong economic fundamentals and growth prospects. The rate of inflation will have a significant impact on the market as it affects interest rates, corporate earnings, and investor sentiments. Political instability and tensions between nations can cause market volatility and may affect investor confidence. The outcome of upcoming state elections and the general election in 2024 may have an impact on the market sentiment and the Government's economic and investment policies. Further, any decision by the US Federal Reserve to hike interest rates can impact the global economy. However, India has the strongest growth prospects among emerging market economies and the fiscal 2024 budget is expected to support productivity and higher growth which will be the bulwark for the economy amid the global downturn.

India's import of crude oil from Russia have helped to manage the prices of Petrol and Diesel whose demand has touched peaks similar to pre-covid times. However the food inflation is hitting all sections of population. The rising power costs remain a cause for concern. Even though a normal monsoon is predicted, the El Nino factor is looming and it can affect monsoons.

The auto components industry is estimated to register growth in the range of 10-15 percent in FY 2024, with the key pillar of this marked uptick is the sustained momentum in India's domestic vehicle market.

The domestic market continues to register growth, be it the passenger vehicle, tractor, or commercial vehicle segments, with the latter particularly witnessing good growth in the M&HCV category owing to the government push on infrastructure development. Despite being a cyclical industry, the tractor segment is also holding up well for the last three years.

The rising content of electronics chips in every vehicle will lead to the unfolding of different scenarios, with the collective need for the industry to adapt to the new dynamic. The auto component industry body is also bullish about rising investments in the electrification space with suppliers intensifying capex towards localisation of EV-related products, as well as developing the entire EV ecosystem. The government's push in the form of automotive Production Linked Incentive (PLI) schemes to drive Indian manufacturers towards increased localisation of advanced automotive technologies is going to boost exports of the advanced components from India.

With push for infrastructure, the Government's plan for modernization of Railways will give opportunities for growth. As far as wind energy is concerned, India currently has 13.4 GW of prospective projects, which are expected to drive installations until 2024 in the market. After 2024, fresh projects are likely to be wind-solar hybrid projects. The linking of utility-scale wind and solar technology will be a crucial lever for volumes in 2024-25.

With world wanting to reduce its dependence on certain select economies, India is poised to offer a stable Government with its sizeable talent pool to be the manufacturing hub of the world.

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 the continuing impact of COVID-19 pandemic, global or domestic or both, significant changes in the political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, foreign currency fluctuations and interest costs.

Business Responsibility and Sustainability Report for the financial year 2022-23

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity: L35999TN1962PLC004943
2. Name of the Listed Entity: Sundram Fasteners Limited (SFL)
3. Year of incorporation: 1962
4. Registered office address: No. 98-A, VII Floor, Dr. Radhakrishnan Salai, Mylapore, Chennai 600 004.
5. Corporate address: No. 98-A, VII Floor, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004
6. E-mail: hq@sfl.co.in / investorshelpdesk@sfl.co.in
7. Telephone: +91 44 28478500
8. Website: www.sundram.com
9. Financial year for which reporting is being done: FY 2022-23
10. Name of the Stock Exchange(s) where shares are listed: National Stock Exchange of India Limited ('NSE') and the BSE Limited ('BSE')
11. Paid-up Capital: Rs.21.01 crores
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:

    Mr. R Ganesh, Senior General Manager – Finance & Projects

    +91 44 2847 8500

    investorshelpdesk@sfl.co.in
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together): Standalone basis

II. Products/services

14. Details of business activities *(accounting for 90% of the turnover):*

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Metal and metal products	56
2		Plastics products, non-metallic mineral products, rubber products, fabricated metal products	34

15. Products/Services sold by the entity *(accounting for 90% of the entity's Turnover):*

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	High Tensile Fasteners	25991	37.2
2	Parts and accessories for motor vehicles	2930	56.2

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	21	5	26
International	2	0	2

Note: includes subsidiaries

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28 States and 8 Union Territories
International (No. of Countries)	35

b. What is the contribution of exports as a percentage of the total turnover of the entity?

For FY 2022-23, exports contributed about 31% of the total turnover

c. A brief on types of customers:-

The Company manufactures a diverse range of products for varied customer segments namely from automotive, wind energy, aerospace, defense, farm equipment and industrial amongst others with significant contribution coming from automotive segment.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			EMPLOYEES			
1.	Permanent (D)	1,896	1,773	93.5%	123	6.5%
2.	Other than Permanent (E)	0	0	-	0	-
3.	**Total employees (D + E)**	**1,896**	**1,773**	**93.5%**	**123**	**6.5%**
			WORKERS			
4.	Permanent (F)	1,061	1,056	99.5%	5	0.5%
5.	Other than Permanent (G)	6,481	5,118	78.9%	1,363	21.1%
6.	**Total workers (F + G)**	**7,542**	**6,174**	**81.9%**	**1,368**	**18.1%**

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	2	1	50%	1	50%
2.	Other than Permanent (E)	-	-	-	-	-
3.	**Total differently abled employees (D + E)**	**2**	**1**	**50%**	**1**	**50%**
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	5	5	100%	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	**Total differently abled workers (F + G)**	**5**	**5**	**100%**	**-**	**-**

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	4	50%
Key Managerial Personnel (excludes Managing Director, Whole-time Director, if any)	2	0	0%

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	Financial Year 2023 (Turnover rate in current FY)			Financial Year 2022 (Turnover rate in previous FY)			Financial Year 2021 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	10.5%	18.7%	11.0%	10.0%	26.3%	11.1%	6.8%	11.0%	7.1%
Permanent Workers	-	-	-	-	-	-	-	-	-

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures(A)	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held in / by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	TVS Sundram Fasteners Private Limited	Promoter	48.52% (along with Promoter Group)	No
2	TVS Upasana Limited	Wholly-owned subsidiary	100.00%	No
3	Sundram Non-Conventional Energy Systems Limited	Subsidiary	52.94%	No
4	Sundram Fasteners Investments Limited	Wholly-owned subsidiary	100.00%	No
5	Sunfast TVS Limited	Wholly-owned subsidiary	100.00%	No
6	TVS Engineering Limited	Wholly-owned subsidiary	100.00%	No
7	TVS Next Limited	Subsidiary	67.65%	No
8	Sundram International Limited, United Kingdom	Wholly owned subsidiary	100.00%	No
9	Sundram Fasteners (Zhejiang) Limited, China	Step-down subsidiary	100.00%	No
10	Cramlington Precision Forge Limited, United Kingdom	Step-down subsidiary	100.00%	No
11	Sundram International Inc., USA	Wholly-owned subsidiary	100.00%	No
12	TVS Next Inc. USA	Step-down subsidiary	67.65%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**

(ii) Turnover (in ₹) – 4,919.43 crores

(iii) Net worth (in ₹) – 2,909.03 crores

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) *(If Yes, then provide web-link for grievance redressal policy)**	Financial Year 2023			Financial Year 2022		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Y	0	0	-	0	0	-
Investors (other than shareholders)	Y	0	0	-	0	0	-
Shareholders	Y	0	0	-	0	0	-
Employees and workers	Y	0	0	-	0	0	-
Customers	Y	0	0	-	0	0	-
Value Chain Partners	Y	0	0	-	0	0	-

* The policy is available on the intranet portal of the organisation.

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy and GHG Management	Opportunity	This is critical to reducing and managing emissions and moving towards de-carbonization.	The Company has implemented measures to lower scope 1 emissions by reducing the dependency on Diesel and LPG through a variety of initiatives (battery operated electric forklift). The Company has also reduced its Scope 2 emission intensity through energy efficiency measures and implementing renewable energy.	Positive implication
2	Waste Management	Risk	This represents the Company's responsibility towards managing waste generated in the business and transitioning towards environmental preservation.	Through partnerships with authorized agencies, the Company constantly strives to develop mechanisms of recycling and reusing hazardous and Non-hazardous waste generated across its operations.	Positive implication
3	Water Management	Risk	This implies the Company's judicious use of a shared resource.	Constant efforts (recycling of water) are being made to lower the consumption of water in processes and domestic use, and to promote recycling and reusing of water wherever possible.	Partly Negative implication

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Product Stewardship	Opportunity	This holds significance as it is crucial for brand reputation and ensuring customer and end-user safety.	–	Positive implication
5	Biodiversity	Opportunity	To care about the flora and fauna around the Company's operations is equally important.	–	Positive implication
6	Human Rights and Labor Practices	Opportunity	SFL always stands for the rights and respect of its employees and firmly believes in non-tolerance and non-discrimination.	–	Positive implication
7	Employee wellbeing	Opportunity	Employee wellbeing is of utmost importance to SFL. SFL continuously works towards the mental, physical, and financial needs of its employees.	–	Positive implication
8	Occupational Health and Safety	Opportunity	SFL continuously strives to provide a safe workplace for its employees.	–	Positive implication
9	Training and Development	Opportunity	Enabling employees to grow professionally as well as upskill them at work is cornerstone to SFL's success as an organization.	–	Positive implication
10	Diversity and Inclusion	Opportunity	SFL firmly believes in providing opportunities to everybody and thereby becoming an inclusive organization.	–	Positive implication
11	CSR and Impact Assessment	Opportunity	SFL continuously works to provide for and uplift the communities around its operations and cater to the needs of the under privileged.	–	Positive implication
12	Fair Business Practices	Opportunity	Working ethically is central to long term sustenance of an organization. This is central to the company's vision.	–	Positive implication

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
13	Supply chain Management	Opportunity	Management of supply chain is crucial in manufacturing the products and thereby meeting the Company's business objectives.	–	Positive implication
14	Economic Performance	Opportunity	Consistent profitability and strong financial fundamentals are necessary for the business to remain resilient and expand globally.	–	Positive implication
15	Customer Centricity	Opportunity	To become a trusted and preferred player in the market is important to grow as an organisation.	–	Positive implication
16	Stakeholder Engagement	Opportunity	Stakeholders hold great significance inside and outside the organisation.	–	Positive implication
17	Data Security	Risk	This emphasizes privacy and confidentiality of information of all stakeholder groups involved across the organization.	The Company has currently adopted leading industry security standards and practices such as ISO 27001 and TISAX to develop and implement a robust information security management framework.	Positive implication
18	Innovation Management	Opportunity	Innovation is imperative for building new products and meeting the needs of the company's customers.	–	Positive implication

List of Principles covered under Section B of the Business Responsibility and Sustainability Report:-

Principle	Nature of Principle
P-1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable
P-2	Businesses should provide goods and services in a manner that is sustainable and safe
P-3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P-4	Businesses should respect the interests of and be responsive to all its stakeholders
P-5	Businesses should respect and promote human rights
P-6	Businesses should respect and make efforts to protect and restore the environment
P-7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P-8	Businesses should promote inclusive growth and equitable development
P-9	Businesses should engage with and provide value to their consumers in a responsible manner

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the National Guidance on Responsible Business Conduct (NGRBC) Principles and Core Elements.

		Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes											
1.	a.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
	b.	Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
	c.	Web Link of the Policies, if available	https://sundram.com/investor.php								
2.		Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	N	Y	Y
3.		Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
4.		Name of the national and international codes / certifications / labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, and Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	SFL is certified with IATF 16949, ISO 14001, ISO 45001, ISO/IEC 17025 at most of its manufacturing locations								
5.		Specific commitments, goals and targets set by the entity with defined timelines, if any.	Based on stakeholder inputs and materiality assessment, the Company has identified focus areas to develop commitments, goals, and targets with defined timelines								
6.		Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not Applicable								
Governance, leadership and oversight											
7.		Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (*listed entity has flexibility regarding the placement of this disclosure).* Will form part of the ESG report.									
8.		Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Ms. Arathi Krishna, Managing Director								
9.		Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Ms. Arathi Krishna, Managing Director is responsible for decision making on sustainability related issues.								
10.		Details of Review of NGRBCs by the Company:									

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	N	Y	Y	Quarterly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	N	Y	Y	Quarterly								

		Frequency (Annually / Half yearly/ Quarterly / Any other – please specify)								
11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
		N	N	N	N	N	N	-	N	N

12.	If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:									
	Questions	**P 1**	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
	The entity does not consider the principles material to its business (Yes/No)	Considering the nature of Company's business, principle 7 has limited applicability. The Company complies with Regulations governing its operations and has taken initiatives to promote inclusive growth and environmental sustainability								
	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-								
	The entity does not have the financial or / human and technical resources available for the task (Yes/No)	-								
	It is planned to be done in the next financial year (Yes/No)	-								
	Any other reason (please specify)	-								

Principle 1 : Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1) Percentage coverage by training and awareness programs on any of the principles during the financial year:

Segment	Total number of training and awareness programs held	Topics / principles covered under the training and its impact	% of persons in respective category covered by awareness programs
Board of Directors Key Managerial Personnel	Seven training and awareness programs	• CSR Progress – Discussions pertaining to SFL's CSR programs, and the outcomes • Program on Governance areas (Section B – Management & Process Disclosures) • Progress review on SFL's ESG Program (ESG Strategy, Report & BRSR Development)	100%
Employees other than Board and KMP	301 internal training programs 119 external training programs	• Teamwork • Customer focus • Communication and presentation skills • Process and operational excellence • Leadership • Talent and capability building • Diversity & Inclusion • Cost consciousness • Behavior based safety • Water management • Environmental management	98%
Workers	Multiple sessions	Health and safety Skill upgradation	100%

Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of regulatory/ enforcement agencies/ Judicial Institutions	Amount in INR	Brief of the case	Has an appeal been preferred (Yes/No)
Penalty/Fine	Nil				
Settlement					
Compounding fee					

Non-Monetary				
	NGRBC Principle	Name of regulatory/ enforcement agencies/ Judicial Institutions	Brief of the case	Has an appeal been preferred (Yes/No)
Imprisonment	Nil			
Punishment				

2) Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed

Case Details	Name of regulatory/ enforcement agencies/ Judicial Institutions
Not Applicable	

3) Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The organization's business-as-usual activities, strategies, manufacturing systems, and stakeholder engagement practices are guided by its policies such as the Code of Conduct, Code of Fair Practices, and Whistleblower Policy, covering the internal stakeholders, thereby promoting a transparent business culture, a safe working environment, and increased long-term stakeholders' sustainable value.

The Code of Conduct policy document ensures compliance with the regulatory requirements, including but not limited to anti-corruption or anti-bribery policy, lays out the roles and responsibilities to be carried out with honesty and integrity. The policy is available on the Company's website: www.sundram.com.

4) Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	Financial Year 2023	Financial Year 2022
Directors	Nil	
KMPs		
Employees		
Workers		

5) Details of complaints with regard to conflict of interest:

	Financial Year 2023		Financial Year 2022	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of directors	Nil			
Number of complaints received in relation to issues of conflict of interest of KMPs				

6) Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. **Not Applicable**

Leadership Indicators

1) Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programs held	Topic/principles covered under training	% of value chain partners covered (by value of business done with partners) under awareness programs
Multiple sessions	The programs include providing training on processes and topics such as 5S, safety, product inspection, and handling, FMEA, SOP, 7QC tools, QC story, and tools, Kaizen, Quality Manual, Kanban, Green supply chain, PPAP (Production part approval process), and other Quality Management Systems related topics Total Quality Management (TQM) training is extended to sub-contractors to support them in manufacturing and supplying high quality products.	100% (in-house value chain partners) and external partners covered partially

2) Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? **(Yes/No)** If Yes, provide details of the same

Yes, The Code of conduct defines clauses related to conflict of interest, confidentiality maintenance, protection of assets, and corporate opportunities to avoid exploitation of organisation properties for personal gain.

Principle 2 : Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1) Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Financial Year 2023	Financial Year 2022	Details of improvement in environment and social aspects
R&D	-	-	-
Capex	1.5%	0.98%	CAPEX investments in renewable energy projects, and other specific technologies to improve environmental and social aspects.

2) a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

The Organization is currently developing a Supplier code of conduct with a comprehensive coverage of all ESG principles aligned with UNGC and other ESG standards. The Company further intends to prioritize procurement from local suppliers which shall also be included in the supplier code of conduct.

b. If yes, what percentage of inputs was sourced sustainably? Not Applicable

3) Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

To substitute usage of plastic packaging, the Company has introduced sustainable packaging where bio-degradable plastic is used as packaging material. The Company also promotes the usage of gunny bags instead of plastics. Consumption of virgin packaging materials like cartons and wooden pallets have been greatly reduced by reusing them wherever applicable across all the sites.

Through partnerships with authorized agencies, the Company constantly strives to develop mechanisms of recycling and reusing hazardous waste generated across its operations. Since majority of the Company's products are composed of steel, therefore the MS scrap is re-used as an input material by feeding the scrap into steel melting furnaces.

4) Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes. EPR is applicable to the Company's activities, since plastics are used in packaging materials in its products. One of the Company's manufacturing facility has partnered with registered plastic waste processors to recycle plastic waste in conformance to its plan submitted to the Pollution Control Board for fulfillment of its EPR obligation.

Leadership Indicators

1) Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / service	% of total turnover contributed	Boundary for which Life cycle perspective/assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web link
The organization has not conducted any Life Cycle Assessments (LCA).					

2) If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/service	Description of risk/concern	Action taken
Not Applicable		

3) Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or reused input material to total material	
	Financial Year 2023	Financial Year 2022
Not Applicable		

4) Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	Financial Year 2023			Financial Year 2022		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

5) Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

Principle 3 : Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1) (a) Details of measures for the well-being of employees

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1,773	1,773	100%	1,773	100%	-	-	1,773	100%	-	-
Female	123	123	100%	123	100%	123	100%	-	-	123	100%
Total	**1,896**	**1,896**	**100%**	**1,896**	**100%**	**123**	**100%**	**1,773**	**100%**	**123**	**100%**
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

(b) Details of measures for the well-being of workers:

Employees engaged on contractual basis are paid gratuity subject to completion of five years and as per the Company's policy. ESI is applicable for employees engaged on contractual basis. For employees on the rolls of the Company, a separate insurance cover is available covering the employee and family members.

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	1,056	1,056	100%	1,056	100%	-	-	1,056	100%	-	-
Female	5	5	100%	5	100%	5	100%	-	-	5	100%
Total	**1061**	**1061**	**100%**	**1,061**	**100%**	**5**	**100%**	**1,056**	**100%**	**5**	**100%**
Other than Permanent workers											
Male	5,118	5,118	100%	5,118	100%	-	-	-	-	-	-
Female	1,363	1,363	100%	1,363	100%	-	-	-	-	1,363	100%
Total	**6,481**	**6,481**	**100%**	**6,481**	**100%**	-	-	-	-	**1,363**	**100%**

2) Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	Financial Year 2023			Financial Year 2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y

3) Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. The Company has engaged persons who are differently abled primarily in office functions. In the corporate office, there is a provision for lift to facilitate persons approaching offices have an easy access. Most of the Company's operations are out of factories located in ground floor. In the plants, most of the offices are planned to be on the ground floor with clear identifications for approaching any location.

4) Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, Equal opportunity employment process is reflected throughout SFL's policies and procedures. SFL does not discriminate employment opportunities based on race, colour, religion, caste, community, language, gender, national, origin, age, or disability. The Policy is available on the intranet portal of the organisation.

5) Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	89%
Female	100%	100%	100%	100%
Total	**100%**	**100%**	**100%**	**90%**

6) Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than permanent workers	Yes
Permanent employees	Yes
Other than permanent employees	Yes

The proper channels have been provided for workers and employees to discuss any workplace-related complaints with their factory HR personnel. There is also a provision of an escalation matrix if their concerns are not satisfactorily resolved, i.e., through immediate supervisor / Head of Department / Unit or Divisional HR heads / Unit Head / Divisional Presidents / Head HR / Management.

7) Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	Financial Year 2023			Financial Year 2022		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of associations or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of associations or Union (D)	% (D / C)
Total Permanent Employees	**1,896**	**Nil**	**-**	**1,825**	**Nil**	**-**
- Male	1,773	Nil	-	1,707	Nil	-
- Female	123	Nil	-	118	Nil	-
Total Permanent workers	**1,061**	**941**	**88.6%**	**1,112**	**946**	**85%**
- Male	1,056	940	89%	1,107	945	85%
- Female	5	1	20%	5	1	20%

8) Details of training given to employees and workers:

Category	Financial Year 2023					Financial Year 2022				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C / A)		No.(E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1,773	1,738	98%	1,738	98%	1,705	1,644	96%	1,644	96%
Female	123	123	100%	123	100%	118	118	100%	118	100%
Total	**1,896**	**1,861**	**98%**	**1,861**	**98%**	**1,823**	**1,762**	**97%**	**1,762**	**97%**
Workers										
Male	1,056	1,056	100%	1,056	100%	1,107	1,107	100%	1,107	100%
Female	5	5	100%	5	100%	5	5	100%	5	100%
Total	**1,061**	**1,061**	**100%**	**1,061**	**100%**	**1,112**	**1,112**	**100%**	**1,112**	**100%**

9) Details of performance and career development reviews of employees and worker:

Category	Financial Year 2023			Financial Year 2022		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1,773	1,773	100%	1,705	1,705	100%
Female	123	123	100%	118	118	100%
Total	**1,896**	**1,896**	**100%**	**1,823**	**1,823**	**100%**
Workers						
Male	1,056	1,056	100%	1,107	1,107	100%
Female	5	5	100%	5	5	100%
Total	**1,061**	**1,061**	**100%**	**1,112**	**1,112**	**100%**

10) Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. SFL has implemented occupational health and safety measures across all the manufacturing locations. Most of the locations are certified for ISO 45001.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Each site at SFL has its own safety department and its own safety goals and objectives. The sites follow the Plan, Do, Check, Act (PDCA) framework in meeting the objectives. Once the PDCA is complete, it is followed by the assessment of the safety impacts. To identify the safety-related risks across all the sites, the Company performs Hazard Identification and Risk Assessment (HIRA).

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N) - Yes

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No) - Yes

11) Details of safety related incidents, in the following format:

Safety Incident / Number	Category	Financial Year 2023	Financial Year 2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
	Workers	0.11	0.004
Total recordable work-related injuries	Employees	NIL	NIL
	Workers	3	1
No. of fatalities	Employees	NIL	NIL
	Workers	NIL	NIL
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NIL	NIL
	Workers	NIL	NIL

12) Describe the measures taken by the entity to ensure a safe and healthy workplace

SFL's top management conducts timely reviews of all the factories with regards to Health and Safety compliance. External application is used by factories to monitor legal compliance. The factories also conduct monthly safety audits, and the critical areas are identified, tracked, and closed. Employees and Workers at all levels receive relevant and necessary Health and Safety Executive (HSE) training and education periodically.

13) Number of Complaints on the following made by employees and workers:

	Financial Year 2023			Financial Year 2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	NIL	NIL	NIL	NIL
Health & Safety	NIL	NIL	NIL	NIL	NIL	NIL

14) Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	-

15) Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The workers are involved in case of any safety related incident and their feedback is collected on how the incident could have been mitigated. The safety teams prepare the risk reduction strategies and implement the necessary measures to enhance the safety standards of the workspace.

Leadership Indicators

1) Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?

Yes. In the event of any unfortunate death of an employee or worker, SFL ensures that the families are compensated through life insurance provision to ensure their stability and well-being. In addition to life insurance, every employee contributes their one-day's salary as compensation and offers their support to the family of the employee or worker.

2) Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Every month invoice from the value chain partners is processed upon production of documents evidencing remittance for the previous month.

3) Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees / workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	Financial Year 2023	Financial Year 2022	Financial Year 2023	Financial Year 2022
Employees	NIL	NIL	Not Applicable	Not Applicable
Workers	NIL	NIL	Not Applicable	Not Applicable

4) Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes. During the tenure SFL supports employee schemes comprising defined benefit and contribution plans, such as gratuity, group terminal plan, and provident fund provisions. The Company has a dedicated financial well-being program which focuses on addressing the career ending resulting from retirement. SFL have also extended the working tenure of talent resources.

5) Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%. SFL conducts annual supplier audits for all its value chain partners through site visits to their respective facilities. The Company reviews their safety standards and working conditions and ensures that the partners comply with all relevant laws and regulations. In addition to the audits SFL also conducts workshops and training programs to help the suppliers improve the overall ESG performance.
Working Conditions	

6) Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners. Not Applicable

Principle 4 : Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company has mapped its internal and external stakeholders based on analyzing the impact of the stakeholders on the company's operations. It uses both formal and informal mechanisms to engage with various stakeholders to understand their concerns and expectations. Individual departments within the organization have roles and responsibilities identified and defined to engage with various stakeholders. The Company has developed a stakeholder engagement that outlines how the company will engage with each stakeholder group to address their needs and concerns and build mutually beneficial relationships.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as vulnerable/ marginalized group (Yes/ No)	Channel of communication (Email, SMS, Newspaper, Pamphlet, Advertisement, Community meetings, notice board, website), others	Frequency of engagement (Annually/ Semi-annually/ quarterly/others please specify)	Purpose and scope of engagement including key topics and concerns raised during each engagement
Employees	No	- Internal communication platforms - Learning and Development programs - Engagement initiatives	Continuous	High Performance Work Culture Talent development and retention fulfilment of Company's vision, mission and achieving sustainability objectives Professional capacity building Cordial industrial relation Occupational health and safety and safe working environment
Customers	No	- Digital platforms and applications - In - person engagement - Customer satisfaction survey - Feedback mechanisms	Continuous	Product and service quality Complaint resolution On-time delivery
Suppliers	No	- In - person engagement - Supplier meetings - Supplier assessment - Trainings and workshops	Continuous	Product and service quality Complaint resolution On-time delivery
Investors	No	- Press releases and publications - Investor conferences - Annual General Meeting - Stock Exchange announcements	Quarterly	Financial performance Business updates Growth plans Product innovation pipeline ESG performance
Regulators	No	- Mandatory compliance reports	Continuous	Statutory compliance requirements: environmental, social and governance
Local Communities & NGOs	Yes	- Corporate Social Responsibility initiatives	Need-based	Improved access to healthcare, education Welfare measures and financial assistance to the underprivileged Community development measures

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

   Making use of both formal and informal channels, the Company interacts with stakeholders to learn about the economic, environmental, and social concerns that are important to them. Throughout these interactions, the Company keeps them informed about the organization's development and solicit their input, ideas, needs, and concerns.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   Yes. SFL's primary ESG material topics have been determined through stakeholder discussions. Taking the inputs into consideration, the Company has developed strategies to mitigate the risks arising from critical material topics.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

   SFL takes part in community engagements predominantly focusing on education and healthcare for vulnerable groups.

In the early 90s, certain requests of the people of Aviyur village near SFL Krishnapuram operations were considered and SFL's leadership decided to bring education to the community through development of a school. It was decided to start an English medium school for the people from the village offering quality education. The Sundram Medical Centre was established to support and offer free healthcare facilities to the villages near SFL's Krishnapuram operations. This medical centre has benefitted over 2500 families by providing them with quality medical care and enabling education and training for people on health-related aspects. SFL offers financial support for the Sundram Matriculation School and Sundram Medical Center.

Principle 5 : Businesses should respect and promote human rights

Essential Indicators

1) Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	Financial Year 2023			Financial Year 2022		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1,896	1,896	100%	1,823	1,823	100%
Workers						
Permanent	1,061	1,061	100%	1,112	1,112	100%
Other than permanent	6,481	6,481	100%	6,673	6,673	100%
Total Workers	**7,542**	**7,542**	**100%**	**7,785**	**7,785**	**100%**

2) Details of minimum wages paid to employees and workers, in the following format:

Category	Financial Year 2023					Financial Year 2022				
	Total (A)	Equal to Minimum wage		More than Minimum wage		Total (D)	Equal to Minimum wage		More than Minimum wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	**1,896**	**-**	**-**	**1,896**	**100%**	**1,823**	**-**	**-**	**1,823**	**100%**
Male	1,773	-	-	1,773	100%	1,705	-	-	1,705	100%
Female	123	-	-	123	100%	118	-	-	118	100%
Workers										
Permanent	**1,061**	**-**	**-**	**1,061**	**100%**	**1,112**	**-**	**-**	**1,112**	**100%**
Male	1,056	-	-	1,056	100%	1,107	-	-	1,107	100%
Female	5	-	-	5	100%	5	-	-	5	100%

3) Details of remuneration/salary/wages

As a responsible manufacturing company, SFL believes in fair remuneration for all the employees, regardless of their level within the organization. The Company indulges in promoting a culture of transparency and openness when it comes to remuneration. The Company's compensation practices are regularly reviewed to ensure that they are aligned with SFL's values and that they are fair and equitable across all levels of the organization.

4) Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? **(Yes/No)** - Yes

5) Describe the internal mechanisms in place to redress grievances related to human rights issues

The proper channels have been provided for workers and employees to discuss any workplace-related complaints with their individual HR. There is also a provision of an escalation matrix if their concerns are not satisfactorily resolved.

6) Number of Complaints on the following made by employees and workers:

	Financial Year 2023			Financial Year 2022		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Sexual Harassment	NIL	NIL	NIL	NIL	NIL	NIL
Discrimination at workplace	NIL	NIL	NIL	NIL	NIL	NIL
Child Labour	NIL	NIL	NIL	NIL	NIL	NIL
Forced Labour/Involuntary Labour	NIL	NIL	NIL	NIL	NIL	NIL
Wages	NIL	NIL	NIL	NIL	NIL	NIL

7) Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company's whistleblower policy protects complainants wishing to raise a concern about any serious irregularities within the company. Employees are assured that they will not be identified as the complainant and that the information received is truly confidential.

The Code of Conduct also includes provisions that addresses topics such as discrimination, harassment, ethical behavior among others that fosters a sense of trust and safety, promotes, and enhances the overall reputation of an organization.

8) Do human rights requirements form part of your business agreements and contracts? (Yes / No): Yes

9) Assessments for the year:

SFL strictly prohibits any forms of Child labor, forced labor, and ensures the same as a prerequisite to value chain partners. In the key agreements, the Company generally incorporates clauses that mandates value chain partners to bind themselves for ensuring compliances with all the laws applicable to them.

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	-
Discrimination at workplace	-
Wages	-
Others – please specify	-

10) Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above. Not Applicable

Leadership Indicators

1) Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

There has been no such event requiring the Company to modify / introduce a process as a result of addressing human rights grievances / complaints.

2) Details of the scope and coverage of any Human rights due diligence conducted.

The coverage of human rights policy being exercised at the Company is applicable to all stakeholders and not merely restricted to the employees in the workplace.

3) Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. The Company has engaged persons who are differently abled primarily in office functions. In the corporate office, there is a provision for lift to facilitate persons approaching offices have an easy access. Most of the Company's operations are out of factories located in ground floor. In the plants, most of the offices are planned to be on the ground floor with clear identifications for approaching any location.

4) Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Child Labor	100%
Forced/involuntary Labor	100%
Sexual Harassment	Nil
Discrimination at workplace	Nil
Wages	Nil
Others - please specify	Nil

5) Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above - Not Applicable

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

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	**Financial Year 2023**	**Financial Year 2022**
Total electricity consumption GJ (A)	9,64,275	9,03,461
Total fuel consumption (B) (GJ)	1,87,616	2,40,939
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	**11,51,891**	**11,44,400**
Energy intensity per rupee of turnover *(Total energy consumption / turnover in rupees)*	0.0000234	0.0000274
Energy intensity *(optional)* per ton of product (GJ/Ton of product)	6.97	7.72

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - Not Applicable

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable, since the Company is not identified as designated consumer.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	Financial Year 2023	Financial Year 2022
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	1,81,206	1,96,064
(iii) Third party water	3,78,769	3,59,243
(iv) Seawater / desalinated water	-	-
(v) Others- Rainwater	1,797	1,757
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**5,61,772**	**5,57,064**
Total volume of water consumption (in kilolitres)	**5,50,753**	**5,48,766**
Water intensity per rupee of turnover *(Water consumed / turnover)*	0.000011194	0.0000131
Water intensity (optional) – the relevant metric may be selected by the entity (KL/ton of production)	3.33	3.70

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - Not Applicable.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

   Yes. The Company has implemented Zero Liquid Discharge (ZLD) across most of the units, eliminating discharge of wastewater. At Uttarakhand Unit, to comply with the common Effluent treatment plant (CETP) requirements to provide water to the nearby locality, the treated waste water is being discharged to CETP for further use. The ZLD system makes use of Effluent treatment plants, Ultra filtration, Reverse Osmosis, Multiple Effect Evaporator and ATFD (Agitated thin film drier) to effectively recycle water and eliminate discharge.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	***Please specify unit***	**Financial Year 2023**	**Financial Year 2022**
NOx	Tons	32.7	32.6
SOx	Tons	39.6	37.3
Particulate matter (PM)	Tons	54.3	50.7
Persistent organic pollutants (POP)		-	-
Volatile organic compounds (VOC)		-	-
Hazardous air pollutants (HAP)		-	-
Others - please specify		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - Not Applicable

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	***Unit***	**Financial Year 2023**	**Financial Year 2022**
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tonnes of CO_2 equivalent*	12,874	16,492
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tonnes of CO_2 equivalent*	1,29,453	1,15,248
Total Scope 1 and Scope 2 emissions per rupee of turnover		**0.00000263**	**0.00000276**
Total Scope 1 and Scope 2 emission intensity *(optional)* – the relevant metric may be selected by the entity	*tCO_2e/ton of production*	0.86	0.89

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - Not Applicable

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

   Yes. The Company has implemented measures to lower scope 1 emissions by reducing the dependency on Diesel and LPG through a variety of initiatives such as the use of battery-operated forklifts instead of their diesel counterparts. The Company has also reduced its Scope 2 emission intensity through energy efficiency measures including process modifications and retrofits at the manufacturing locations and has increased the capacity of the onsite solar plant by 3.08 MW in FY23. The Company procures around 38.8% of the power from offsite renewable sources.

8. Provide details related to waste management by the entity, in the following format:

Parameter	**Financial Year 2023**	**Financial Year 2022**
Total Waste generated (in metric tonnes)		
Plastic waste ***(A)***	64.70	105.20
E-waste ***(B)***	1.00	0.30
Bio-medical waste ***(C)***	0.10	0.10
Construction and demolition waste ***(D)***	0.00	0.00
Battery waste ***(E)***	0.10	37.10
Radioactive waste ***(F)***	0.00	0.00
Used Oil (tons) ***(G)***	143.10	189.10
Oil laden waste (tons) ***(H)***	308.60	346.10
Metal scrap (tons) ***(I)***	13,235.93	12,050.80
Other Hazardous waste. Chemical and sludge Empty discarded barrels	7,227.20	6,705.30
Other Non-hazardous waste generated ***(K).*** Packing material Cotton Paper	1,386.50	1,094.60
Total (A+B + C + D + E + F + G + H + I + J + K)	**22,367.23**	**20,528.60**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	18,476.43	16,652.80
(ii) Re-used	-	-
(iii) Other recovery operations – Coincineration	702.30	735.90
Total	**19,178.73**	**17,388.70**

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.10	0.10
(ii) Landfilling	3,188.40	3,139.80
(iii) Other disposal operations	-	-
Total	**3,188.50**	**3,139.90**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - Not Applicable

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

   Through partnerships with authorized agencies, the Company constantly strives to develop mechanisms of recycling and reusing hazardous waste generated across its operations. Since the majority of the Company's products are composed of steel, the MS scrap generated is being recycled and re-used by feeding the scrap into steel melting furnaces. The company's manufacturing operations have been optimized to reduce the usage of hazardous chemicals in the processes. Hazardous waste like chemical sludge, waste or residues containing oil are directed to cement industries for co-incineration as per TNPCB norms.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

    Yes. The Company is compliant with all applicable environmental laws and regulations in India. To ensure compliance, the Company has implemented a comprehensive environmental management system that monitors environmental performance and enhances the decision-making processes.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	Financial Year 2023	Financial Year 2022
From renewable sources		
Total electricity consumption (A) GJ	3,88,927	3,91,249
Total fuel consumption (B) GJ	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C) GJ	**3,88,927**	**3,91,249**

Parameter	Financial Year 2023	Financial Year 2022
From non-renewable sources		
Total electricity consumption (D) GJ	5,75,348	5,12,212
Total fuel consumption (E) GJ	1,87,616	2,40,939
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F) GJ	**7,62,964**	**7,53,151**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - Not Applicable

2. Provide the following details related to water discharged:

Parameter	Financial Year 2023	Financial Year 2022
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – Tertiary treatment	11,019	8,298
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	**11,019**	**8,298**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

The Company recognizes the importance of water resources and the urgent need to protect and conserve them. As a responsible organization, the Company is committed to taking proactive steps to reduce the water footprint through investments in technologies and practices for optimizing water use efficiency. The Company works closely with stakeholders and local communities to raise awareness about water scarcity, encourage responsible water use, and support initiatives that enhance water availability and quality.

4. Please provide details of total Scope 3 emissions & its intensity:

SFL is in the process of assessing its scope 3 emissions based on the GHG Protocol. The Company is developing the necessary capabilities to account the emissions of the applicable scope 3 categories.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No	Initiative undertaken	Details of the initiative *(Web-link, if any, may be provided along-with summary)*	Outcome of the initiative
1	Automation in Waste management	SFL has a system in place to ensure oil laden scrap from CNC machine processes is discharged safely through a hydraulic ramp. The scrap is collected via a conveyor system that runs across all the machines to collect the scrap which is further directed to a Bale machine.	The initiative ensures safe disposal eliminating human intervention. This machine compacts scrap into small rectangular blocks (bale) and separates the oil/coolant
2	ESP oil mist collector	SFL had installed a conventional mist collector to collect the oil mist generated through forging operations. The efficiency of the conventional oil mist collector was low, required frequent maintenance and consumed a lot of power. The conventional mist collector was replaced by an ESP mist collector. The ESP occupies less space and doesn't require a chimney.	Electrical power consumption was reduced as the conventional oil mist collector runs on 5.5KW, but the ESP oil mist collector operates with 2.2 KW motor
3	Improving furnace loading rate	The furnace loading rate was set manually by the operators based on the time taken to fill 1 dump. This affected the loading rate, ultimately reducing the furnace output. An auto loading cell that calculates the dump load was fixed in the furnace. The cell automatically opens the door and delivers the product to the line.	SFL's plant teams were able to enhance the efficiency of the process from an output of 50%, to above 60%.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

   The Company has a dedicated Emergency Response team (ERT) across all the sites to address all potential risks, ensure the continuity of operations and protect the business's bottom line. The ERT members are trained on the potential incidents and mock drills are conducted to identify the gaps and ensure the right process is followed.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

   There is no significant adverse impact to the environment, arising from the value chain of SFL

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

   Supplier assessment includes aspects such as environmental, legal compliance, health and safety, training, business continuity, financial sustainability, and product quality, among many others. The Organization is currently developing a Supplier code of conduct with a comprehensive coverage of all ESG principles aligned with UNGC. The Company further intends to prioritize procurement from local suppliers.

Principle 7 : Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

   SFL is associated with ten trade and industry associations

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:-

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Automotive Component Manufacturers Association of India	National
2	Madras Chamber of Commerce & Industry	State
3	The Confederation of Indian Industry	National
4	Employer's Federation of South India	National
5	The Indian Roads & Transport	National
6	Indo American Chamber of Commerce	National
7	Indo German Chamber of Commerce	National
8	Engineering Export Promotion Council of India (EEPC)	National
9	Federation of Indian Export	National
10	Export Promotion Council of EOUs and SEZ	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of Authority	Brief of the case	Corrective action taken
-	-	Nil

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. Nos.	Public policy advocated	Method resorted for such advocacy	Whether information is available in public domain (Yes/No)	Frequency of review by board (Annually/Half yearly/Quarterly/ Others please specify)	Web link if available
The Company has not advocated any public policy					

Principle 8 : Businesses should promote inclusive growth and equitable development

Essential Indicators

1) Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year

Name and brief details of project	SIA Notification Number	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
Not Applicable					

2) Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S No.	Name of project for which R&R is ongoing	State	District	Number of project affected families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in FY (INR)
Not Applicable						

3) Describe the mechanisms to receive and redress grievances of the community.

The Company's HR teams from the respective manufacturing units are tasked with receiving and redressing grievances of the communities close to the units. Any major grievances are taken up by the Company's corporate HR team.

4) Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	Financial Year 2023	**Financial Year 2022**
Directly sourced from MSMEs/ small producers	SFL procures from vendors based on quality, cost, and delivery aspects. SFL strives for a fair, transparent, and inclusive, procurement process that provides equal opportunities for all suppliers.	
Sourced directly from within the district and neighbouring districts		

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective actions taken
Not Applicable	

2. a) Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S No	State	Aspirational district	Amount spent (INR)
1	Tamil Nadu	Virudhunagar	₹ 1.60 Crore for Krishna Educational Society (KES) [Sundram Matriculation Higher Secondary School], Aviyur, Virudhunagar

b) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No).

No, the Company does not have a preferential procurement policy for the marginalized/vulnerable group. SFL procures from vendors based on quality, cost, and delivery aspects. Preference of the customers are also taken into consideration for procurement. SFL strives for a fair, transparent, and inclusive, procurement process that provides equal opportunities for all suppliers.

c) From which marginalized /vulnerable groups do you procure?

Not Applicable

d) What percentage of total procurement (by value) does it constitute?

Not Applicable

3. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

S No	Intellectual property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Not Applicable				

4. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of Authority	Brief of the case	Corrective actions taken
Not Applicable		

5. Details of beneficiaries of CSR Projects:

S No	CSR Project	Number of person benefitted from the CSR project	% of beneficiaries from vulnerable and marginalized groups
1	Krishna Educational Society (KES) [Funding for Sundram Matriculation Higher Secondary School]	469	100%
2	Partnership with Sugun Thomas Foundation – Mentoring for underprivileged children	27	100%
3	Clarke school for Deaf – Supporting specially abled students	30	100%
4	Financial support to Krea University, Sricity—towards sponsoring faculty Chairs and support scholarship students	4	-
5	Banyan Academy for Leadership in Mental Health (BALM)-SFL Centre for Social Action & Research – support for 464 students in masters' and diploma education	464	-
6	Vaastu Foundation (Medical Welfare Project)	288	100%
7	MIOT Hospitals, Chennai - Children's Heart Internationale – Funding for emergency and trauma care	43	100%
8	Cancer Hospital, Adyar – Treatment for underprivileged women and children	53	100%
9	Ray of Light Foundation - Holistic treatment of Paediatric cancer	5	100%
10	Mithra Trust - Conceptual framework and actionable tools for an individual to work through their feelings during emotional stress	520	-
11	Production of a documentary on Wildlife Tamil Nadu	-	-
12	Water conservation project – Vandalur Zoo, Chennai	-	-
13	Restoration of Thenmelpakkam Village Lake	-	-
14	SOS Villages of India – Chatnath Homes to ensure welfare of orphans and underprivileged children	150	100%
15	Funding for a drainage system at Pudugumudipoondi	-	-
16	Funding for music festival	-	-
17	East West Foundation – Support for Children's Home, Health clinic etc.	1,000	100%

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

Essential indicators

1) Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

SFL conducts customer satisfaction surveys annually basis QCD (Quality, Cost and Delivery) aspects which includes quality, delivery, logistics, and new product development. The Company reviews customer feedbacks and prioritizes on addressing the complaints within seven days with detailed action plans. Trends of customer satisfaction is also tracked and monitored regularly for all manufacturing units.

2) Turnover of products and/or services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	The Company's products comply with all relevant statutory requirements. They are regularly tested to ensure compliance with relevant safety.
Safe and responsible usage	
Recycling and/or safe disposal	

3) Number of consumer complaints in respect of the following:

	Financial Year 2023		Remarks	Financial Year 2022		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Data privacy	Not Applicable		SFL supplies to domestic and global OEMs and after market segments. The materials supplied by SFL then goes into end products manufactured by the OEMs. There is no direct sale to consumers.	Not Applicable		-
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4) Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Not Applicable	
Forced recalls		

5) Does the entity have a framework/ policy on cyber security and risks related to data privacy? **(Yes/No)** If available, provide a web-link of the policy.

Yes, The Company has developed an information security policy which has been made available to all the employees. The policy guides the employees about the principles to protect critical information assets of the organization from any data breaches. The policy is available on the intranet portal of the organisation.

6) Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

There have been no issues related to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls.

Leadership Indicators

1) Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information regarding the products and services can be accessed via the link mentioned below:-

www.sundram.com/

2) Steps taken to inform and educate consumers about safe and responsible usage of products and/or services

SFL supplies to domestic and global OEMs and after market segments. The materials supplied by SFL then goes into end products manufactured by the OEMs. To the extent legally required, SFL captures the details about safe and responsible usage of products it manufactures.

3) Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

SFL supplies to domestic and global OEMs and after market segments. The materials supplied by SFL then goes into end products manufactured by the OEMs. Consequently, there is no interaction with the consumers directly.

4) Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes. The information as required by law and deemed necessary are disclosed. SFL carries out customer satisfaction surveys across all manufacturing locations to collect feedback on aspects such as quality, cost, and delivery.

5) Provide the following information relating to data breaches:

	Financial Year 2023	Financial Year 2022
Number of instances of data breach along with the impact	NIL	NIL
Percentage of data breaches involving personally identifiable information of customers	NIL	NIL

B S R & Co. LLP
Chartered Accountants

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

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (Listing Obligations and Disclosure Requirements) REGULATIONS, 2015

To the Members of Sundram Fasteners Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated October 14, 2022.
2. We have examined the compliance of conditions of Corporate Governance by Sundram Fasteners Limited ("the Company"), for the year ended March 31, 2023 as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. 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.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2023.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. 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.

Restriction on use

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

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

S Sethuraman
Partner
Membership No. 203491
ICAI UDIN: 23203491BGYXWQ9685

Place:Chennai
Date: May 04, 2023

ANNUAL REPORT DISCLOSURES AS SPECIFIED UNDER REGULATION 34 READ WITH 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) and the Indian Accounting Standards are provided in the financial statement.

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

₹ in Crores

Nature of transaction	TVS Sundram Fasteners Private Limited
Services received	-
Sale of Goods	123.50
Dividend paid	56.60
Due to the Company	18.73
Due by the Company	-

B. Management Discussion And Analysis

Management Discussion and Analysis is provided in the Annual Report in Page Nos. 36 to 41.

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 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, 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 eight Directors, with optimum combination of Executive and Non-Executive Directors. The Managing Director and Joint Managing Director hold Executive positions. There are six Non-Executive Directors, of whom four 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	4	Yes	2	-	-	Sundram Fasteners Limited Chairman
Ms Arathi Krishna Managing Director	00517456	4	Yes	3	-	1	Sundram Fasteners Limited Managing Director
Ms Arundathi Krishna Joint Managing Director	00270935	4	Yes	4	1	1	Sundram Fasteners Limited Joint Managing Director
Ms Preethi Krishna Non-Executive Non-Independent Director	02037253	4	Yes	1	-	-	Sundram Fasteners Limited Non-Executive Non-Independent Director
Sri B Muthuraman Non-Executive Independent Director	00004757	4	Yes	3	2	3	(i) Sundram Fasteners Limited (ii) Narayana Hrudayalaya Limited Non-Executive Independent Director
Sri Heramb R Hajarnavis Non-Executive Independent Director	01680435	4	Yes	2	-	2	(i) Sundram Fasteners Limited (ii) India Nippon Electricals Limited Non-Executive Independent Director
Sri S Mahalingam Non-Executive Independent Director	00121727	4	Yes	8	3	6	(i) Sundram Fasteners Limited (ii) JSW Steel Limited (iii) Sundaram Finance Limited Non-Executive Independent Director
Dr Nirmala Lakshman Non-Executive Independent Director	00141632	4	Yes	1	1	-	Sundram Fasteners Limited Non-Executive Independent Director
Sri S Meenakshisundaram* Whole-Time Director and Chief Financial Officer	00513901	1	Yes	1	-	-	Sundram Fasteners Limited Whole-Time Director and Chief Financial Officer

@ 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.

* Retired from the Board as Whole-time Director effective April 23, 2022 and retired from the Office of Chief Financial Officer effective July 1, 2022.

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 four Board Meetings during the year ended March 31, 2023 which were held on April 22, 2022, July 29, 2022, November 8, 2022 and February 1, 2023. 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 a relative of Ms Arathi Krishna, Managing Director, Ms Arundathi Krishna, Joint Managing Director and Ms Preethi Krishna, Director.

Number of shares held by Non-Executive Directors in the Company as at March 31, 2023

Name of the Director	**Number of Equity Shares**	**% holding**
Sri Suresh Krishna	42,440	0.02
Ms Preethi Krishna	-	-
Sri B Muthuraman	-	-
Sri Heramb R. Hajarnavis	-	-
Sri S Mahalingam	-	-
Dr. Nirmala Lakshman	-	-

The Company has not issued any convertible instruments.

Familiarization programme

Details about the familiarization programme for the financial year 2022-2023 can be accessed under the web link: **http://sundram.com/pdf/SFLFamiliarisationprogramme202023.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:*

Name of the Director	Category of Directorship	Nature of expertise in specific functional area
Sri Suresh Krishna	Chairman	General Management / Marketing / Sales / Project Management / Risk Management / Human Resources
Ms Arathi Krishna	Managing Director	
Ms Arundathi Krishna	Joint Managing Director	
Ms Preethi Krishna	Non-Executive Non-Independent Director	Corporate Strategy and General Management
Sri B Muthuraman	Non-Executive Independent Directors	Engineering / Corporate Strategy / Finance / General Management / Marketing / Sales / Risk Management / Project Management / Human Resources / Foreign Exchange
Sri Heramb R Hajarnavis		
Sri S Mahalingam		
Dr Nirmala Lakshman		
Sri S Meenakshisundaram*	Whole-Time Director and Chief Financial Officer	Finance, Accounting, Taxation, Secretarial, Legal, Risk Management, General Management and Administration

* Retired from the Board as Whole-time Director effective April 23, 2022 and retired from the Office as Chief Financial Officer effective July 1, 2022.

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

3. Audit Committee

Brief description of terms of reference

The Terms of Reference / Role of the Audit Committee cover the matters specified under Regulation 18 and Part C of Schedule II of the SEBI Listing Regulations, 2015 read with 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 April 21, 2022, July 28, 2022, November 8, 2022 and February 1, 2023.

Name of the Committee Member	Category	No. of meetings attended
Sri B Muthuraman	Chairman of the Committee	4
Sri Heramb R Hajarnavis	Independent Director	4
Sri S Mahalingam	Independent Director	4

Sri R Dilip Kumar, former Executive Vice President – Finance & Company Secretary* acted as Secretary of the Committee at its meeting held on April 21, 2022. Sri G Anand Babu, Manager-Finance & Company Secretary** acted as Secretary of the Committee at its meetings held on July 28, 2022, November 8, 2022 and February 1, 2023. Sri S Meenakshisundaram, former Whole-time Director and Chief Financial Officer*** (for the meeting held on April 21, 2022), the Internal Auditor and the Statutory Auditors were invited to attend and participate at meetings of the Committee. Sri B Muthuraman, Chairman of the Audit Committee was present at the 59th Annual General Meeting (AGM) held on June 29, 2022 through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM').

* Appointed as Chief Financial Officer effective July 1, 2022

** Appointed as Manager-Finance & Company Secretary effective July 1, 2022.

*** Retired from the Board as Whole-time Director effective April 23, 2022 and retired from the office of the Chief Financial Officer effective July 1, 2022.

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 the terms of 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.
- Criteria for performance evaluation of Independent Directors and the Board of 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 four times during the financial year on April 21, 2022, July 27, 2022, November 8, 2022 and February 1, 2023.

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

Name of the Committee Member	Category	No. of meetings attended
Sri B Muthuraman	Chairman of the Committee	4
Sri Heramb R. Hajarnavis	Independent Director	4
Ms. Preethi Krishna	Non-Executive Non-Independent Director	3

Sri B Muthuraman, Chairman of the Committee was present at the 59th AGM held on June 29, 2022 through VC / OAVM.

Sri R Dilip Kumar, former Executive Vice President – Finance & Company Secretary* acted as Secretary of the Committee at its meeting held on April 21, 2022. Sri G Anand Babu, Manager-Finance & Company Secretary** acted as Secretary of the Committee at its meetings held on July 27, 2022, November 8, 2022 and February 1, 2023.

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, 2023 ₹ 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.	100.00	8.58	-	312.00	420.58
Ms Arathi Krishna	N.A.	94.80	52.97	12.96	312.00	472.73
Ms Arundathi Krishna	N.A.	95.16	134.00	11.34	312.00	552.50
Ms Preethi Krishna	3.00	N.A.	N.A.	N.A.	10.00	13.00
Sri B Muthuraman	3.80	N.A.	N.A.	N.A.	10.00	13.80
Sri Heramb R Hajarnavis	3.80	N.A.	N.A.	N.A.	10.00	13.80
Sri S Mahalingam	3.40	N.A.	N.A.	N.A.	10.00	13.40
Dr Nirmala Lakshman	2.80	N.A.	N.A.	N.A.	10.00	12.80
Sri S Meenakshisundaram**	N.A.	60.77	-	-	N.A.	60.77

** Retired from the Board of Sundram Fasteners Limited as Whole-time Director effective April 23, 2022.

The tenure of office of Managing Directors is for five years from their respective dates of appointment. The Whole-Time Director was appointed for a tenure of two years and retired from the Board effective April 23, 2022. The sitting fees paid to non-executive directors and independent directors and the commission paid to non-executive directors and independent directors are within the limits prescribed under the Companies Act, 2013. Sitting fee indicated above also includes payment for Board-level committee meetings and independent directors meetings. There is no separate provision for payment of severance fees. The notice period is mutually agreed between the Directors and the Board. The Company does not have any stock option scheme. Other than above mentioned fees, no other remuneration was 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 two times during the year on August 4, 2022 and February 1, 2023.

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
Dr. Nirmala Lakshman	Chairperson of the Committee (Independent Director)	2
Ms. Arathi Krishna	Managing Director	2
Ms. Arundathi Krishna	Joint Managing Director	2

Sri G Anand Babu, Manager-Finance & Company Secretary is the Compliance Officer and Secretary to the Committee.

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, no complaint was received from shareholders / investor through SEBI Scores platform. There are no pending complaints as at March 31, 2023.

7. Risk Management Committee

Brief description of terms of reference

The terms of Reference / role of Risk Management Committee is to monitor and review the risk management plan and such other functions, as it may deem fit, including the function covering cyber security, commodity risks etc. In addition, the Committee’s role specifically include:-

i. To review and approve the risk management policy of the Company and to make amendments thereto from time to time.

ii. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.

iii. To periodically review the risk management policy, by considering the changing industry dynamics and evolving complexity.

iv. To identify methodology, processes and systems to monitor and evaluate risk.

v. To identify internal and external risks in particular including financial, operational, sectoral, department-wise risk, business sustainability particularly, ESG (Environmental, Social and Governance) related risks, information, cyber security risks.

Meetings, Composition of Risk Management Committee of the Board, and the attendance record of Committee Members

The Risk Management Committee met twice during the year on August 26, 2022 and February 15, 2023.

Name of the Committee Member	Category	No. of meetings attended
Ms Arathi Krishna	Managing Director (Chairperson of the Committee)	2
Ms Arundathi Krishna	Joint Managing Director	2
Sri S Mahalingam	Independent Director	2
Ms. Preethi Krishna	Non-Executive Non-Independent Director	2

Sri G Anand Babu, Manager – Finance & Company Secretary acted as Secretary of the Committee.

8. Independent Directors and compliance of their obligations

All the independent directors have fulfilled their obligations as specified under Regulation 25 of the SEBI Listing Regulations, 2015.

Separate Meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on February 23, 2023, to review the frequency and procedures for conducting the separate meetings of the Independent Directors, to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees, which is necessary to effectively and reasonably perform and discharge their duties.

Attendance of the Independent Directors present at the meeting

Sri B Muthuraman, Sri Heramb R Hajarnavis, Sri S Mahalingam and Dr. Nirmala Lakshman are the Independent Directors of the Company as on March 31, 2023. All the Independent Directors attended the meeting.

9. 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
2022	AGM held through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')	29-06-2022	10:00 a.m. IST
2021		20-08-2021	10:00 a.m. IST
2020		16-09-2020	10:00 a.m. IST

No special resolution was passed during the Annual General Meeting held on September 16, 2020, August 20, 2021 and June 29, 2022.

The details of Special Resolutions which were 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
12	Approval of remuneration payable to Sri Suresh Krishna, Chairman and Non-Executive Director (DIN: 00046919) for the financial year ending March 31, 2023 which exceeds 50% (fifty percent) of the total annual remuneration payable to all the Non-Executive Directors for the said year, pursuant to Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 .	June 16, 2022	13,75,67,411 84.93%	2,44,01,584 15.07%
12	Approval of re-appointment of Sri Heramb R Hajarnavis (DIN: 01680435) as a Non-Executive Independent Director of the Company for the second term of five consecutive years commencing from September 20, 2022 to September 19, 2027	June 16, 2022	16,17,30,720 99.86%	2,28,672 0.14%
14	Approval of re-appointment of Sri S Mahalingam (DIN: 00121727) as a Non-Executive Independent Director of the Company for the second consecutive term of 5 (five) years commencing from January 30, 2023 to January 29, 2028 and for his continuation after attaining 75 years of age during such tenure.	December 20, 2022	16,11,33,563 99.24%	12,27,516 0.76%

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 were provided the remote e-voting facility pursuant to Regulation 44 of the SEBI Listing Regulations, 2015 and the said rules read with the circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

10. Means of Communication

- The quarterly, half yearly and annual results are published in widely circulating national and local dailies such as Business Line, The Hindu (English) and Makkal Kural (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.

11. General Shareholder Information

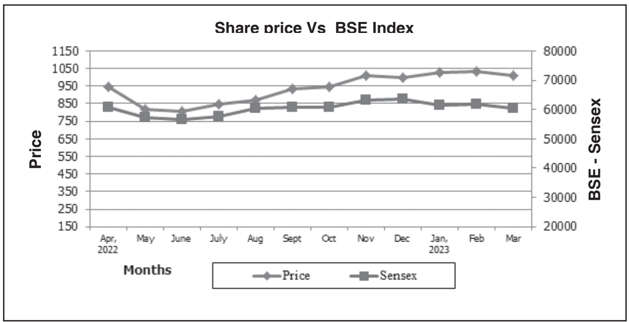
a	Annual General Meeting Date, Time and Venue	Day and Date: Thursday, June 29, 2023 Time: 10.00 a.m. IST Venue: The Company is conducting the meeting through Video Conferencing (VC) / Other Audio Visual Means (OAVM) as set out in the Notice of the Annual General Meeting.
b	Financial year	April 2023 to March 2024 • First Quarter Results – on or before August 14, 2023 • Second Quarter/Half-yearly Results – on or before November 14, 2023 • Third Quarter Results – on or before February 14, 2024 • Annual Results for the year ending March 31, 2024 - on or before May 30, 2024 The timelines are subject to any extension of time that may be granted by the Regulators.
c	Dividend Payment date for dividends declared during the Financial Year 2022-2023	Interim Dividend for the Financial year 2022-2023 was declared by the Board of Directors at its meeting held on November 8, 2022 and paid on November 30, 2022
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 2023-2024.
e	Stock Code	Code: 500 403 – BSE Ltd (BSE) SUNDRMFAST – National Stock Exchange of India Ltd (NSE)

f	Market Price Data – High, Low during each month in last financial year

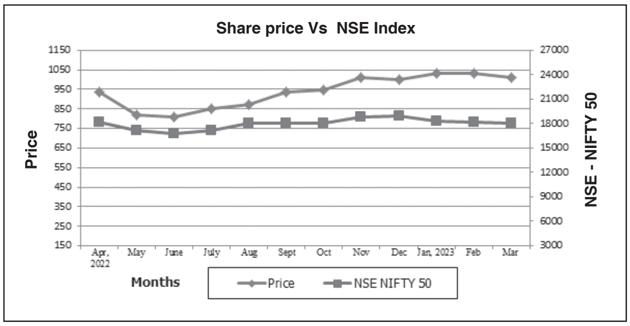
Month	BSE Limited				National Stock Exchange of India Ltd.			
	Price - ₹		Index- Sensex		Price - ₹		Index- Nifty	
	High	Low	High	Low	High	Low	High	Low
Apr, 2022	948.20	777.05	60,845.10	56,009.07	938.10	775.65	18,114.65	16,824.70
May, 2022	817.55	676.40	57,184.21	52,632.48	819.95	673.05	17,132.85	15,735.75
June, 2022	807.70	674.80	56,432.65	50,921.22	811.15	675.00	16,793.85	15,183.40
July, 2022	848.00	713.55	57,619.27	52,094.25	850.00	718.45	17,172.80	15,511.05
Aug, 2022	873.00	800.85	60,411.20	57,367.47	873.20	800.10	17,992.20	17,154.80
Sep, 2022	934.05	830.30	60,676.12	56,147.23	934.50	829.30	18,096.15	16,747.70
Oct, 2022	945.00	875.00	60,786.70	56,683.40	945.00	874.30	18,022.80	16,855.55
Nov, 2022	1009.80	879.00	63,303.01	60,425.47	1010.00	878.30	18,816.05	17,959.20
Dec, 2022	999.90	871.00	63,583.07	59,754.10	999.95	902.10	18,887.60	17,744.25
Jan, 2023	1029.00	935.00	61,343.96	58,699.20	1030.00	954.40	18,251.95	17,405.55
Feb, 2023	1033.50	981.50	61,682.25	58,795.97	1033.80	962.00	18,134.75	17,255.20
Mar, 2023	1007.15	951.50	60,498.48	57,084.91	1008.00	952.10	17,999.95	16,828.35

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 **E-Mail : srirams@integratedindia.in** *Investor Contacts:* Sri. K Suresh Babu, Director Sri. S Sriram, General Manager
j	Share Transfer System	The share transfer requests are processed within the timelines stipulated under the SEBI Listing Regulations, 2015. The Board of Directors has delegated the power to approve transfer of shares, transmission of shares, transposition of shares, consolidations 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	47,362	65.94	12,46,519	0.59
101 - 250	8,250	11.49	14,07,930	0.67
251 - 500	5,518	7.68	20,92,607	1.00
501 - 1000	3,541	4.93	27,70,062	1.32
1001 - 5000	5,874	8.18	1,38,72,067	6.60
5001 - 10000	724	1.01	52,03,057	2.48
10,001 and above	557	0.77	18,35,36,128	87.34
Total	**71,826**	**100.00**	**21,01,28,370**	**100.00**
Physical Mode	1,626	2.26	16,56,395	0.79
Demat Mode	70,200	97.74	20,84,71,975	99.21
Total	**71,826**	**100.00**	**21,01,28,370**	**100.00**

Categories of Shareholding as on March 31, 2023		
Category	Shares	% holding
Promoter	10,16,15,280	48.36
Promoter Group	3,25,763	0.16
Mutual Funds	2,87,64,751	13.69
Insurance Companies, Financial Institutions & Banks	1,01,35,064	4.82
Foreign Portfolio Investors (FPIs)	2,44,62,491	11.64
Public / Private Limited Companies	20,17,919	0.96
Resident Individuals	3,90,44,875	18.58
Others	37,62,227	1.79
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 dematerialized form. 99.21% of total equity capital (including holding of promoter companies) is held in dematerialized form with NSDL and CDSL as on March 31, 2023. The volume of shares traded during FY 2022-2023:-

Stock Exchange	During FY 2022-2023	Monthly Average Volume
BSE	52,39,400	4,36,617
NSE	3,00,41,184	25,03,432

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, through price increase realised from customers and improvement in operational efficiency. The Company's contracts with major OEMs have pass through arrangement for passing on the increase in raw material costs.
Total exposure of the Company to various commodities: ₹ 2,246.21 Crores.
<table>
<tr><th>Commodity Name</th><th>Exposure in INR towards the particular Commodity (₹ 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></tr>
<tr><td>Steel</td><td>1,208.72</td><td>1,39,337.71 Metric Ton</td><td>Nil</td></tr>
<tr><td>M S Scrap & other components</td><td>121.95</td><td>21,639.89 Metric Ton</td><td>Nil</td></tr>
<tr><td>Ferrous, Non-Ferrous and Powders</td><td>232.65</td><td>12,625.84 Metric Ton</td><td>Nil</td></tr>
<tr><td>Aluminium Ingots</td><td>102.83</td><td>5,266.35 Metric Ton</td><td>Nil</td></tr>
<tr><td>Blank alloy steel slug (tappet), child parts for assembly (Uttarakhand), other components (Radiator Caps and Assemblies)</td><td>110.95</td><td>1,62,45,675 Nos.</td><td>Nil</td></tr>
<tr><td>Other Components</td><td>695.76</td><td>NA</td><td>Nil</td></tr>
<tr><td>Total</td><td>2,472.86</td><td></td><td></td></tr>
<tr><td>Changes in inventory, finished goods, work in progress and stock in trade</td><td>(51.64)</td><td></td><td></td></tr>
<tr><td>Less: Inter Plant transfers</td><td>(175.01)</td><td></td><td></td></tr>
<tr><td>Total</td><td>2,246.21</td><td></td><td></td></tr>
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<tr>
<td>o</td>
<td>Plant Location</td>
<td>
<u>Tamil Nadu</u>
1) Padi, Chennai 600 050, Thiruvallur 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, Chengalpet, Kancheepuram District 603 002
<u>Puducherry (Pondicherry)</u>
8) Korkadu, Nettapakkam Commune, Bahur Taluk Puducherry 605 110
<u>Telangana</u>
9) Bonthapally Village 502 313, Medak District
</td>
</tr>
</table>

		Andhra Pradesh 10) SEZ Unit, Sri City, Andhra Pradesh Uttarakhand 11) Pantnagar, Integrated Industrial Estate Rudrapur, Dist. Udam Singh Nagar Uttarakhand 263 153
p	Address for Correspondence	Sri G Anand Babu Manager - Finance & Company Secretary Sundram Fasteners Limited 98A, 7th Floor, Dr Radhakrishnan Salai Mylapore, Chennai 600 004 Telephone: +91-44-28478500 Extn: 212/213/217 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 Ratings Limited has issued **`CRISIL A1+'** (pronounced 'CRISIL A one Plus') rating to the Company for the ₹ **100 Crores** Commercial Paper and ₹ **25 Crores** short term debt programme during the financial year 2022-23 and there has been no revision thereto during the said financial year.

12. OTHER DISCLOSURES

Materially significant related party transactions during the year ended March 31, 2023:

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.14 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 established a Vigil Mechanism through a Whistle Blower Policy. The policy enables stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices, if any, reporting of concerns by directors and employees about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy or any other genuine concerns or grievances, to provide for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee. No personnel has approached the Audit Committee till date.

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

Disclosure on Commodity price risks and commodity hedging activities

The Company mitigates its major raw material Price risks, namely steel by entering into a long term supply contracts with the select suppliers. Also, the contracts with customers provide for pricing on the increase in price of raw materials.

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 2022-23.

Certificate on Non-Disqualification of Directors

(Pursuant to 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, in our opinion, none of the below-mentioned Directors on the Board of **Sundram Fasteners Limited** ("the Company") **as on March 31, 2023,** 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):

Sl. No.	Name of the Director	Nature of Directorship	Director Identification Number
1.	Sri Suresh Krishna	Chairman, Non-Executive Non-Independent	00046919
2.	Ms Arathi Krishna	Managing Director	00517456
3.	Ms Arundathi Krishna	Joint Managing Director	00270935
4.	Ms Preethi Krishna	Non-Executive Non-Independent	02037253
5.	Sri Muthuraman Balasubramanian	Non-Executive Independent	00004757
6.	Sri Heramb Ravindra Hajarnavis		01680435
7.	Sri Mahalingam Seturaman		00121727
8.	Dr Nirmala Lakshman		00141632

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

1. Information relating to the directors available in the official web site of Ministry of Corporate Affairs;
2. Disclosures/ declarations/ confirmations provided by the Directors to the Company;
3. Registers, records, forms and returns filed / maintained by the Company; and
4. Information, explanation and representations provided by the Company, its officers / agents.

Management's responsibility

We wish to state that the management of the Company is responsible to ensure the eligibility of a person for appointment / continuation as a Director on the Board of the Company.

Auditor's responsibility

Our responsibility is to express an opinion on this, based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the processes followed by the management of the Company with regard to appointment / continuation of a person as a Director of the Company.

For S Krishnamurthy & Co.,
Company Secretaries,
(Peer Review Certificate No: 739 / 2020)

K Sriram,
Partner.
Membership No: F6312
Certificate of Practice No.:2215
UDIN: F006312E000255627

Place: Chennai
Date: May 4, 2023

Recommendation by the Committees to the Board of Directors

The Board has accepted the recommendations made by its Committees during the financial year 2022-23.

Audit fee:

Total fees for all services paid by the Companies 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 and all entities in the network of Statutory Auditor / network entity of which the Statutory Auditor is a part during the financial year 2022-2023 is ₹ 1,07,50,000/- (Rupees One Crore Seven Lakh Fifty Thousand 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

Disclosure by the Company and its subsidiaries of loans and advances in the nature of loans to firms/companies in which Directors are interested:

Necessary disclosures relating to loans and advances in the nature of loans to firms/companies in which Directors are interested are provided in the financial statements in Note No 37.

Details of material subsidiaries of the listed entity including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

None of the subsidiaries of the Company is a material subsidiary during the financial year 2022-2023.

13. There was no non-compliance of any requirement of corporate governance report of para (2) to (12) mentioned above.

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

The Board

Pursuant to the approval by the shareholders through a postal ballot on March 16, 2021, 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, The Hindu (English) and Makkal Kural (Tamil) newspapers.

Audit Qualification

There is no audit qualification / reservation / adverse remark / disclaimer with regard to financial statement by the Statutory Auditors in the Auditors' Report or by the Company Secretary in Practice in the Secretarial Audit Report for the financial year 2022-23.

Reporting of Internal Auditors

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

15. 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 the timelines prescribed by the SEBI for all the quarters during the financial year 2022-2023.

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 4, 2023

To

The members of Sundram Fasteners Limited

DECLARATION TO THE MEMBERS PURSUANT TO SCHEDULE V OF THE 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, 2023.

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.	759	7,36,373
Number of Shareholders who approached the issuer and claimed their shares and to whom shares were transferred from the Unclaimed Suspense Account during the year.	42	63,700
Aggregate number of shareholders and the shares transferred to Investor Education and Protection Fund Authority from the Unclaimed Suspense Account during the year.	16	8,740
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.	701	6,63,933

B S R & Co. LLP
Chartered Accountants

KRM Tower, 1st & 2nd Floors, 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 the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Sundram Fasteners Limited (the "Company") which comprise the standalone balance sheet as at March 31, 2023, 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 financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2023, and 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 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 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 on the standalone financial statements.

Key Audit Matters

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

Impairment assessment of long term investments in subsidiaries

Refer Notes 3 and 6 to standalone financial statements

The key audit matter	**How the matter was addressed in our audit**
The Company has long-term investments in subsidiaries as at March 31, 2023. The Company assesses investment in subsidiaries at each reporting date for any impairment indicators, based on internal or external sources of information. Where, such indicators exist, the Company performs impairment testing. The changes in business environment including impact of COVID-19 pandemic on budgets and forecasts and uncertainties caused by external factors affecting estimated performance of subsidiaries has triggered impairment testing in respect of certain subsidiaries. As impairment assessment involves significant estimates and judgements, it is a key area of focus in our audit.	In view of the significance of the matter, we performed the following key audit procedures: • Assessed the design, implementation and operating effectiveness of key controls in respect of the Company's impairment analysis process including evaluation and approval of forecasts, and the valuation model used; • Examined the valuation reports of the independent third-party specialists as engaged by the Company; • Evaluated and challenged the key assumptions considered in cash flow forecasts for assessing the recoverable amount such as growth rates, profitability, discount rates etc., with reference to our understanding of the business and historical trends; • Involved our valuation specialists to examine the valuation methodology and key assumptions; • Performed sensitivity analysis considering possible changes in key assumptions used; • Evaluated the adequacy of disclosures made in the standalone Ind AS financial statements.

Taxation and contingent liability related matters

Refer Notes 3, 18 and 36 to standalone financial statements

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, interpretation of laws and regulations etc. Judgment is also required in assessing the range of possible outcomes for these matters. The Company makes an assessment to determine the outcome of these matters and records an accrual or discloses this as a contingent liability in accordance with applicable accounting standards. Accordingly, taxation and contingent liability related matters are areas of focus in the audit.	In view of the significance of the matter, we applied the following key audit procedures: • Involved our tax specialists and evaluated and challenged the underlying judgements used in respect of estimation of provisions, exposures and contingencies • Considered third party advice received by the Company where applicable, status of recent and current tax assessments, outcome of previous claims, judgmental positions taken in tax returns and developments in tax environment. • Evaluated the adequacy of disclosures on tax provisions and contingent liabilities made in the standalone Ind AS financial statements.

Revenue recognition

Refer Notes 3 and 23 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company's revenue is derived primarily from sale of automobile spare parts and components ("goods"). Revenue from the sale of goods is recognised upon the transfer of control of the goods to the customer. The Company and its external stakeholders focus on revenue as a key performance metric and the Company uses various shipment terms across its operating markets. Revenue recognition has been identified as a key audit matter as there could be an incentive or external pressures to meet expectations resulting in revenue being overstated or recognized before control has been transferred.	In view of the significance of the matter we applied the following key audit procedures in this area: • Assessed the Company's accounting policy for revenue recognition as per applicable accounting standards. • Tested the design, implementation and operating effectiveness of key controls relating to revenue recognition. • Performed substantive testing of revenue transactions recorded during the year on a sample basis by verifying the underlying documents. • Tested samples of revenue transactions recorded closer to the year-end by verifying underlying documents, to assess the accuracy of the period in which revenue was recognized. • Tested material manual journal entries posted to revenue.

Information Other than the Financial Statements and Auditor's 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 auditor's reports thereon.

Our opinion on the standalone 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 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 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 and Board of Directors' Responsibilities for the Standalone 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 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 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 financial statements, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 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 the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone 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 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 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 financial statements, including the disclosures, and whether the standalone 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 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. 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 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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".

   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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    a. The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its standalone financial statements - Refer Note 36 to the standalone financial statements.

    b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

    d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 32 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 32 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The first interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act. The second interim dividend declared by the Company for the year ended 31 March 2023, is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend. However, the said dividend was not paid on the date of this audit report.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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) of the Act 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
ICAI UDIN: 23203491BGYXWR6301

Place : Chennai
Date : May 04, 2023

B S R & Co. LLP
Chartered Accountants

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

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Sundram Fasteners Limited for the year ended March 31, 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. 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 (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right-of-Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks/ or financial institutions are in agreement with the books of account of the Company except as follows:

Quarter	Name of bank	Particulars	Amount as per books of account (in ₹ crores)	Amount as reported in the quarterly return / statement (in ₹ crores)	Amount of difference (in ₹ crores)	Whether return / statement subsequently rectified
Quarter ended September 2022	HDFC Bank ICICI Bank Standard Chartered Bank HSBC Bank	Sales	1,218.19	1,216.05	2.14	Yes
Quarter ended September 2022	HDFC Bank ICICI Bank Standard Chartered Bank HSBC Bank	Production	1,032.63	1,028.42	4.21	Yes

Quarter	Name of bank	Particulars	Amount as per books of account (in ₹ crores)	Amount as reported in the quarterly return / statement (in ₹ crores)	Amount of difference (in ₹ crores)	Whether return / statement subsequently rectified
Quarter ended December 2022	HDFC Bank ICICI Bank Standard Chartered Bank HSBC Bank	Sales	1,226.87	1,229.01	2.14	Yes
Quarter ended December 2022	HDFC Bank ICICI Bank Standard Chartered Bank HSBC Bank	Production	1,047.98	1,052.19	4.21	Yes

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security, granted loans or advances in the nature of loans, secured or unsecured to firms or to limited liability partnership. The Company has not provided any guarantee or security, granted any secured loans, secured or unsecured advances in the nature of loans to any companies during the year. The Company has made investments and granted unsecured loan to companies during the year. The Company has not provided guarantee or security, granted secured loans, secured or unsecured advances in the nature of loans, to any other parties during the year. However, the Company has made investments in mutual funds and granted unsecured loans to employees.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity as below:

Particulars	Guarantees	Loans
Aggregate amount during the year		
Subsidiaries*	-	₹ 2.52 crores
Joint ventures*	-	-
Associates*	-	-
Others	-	₹ 3.02 crores
Balance outstanding as at balance sheet date		
Subsidiaries*	₹ 140.25 crores	₹ 18.22 crores
Joint ventures*	-	-
Associates*	-	-
Others*	-	₹ 1.54 crores

**As per the Companies Act, 2013*

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans provided during the year are, prima facie, not prejudicial to the interest of the Company. There are no guarantees, security or advance in the nature of loans provided by the Company during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except for the loan of Rs. 5.75 crores given to TVS Upasana Limited and Rs. 0.08 crores given to Sundram International Inc., USA which is repayable on demand. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there has been no default on the part of the party to whom the money has been lent. The payment of interest has been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as disclosed in Appendix I:

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act. The Company does not hold any investment in any associate or joint venture as defined under the Companies Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act). The Company does not hold any investment in any associate or joint venture as defined under the Companies Act.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of 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, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any ongoing project. Accordingly, clause 3(xx)(b) 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
ICAI UDIN: 23203491BGYXWR6301

Place : Chennai
Date : May 04, 2023

Appendix I

Name of the statute	Nature of the dues	Amount (in ₹ crores)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	2.26	FY 2004-16	Customs, Excise and Service tax Appellate Tribunal
Central Excise Act, 1944	Excise duty	0.01	FY 2005-17	Commissioner - Appeals
Central Excise Act, 1944	Excise duty	0.21	FY 2009-18	Adjudicating authority / Assessing Officer/ Division
Central Excise Act, 1944	Excise duty	0.32	FY 2013-18	Additional Director General, Directorate of Goods and Service Tax Intelligence
Finance Act, 1994	Service tax	0.22	FY 2004-18	Customs, Excise and Service tax Appellate Tribunal
Finance Act, 1994	Service tax	0.06	FY 2008-16	Commissioner - Appeals
Income Tax Act, 1961	Income-tax dues	0.64*	AY 2007-08	The Income tax Appellate Tribunal
Income Tax Act, 1961	Income-tax dues	3.90	AY 2015-16	The Income tax Appellate Tribunal
Income Tax Act, 1961	Income-tax dues	0.02	AY 2016-17	The Income tax Appellate Tribunal
Income Tax Act, 1961	Income-tax dues	0.46	AY 2017-18	The Income tax Appellate Tribunal
Income Tax Act, 1961	Income-tax dues	0.25	AY 2018-19	The Income tax Appellate Tribunal
Income Tax Act, 1961	Income-tax dues	0.04	AY 2019-20	The Income tax Appellate Tribunal
Tamil Nadu Value Added Tax Act, 2006 / Telangana Value Added Tax Act, 2005 / Central Sales Tax Act, 1956	Sales tax	0.60	FY 2006-17	Joint / Deputy / Assistant / Additional Commissioner
Tamil Nadu Value Added Tax Act, 2006 / Telangana Value Added Tax Act, 2005 / Central Sales Tax Act, 1956	Sales tax	0.01	FY 2017-18	Joint / Deputy / Assistant / Additional Commissioner
Tamil Nadu Value Added Tax Act, 2006 / Telangana Value Added Tax Act, 2005 / Central Sales Tax Act, 1956	Sales tax	0.34	FY 2014-17	Joint / Deputy / Assistant / Additional Commissioner
Goods and Services Tax, 2017	GST	0.08	FY 2017-18	Joint / Deputy / Assistant / Additional Commissioner
Goods and Services Tax, 2017	GST	1.56	FY 2017-20	Assistant Commissioner, Circle III, Audit I Commissionerate

* Rectification order received along with refund, pending closure of appeal

B S R & Co. LLP
Chartered Accountants

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

Annexure B to the Independent Auditor's Report on the standalone financial statements of Sundram Fasteners Limited for the year ended March 31, 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(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, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2023, 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 issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 were 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 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 judgement, including the assessment of the risks of material misstatement of the standalone 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 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 standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone 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
ICAI UDIN: 23203491BGYXWR6301

Place : Chennai
Date : May 04, 2023

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

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

	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	5 (a)	**1,604.82**	1,511.85
Capital work-in-progress	5 (b)	**45.90**	100.22
Investment property	5 (c)	**0.17**	0.19
Right-of-use assets	5 (d)	**45.53**	42.93
Intangible assets	5 (e)	**1.93**	2.67
Financial assets			
- Investments	6	**346.82**	322.71
- Loans	7	**13.61**	11.01
- Other financial assets	8	**36.23**	24.30
Other tax assets, net	9	**63.03**	62.52
Other non-current assets	10	**70.29**	49.87
Total non-current assets		**2,228.33**	2,128.27
Current assets			
Inventories	11	**782.12**	691.39
Financial assets			
- Trade receivables	12	**944.84**	838.71
- Cash and cash equivalents	13	**30.96**	14.01
- Bank balance other than cash and cash equivalents	13	**4.24**	17.75
- Loans	7	**6.15**	6.10
- Other financial assets	8	**2.87**	5.19
Other current assets	10	**60.11**	55.47
Total current assets		**1,831.29**	1,628.62
Total assets		**4,059.62**	3,756.89
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	**21.01**	21.01
Other equity		**2,888.02**	2,524.26
Total equity		**2,909.03**	2,545.27
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	15	**41.09**	113.70
- Lease liabilities	16	**6.42**	2.04
Provisions	17	**6.56**	6.66
Deferred tax liabilities, net	18	**126.56**	118.01
Other tax liabilities, net	19	**6.99**	6.97
Total non-current liabilities		**187.62**	247.38
Current liabilities			
Financial liabilities			
- Borrowings	15	**395.01**	347.34
- Lease liabilities	16	**2.10**	3.37
- Trade payables	20		
total outstanding dues of micro enterprises and small enterprises; and		**62.24**	66.09
total outstanding dues of creditors other than micro enterprises and small enterprises		**364.93**	406.24
- Other financial liabilities	21	**70.58**	68.35
Other current liabilities	22	**21.47**	26.56
Provisions	17	**22.07**	20.58
Current tax liabilities, net	19	**24.57**	25.71
Total current liabilities		**962.97**	964.24
Total liabilities		**1,150.59**	1,211.62
Total equity and liabilities		**4,059.62**	3,756.89

Significant accounting policies 3 and 4

The notes from 1 to 42 are an integral part of these standalone financial statements

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

As per our report of even date attached

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

SURESH KRISHNA
Chairman
(DIN: 00046919)

S SETHURAMAN
Partner
Membership No.: 203491

ARATHI KRISHNA
Managing Director
(DIN: 00517456)

ARUNDATHI KRISHNA
Joint Managing Director
(DIN: 00270935)

R DILIP KUMAR
Chief Financial Officer
(DIN: 00240372)

G ANAND BABU
Manager - Finance & Company Secretary
(ACS Membership No: A19848)

Place : Chennai
Date : May 04, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

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

	Note	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	23	**4,919.43**	4,172.57
Other income	24	**29.98**	25.61
Total income		**4,949.41**	4,198.18
Expenses			
Cost of materials consumed	25	**2,297.85**	1,904.45
Changes in inventories of finished goods and work-in-progress	26	**(52.69)**	(97.97)
Employee benefits expense	27	**333.98**	311.73
Finance costs	28	**24.63**	13.39
Depreciation and amortisation expense	29	**157.02**	152.83
Other expenses	30	**1,572.69**	1,327.79
Total expenses		**4,333.48**	3,612.22
Profit before exceptional item and tax		**615.93**	585.96
Exceptional item	6	**-**	30.00
Profit before tax		**615.93**	555.96
Tax expense	18		
a) Current tax		**148.70**	148.11
b) Deferred tax		**2.83**	0.39
Total tax expense		**151.53**	148.50
Profit for the year		**464.40**	407.46
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
(i) Remeasurements (losses) / gain on defined benefit plans		**(0.08)**	1.89
(ii) Fair value gains on equity instruments		**22.29**	12.46
(iii) Income tax effect on above		**(5.73)**	(2.60)
Total other comprehesive income		**16.48**	11.75
Total comprehensive income for the year		**480.88**	419.21
Earnings per equity share	31		
Basic (in ₹)		**22.10**	19.39
Diluted (in ₹)		**22.10**	19.39

Significant accounting policies 3 and 4

The notes from 1 to 42 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 04, 2023

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

SURESH KRISHNA
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(DIN: 00270935)

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Chief Financial Officer
(DIN: 00240372)

G ANAND BABU
Manager - Finance & Company Secretary
(ACS Membership No: A19848)

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(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, 2022	14A	**21.01**
Changes in equity share capital due to prior period errors		-
Restated balance as at April 1, 2022		**21.01**
Changes in equity share capital during the year		-
Balance as at March 31, 2023	14A	**21.01**
Balance as at April 1, 2021	14A	**21.01**
Changes in equity share capital due to prior period errors		-
Restated balance as at April 1, 2021		**21.01**
Changes in equity share capital during the year		-
Balance as at March 31, 2022	14A	**21.01**

B. Other equity

Particulars	Reserves and Surplus		Items of other comprehensive income	Total
			Items that will not be reclassified to profit and loss	
	General reserve	Retained earnings	Fair valuation of equity instruments	
Balances as at April 1, 2022	**2,267.99**	**207.59**	**48.68**	**2,524.26**
Changes in accounting policy or prior period errors	**-**	**-**	**-**	**-**
Restated balance as at April 1, 2022	**2,267.99**	**207.59**	**48.68**	**2,524.26**
Profit for the year	**-**	**464.40**	**-**	**464.40**
Other comprehensive income for the year	**-**	**(0.06)**	**16.54**	**16.48**
Total comprehensive income for the year	**-**	**464.34**	**16.54**	**480.88**
Dividends (refer note 14B(a))	**-**	**(117.12)**	**-**	**(117.12)**
Transfer from retained earnings	**175.00**	**(175.00)**	**-**	**-**
Balances as at March 31, 2023	**2,442.99**	**379.81**	**65.22**	**2,888.02**
Balances as at April 1, 2021	**2,117.99**	**155.70**	**38.34**	**2,312.03**
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance as at April 1, 2021	**2,117.99**	**155.70**	**38.34**	**2,312.03**
Profit for the year	-	407.46	-	407.46
Other comprehensive income	-	1.41	10.34	11.75
Total comprehensive income for the year	**-**	**408.87**	**10.34**	**419.21**
Dividend (refer note 14B(a))	-	(206.98)	-	(206.98)
Transfer from retained earnings	150.00	(150.00)	-	-
Balances as at March 31, 2022	**2,267.99**	**207.59**	**48.68**	**2,524.26**

Significant accounting policies 3 and 4

The notes from 1 to 42 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 04, 2023

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)

R DILIP KUMAR
Chief Financial Officer
(DIN: 00240372)

G ANAND BABU
Manager - Finance & Company Secretary
(ACS Membership No: A19848)

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

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

	Note	Year ended March 31, 2023	Year ended March 31, 2022
A. Cash flows from operating activities			
Profit before tax		**615.93**	555.96
Adjustments for:			
Depreciation and amortisation expense	29	**153.11**	146.86
Amortisation of right-of-use assets	29	**3.91**	5.97
Unrealised foreign exchange loss / (gain), net		**4.00**	(1.38)
Mark to market loss / (gain) on derivative instruments		**0.35**	(0.26)
Finance costs	28	**24.63**	13.39
Interest income	24	**(3.03)**	(1.43)
Dividend income	24	**(4.10)**	(2.88)
Loss on sale of property, plant and equipment, net		**0.92**	1.01
Financial guarantee income		**(1.29)**	(1.79)
Gain on sale of investment in mutual funds	24	**(0.32)**	(0.74)
Impairment of investment	6	**-**	30.00
Loss allowance on trade receivables		**0.74**	6.66
Operating profit before working capital changes		**794.85**	751.37
Adjustments for changes in working capital:			
Increase in inventories		**(90.73)**	(132.59)
Increase in financial assets		**(118.67)**	(127.33)
Decrease / (increase) in other assets		**10.01**	(11.69)
(Decrease) / increase in financial liabilities		**(47.24)**	31.98
(Decrease) / increase in other liabilities and provisions		**(3.79)**	7.65
Net increase in working capital		**(250.42)**	(231.98)
Cash generated from operating activities		**544.43**	519.39
Income taxes paid, net		**(150.34)**	(152.97)
Net cash from operating activities		**394.09**	366.42
B. Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advances)		**(212.94)**	(146.65)
Proceeds from sale of property, plant and equipment		**1.37**	0.90
Acquisition of investments		**(1,334.23)**	(2,266.18)
Proceeds from sale of investments		**1,332.82**	2,266.24
Dividend received		**4.10**	2.88
Interest received	24	**2.73**	1.70
Net cash used in investing activities		**(206.15)**	(141.11)

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

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

	Note	Year ended March 31, 2023	Year ended March 31, 2022
C. Cash flows from financing activities			
Repayment of long term borrowings		**(78.96)**	(37.03)
Proceeds from short term borrowings, net		**47.67**	34.87
Principal payment of lease liabilities		**(4.46)**	(7.35)
Dividend paid		**(117.12)**	(206.98)
Interest paid		**(18.12)**	(7.66)
Net cash used in financing activities		**(170.99)**	(224.15)
D. Net cash flows during the year (A+B+C)		**16.95**	1.16
E. Cash and cash equivalents at the beginning		**14.01**	12.85
F. Cash and cash equivalents at the end (D + E)		**30.96**	14.01
Reconciliation of the cash and cash equivalents as per the cash flow statement			
Balances with banks in current accounts	13	**23.07**	12.12
Cash on hand	13	**7.84**	1.84
Deposits with original maturity of less than three months	13	**0.05**	0.05
		30.96	14.01

Significant accounting policies 3 and 4

The notes from 1 to 42 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 04, 2023

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)

R DILIP KUMAR
Chief Financial Officer
(DIN: 00240372)

G ANAND BABU
Manager - Finance & Company Secretary
(ACS Membership No: A19848)

1. Corporate information

Sundram Fasteners Limited ('the Company') is a public limited company 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 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 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.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The standalone financial statements for the year ended March 31, 2023 (including comparatives) are approved for issue by the Board on May 4, 2023.

Details of the Company's accounting policies are included in notes 3 and 4.

2.2 Functional and presentation currency

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

2.3 Basis of measurement

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

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

2.4 Use of estimates and judgments

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of assets including trade receivables, inventories and other current / non-current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has used internal and external sources of information on the expected future performance of the Company. The Company has performed sensitivity analysis (wherever applicable) on the assumptions used and based on current estimates expects that the carrying amount of these assets will be recovered. The Company will continue to closely monitor any material changes to future economic conditions.

Judgements

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 3(7) and 39: Leases - whether an arrangement contains a lease;
- Note 3(5), 3(8) and 35: Investment in subsidiaries and Financial instruments: Classification and measurement

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.

- Note 3(2), 3(3) and 3(4): Useful lives of property, plant and equipment, intangible assets and investment property
- Note 3(8), 3(9), 6, 12 and 35: Impairment test on financial and non-financial assets; key assumptions underlying recoverable amounts;
- Note 3(10), 3(12), 17, 18 and 36: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and

magnitude of an outflow of resources including provision for income taxes and related contingencies

- Note 17: measurement of defined benefit obligation; key actuarial assumptions;

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 liabilities 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 35). 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.

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 goods and services 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 over time as services are recognised 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 and 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 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(c)). Rental income from investment property is recognised in statement of profit and loss on a straight-line basis over the term of the lease.

2. Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognised as asset if, and only if it is probable that future economic benefits associated with an item will flow to the Company and cost of such item can be measured reliably.

2.1 Recognition and measurement:

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

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain/ loss on disposal of an item of property, plant and equipment is recognised in statement of profit and 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 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 and in accordance with Schedule II to the Companies Act, 2013, on a straight-line basis.

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. Intangible assets and research and development expenditure

Intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

3.1 Subsequent expenditure:

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in statement of profit and loss as incurred.

3.2 Amortisation:

Intangible assets comprising of Computer softwares are amortised on a straight-line basis over the estimated useful life of 5 years. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if necessary, for each reporting period.

3.3 Research and development expenditure:

Expenditure are mainly on research activities and the same is recognised in statement of profit and loss as incurred.

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 and impairment losses if any.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

Investment property is derecognised either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

The Company has depreciated investment property as evaluated on technical assessment and in accordance with Schedule II to the Companies Act, 2013, on a straight-line basis. Any gain or loss on disposal of an investment property is recognised in the statement of profit and loss.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

5. Investments in subsidiaries

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

6. Inventories

Inventories are valued at lower of cost and net realizable value including necessary provision for obsolescence. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The comparison of cost and net realisable value is made on an item by item basis. The cost of raw materials, components, consumable stores and spare parts are determined using the weighted average method and includes freight, taxes and duties, net of duty credits wherever applicable. Finished goods, including stock in trade and work-in-progress are valued at lower of cost and net realisable value. Cost includes all direct costs including excise duty and applicable manufacturing overheads incurred in bringing them to their present location and condition.

6.1 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.

6.2 Work-in-progress and finished goods:

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

6.3 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.

7. Leases

7.1 Assets held under leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Assets taken on lease

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative standalone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in –substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets and lease liabilities separately on the face of the balance sheet.

Short-term leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases. ease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Assets leased out

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other operating revenue' or 'Other income'.

8. Financial instruments

8.1 Recognition and initial measurement:

Trade receivables are initially recognised when they are originated. A trade receivable without a significant financing component is initially measured at the transaction price.

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 and 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 does not contain significant financing component.

8.2 Financial assets

8.2.1 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 measured at amortised cost.
b. Those to be measured at fair value through other comprehensive Income (FVTOCI)
c. Those to be measured at fair value through profit and loss (FVTPL);

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

b. 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 the statement of profit and 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 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.

c. Financial assets at fair value through profit and loss

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortised cost or 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 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 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 the statement of profit and loss.

8.2.2 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.

8.2.3 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, the same is continued to be recognised to the extent of continuing involvement in the financial asset.

8.3 Financial Liabilities

8.3.1 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.

8.3.2 Subsequent measurement

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

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

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

8.3.3 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

8.4 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.

9. Impairment

9.1 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.

9.1.1 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).

9.1.2 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.

9.1.3 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.

9.2 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.

10. Income taxes

Income tax comprises current and deferred tax. It is recognised in the statement of profit and 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.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under *Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets*.

Current tax

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

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 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 such tax liabilities and assets on a net basis or its tax assets and liabilities will be realised simultaneously.

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

11.1 Short term employee benefit obligations:

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

11.2 Other long-term employee benefit obligations:

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Company's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. Such benefit is discounted to determine its present value The obligation is measured annually by qualified actuary using projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

11.3 Post-employment obligation:

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

11.3.1 Gratuity/ group terminal benefit plan:

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.

11.3.2 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.

12. Provisions and contingent liabilities

12.1 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.

12.1.1 Provision for warranties

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

12.1.2 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.

12.2 Contingent liability:

Contingent liability is a possible obligation arising 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. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

12.3 Contingent asset:

Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

13. 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.

14. 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.

15. Segment reporting

The Company is engaged in manufacture and sale of bolts and nuts, water 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.

16. 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 the statement of profit and loss as other operating revenue on a systematic basis in the periods in which such expenses are recognised.

17. 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 statement of profit and loss.

18. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

4. Recent pronouncements

On March 31, 2023, Ministry of Corporate Affairs ("MCA") through notifications, amended existing Ind AS. The same shall come into force from annual reporting period beginning on or after April 01, 2023. Key Amendments relating to financial statements which are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Ind AS 1 – Presentation of Financial Statements:

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes:

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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

5 a) Property, plant and equipment

Reconciliation of carrying amount

Gross block	**Freehold land**	**Buildings**	**Plant and equipment**	**Furniture and fixtures**	**Office equip-ments**	**Vehicles**	**Total**
As at April 1, 2021	**40.28**	**292.88**	**1,786.92**	**8.65**	**25.44**	**9.79**	**2,163.96**
Additions	-	6.78	135.81	0.17	1.36	1.98	146.10
Disposals	-	(0.00)*	(6.38)	(0.09)	(0.54)	(0.13)	(7.14)
As at March 31, 2022	**40.28**	**299.66**	**1,916.35**	**8.73**	**26.26**	**11.64**	**2,302.92**
Additions	-	50.72	186.22	4.01	4.23	2.27	**247.44**
Disposals	-	(0.07)	(7.13)	(0.18)	(1.42)	(0.60)	**(9.40)**
As at March 31, 2023	**40.28**	**350.31**	**2,095.44**	**12.56**	**29.06**	**13.30**	**2,540.96**
Accumulated depreciation							
As at April 1, 2021	-	**44.51**	**580.17**	**3.85**	**17.69**	**3.99**	**650.21**
Depreciation for the year	-	10.62	131.11	0.75	2.40	1.21	146.09
Disposals	-	(0.00)*	(4.69)	(0.07)	(0.36)	(0.11)	(5.23)
As at March 31, 2022	-	**55.13**	**706.59**	**4.53**	**19.73**	**5.09**	**791.07**
Depreciation for the year	-	11.30	135.94	1.06	2.56	1.43	**152.29**
Disposals	-	(0.01)	(5.27)	(0.15)	(1.26)	(0.54)	**(7.23)**
As at March 31, 2023	-	**66.41**	**837.26**	**5.44**	**21.02**	**5.98**	**936.14**

Net block

As at March 31, 2022	40.28	244.53	1,209.76	4.20	6.53	6.55	1,511.85
As at March 31, 2023	**40.28**	**283.89**	**1,258.18**	**7.12**	**8.04**	**7.32**	**1,604.82**

* Amount less than 0.01

a) Plant and equipment includes net block of assets held by third parties amounting to ₹ 6.99 (March 31, 2022 : ₹ 5.48).

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

c) Refer note 36(c) for capital commitments.

d) All the title deeds of immovable properties are held in the name of the Company.

5 b) Capital work-in-progress (CWIP)

CWIP	**Freehold land**	**Buildings**	**Plant and equipment**	**Furniture and fixtures**	**Office equip-ments**	**Vehicles**	**Total**
As at March 31, 2022	-	47.82	52.40	-	-	-	100.22
As at March 31, 2023	-	**27.25**	**18.65**	-	-	-	**45.90**

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

5 **(b)(i) Ageing details**

As at March 31, 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	38.80	2.41	1.65	3.04	45.90
Projects temporarily suspended	-	-	-	-	-
Total	**38.80**	**2.41**	**1.65**	**3.04**	**45.90**

As at March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	50.10	37.35	11.68	1.09	100.22
Projects temporarily suspended	-	-	-	-	-
Total	**50.10**	**37.35**	**11.68**	**1.09**	**100.22**

5 **(b)(ii) Capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan :**

There are no projects as on March 31, 2023 and March 31, 2022 where the costs have exceeded the original plan approved by Board of Directors. The following table summarises projects whose completion is overdue alongwith expected completion schedule for such projects.

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2023					
Projects in progress					
Expansion projects at Wind Energy Fasteners plant	9.05	-	-	-	9.05
Vaccum furnace at Aerospace Fasteners plant	4.78	-	-	-	4.78
Heat treatment furnace work at Pondy Hex plant	4.24	-	-	-	4.24
Assembly line at Uttarakhand plant	1.98	-	-	-	1.98
Others	4.93	-	-	-	4.93
Projects temporarily suspended	**-**	**-**	**-**	**-**	**-**
Total	**24.97**	**-**	**-**	**-**	**24.97**
March 31, 2022					
Projects in progress					
Press line project in Hot Forging Division	30.50	-	-	-	30.50
Sricity project	10.91	-	-	-	10.91
Building at Padi plant	28.82	-	-	-	28.82
Others	1.81	-	-	-	1.81
Projects temporarily suspended	**-**	**-**	**-**	**-**	**-**
Total	**72.04**	**-**	**-**	**-**	**72.04**

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

5 **c) Investment property**

Reconciliation of carrying amount

Gross block	Land	Building	Total
As at April 1, 2021	**0.21**	**0.30**	**0.51**
Additions	-	-	-
Disposals	**(0.04)**	**(0.27)**	**(0.31)**
As at March 31, 2022	**0.17**	**0.03**	**0.20**
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2023	**0.17**	**0.03**	**0.20**
Accumulated depreciation			
As at April 1, 2021	-	**0.12**	**0.12**
Depreciation for the year	-	0.02	0.02
Disposals	-	(0.13)	(0.13)
As at March 31, 2022	-	**0.01**	**0.01**
Depreciation for the year	-	**0.02**	**0.02**
Disposals	-	-	-
As at March 31, 2023	-	**0.03**	**0.03**

Net block			
As at March 31, 2022	0.17	0.02	0.19
As at March 31, 2023	**0.17**	-	**0.17**

Notes

1. Amounts recognised in profit or loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rental income from investment property	**0.12**	0.12
Less: Expenses that Contribute to the rental income (including repairs and maintenance)	-	(0.01)
Profit before depreciation	**0.12**	0.11
Less: Depreciation	**(0.02)**	(0.02)
Profit	**0.10**	0.09

2. Fair value hierarchy and valuation technique

The fair value of investment properties amounted to ₹ 10.39 (March 31, 2022 : ₹ 8.84). These disclosures are based on external information available with the Company including valuation reports obtained from an independent valuer specialised in valuing these types of investment properties and registered as a valuer as defined under Rule 2 of the Companies (registered valuers and valuation) Rules, 2017.

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

5 d) Right-of-use assets

Reconciliation of carrying amount

Gross block	Land under long term lease	Buildings (Including land)	Total
As at April 1, 2021	**39.73**	**17.65**	**57.38**
Additions	-	2.09	**2.09**
Derecognition	-	-	**-**
As at March 31, 2022	**39.73**	**19.74**	**59.47**
Additions	**-**	**6.74**	**6.74**
Derecognition	**-**	**(0.63)**	**(0.63)**
As at March 31, 2023	**39.73**	**25.85**	**65.58**
Accumulated depreciation			
As at April 1, 2021	**0.90**	**9.67**	**10.57**
Depreciation for the year	0.45	5.52	**5.97**
Disposals	-	-	**-**
As at March 31, 2022	**1.35**	**15.19**	**16.54**
Depreciation for the year	**0.45**	**3.45**	**3.91**
Disposals	**-**	**0.39**	**0.39**
As at March 31, 2023	**1.81**	**18.25**	**20.05**
Net block			
As at March 31, 2022	38.38	4.55	42.93
As at March 31, 2023	**37.92**	**7.60**	**45.53**

5 e) Intangible assets

Reconciliation of carrying amount

Gross block	Software	Total
As at April 1, 2021	**4.64**	**4.64**
Acquisitions	0.37	0.37
Disposals	-	-
As at March 31, 2022	**5.01**	**5.01**
Acquisitions	**0.06**	**0.06**
Disposals	**-**	**-**
As at March 31, 2023	**5.07**	**5.07**
Accumulated amortisation		
As at April 1, 2021	**1.59**	**1.59**
Amortisation for the year	0.75	0.75
Disposals	-	**-**
As at March 31, 2022	**2.34**	**2.34**
Amortisation for the year	**0.80**	**0.80**
Disposals	**-**	**-**
As at March 31, 2023	**3.14**	**3.14**
Net block		
As at March 31, 2022	2.67	2.67
As at March 31, 2023	**1.93**	**1.93**

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

	As at March 31, 2023	As at March 31, 2022
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, 2022: 75,000) fully paid equity shares of ₹ 2/- each in Housing Development Finance Corporation Limited, Mumbai	**19.71**	17.93
b) 5,000 (March 31, 2022: 5,000) fully paid equity shares of ₹ 1/- each in HDFC Bank Limited, Mumbai	**0.80**	0.74
c) 20,439 (March 31, 2022: 20,439) fully paid equity shares of ₹ 10/- each in IDBI Bank Limited, Mumbai	**0.09**	0.09
	20.60	18.76
(ii) Unquoted		
1,25,000 (March 31, 2022: 1,25,000) equity shares of ₹ 10/- each in Madras Engineering Industries Private Limited, Chennai	**53.12**	38.65
2,777 (March 31, 2022: 2,777) equity shares of ₹ 10/- each in Ki Mobility Solutions Private Limited, Chennai	**13.48**	7.50
	66.60	46.15
Total of (I)	**87.20**	64.91
II) Investments measured at cost		
(A) Investment in venture capital fund		
a) 168 units (March 31, 2022: 168 units) of ₹ 100/- each in the ICICI Emerging Sectors Fund, Bengaluru **	**0.00**	0.00
	-	-
(B) Investment in subsidiaries		
Indian:		
a) 1,18,99,674 (March 31, 2022: 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 A below)	**2.29**	2.20
b) 2,64,691 (March 31, 2022: 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
c) 24,90,000 (March 31, 2022: 24,90,000) equity shares of ₹ 10/- each in Sundram Fasteners Investments Limited, Chennai (extent of holding - 100%)	**2.49**	2.49
d) 1,67,37,339 (March 31, 2022: 1,67,37,339) equity shares of ₹ 10/- each fully paid up in TVS Next Limited, Chennai (extent of holding - 56.43%)	**17.45**	17.45
e) 10,000 (March 31, 2022: 10,000) equity shares of ₹ 10/- each fully paid up in Sunfast TVS limited, Chennai (extent of holding - 100%)	**0.01**	0.01
f) 20,00,000 (March 31, 2022: 20,00,000) equity shares of ₹ 10/- each fully paid up in TVS Engineering Limited, Chennai (extent of holding - 100%)	**2.01**	2.01
Foreign:		
g) 1,000 (March 31, 2022: 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 (March 31, 2022: 2,500) equity shares of £1 each allotted in Sundram International Limited, UK 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%), less impairment loss of ₹ 41.30 (March 31, 2022: ₹ 41.30) (refer note B below))	**208.69**	208.69
Deemed equity in Sundram Fasteners (Zhejiang) Limited, Zhejiang, People's Republic of China ₹ 3.49 (March 31, 2022: ₹ 3.49) and Cramlington Precision Forge Limited, UK ₹ 0.67 (March 31, 2022: ₹ 0.67) (refer note A below)	**4.16**	4.16

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

6 Non-current investments (Contd.)	As at March 31, 2023	As at March 31, 2022
h) 18,215 (March 31, 2022: 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, 2022: ₹ 0.81)	-	-
	249.96	249.87
(C) Other investments		
a) 35 (March 31, 2022: 35) equity shares of ₹ 100/- each (₹ 65/- paid up) in The Adyar Property Holding Co. Limited aggregating to ₹ 2,275/- (extent of holding - 1.09%) **	**0.00**	0.00
b) Capital Contribution in PGSD engineering LLP, New Delhi (extent of holding - 19%) **	**0.00**	0.00
	0.00	0.00
Total of (II)	**249.96**	249.87
III) Investments measured at fair value through profit or loss		
Investments in equity instruments		
Unquoted		
(i) Power generation companies*		
a) 12,935 (March 31, 2022: 12,935) Class A equity shares of ₹ 10/- each and 2,84,169 (March 31, 2022: 2,84,169) Class B equity shares of ₹ 10/- each in PPS Enviro Power Private Limited., Hyderabad, less impairment loss of ₹ 1.19 (March 31, 2022: ₹ 1.19)	-	-
b) 23,85,762 (March 31, 2022: 23,85,762) equity shares of ₹ 10/- each in Clarion Wind Farm Private Limited, Chennai	**2.39**	2.39
c) 12,28,233 (March 31, 2022: 12,28,233) equity shares of ₹ 10/- each in Beta Wind Farm Private Limited, Chennai	**2.33**	2.33
d) 11,00,000 (March 31, 2022: 11,00,000) equity shares of ₹ 10/- each in Gayatri Green Power Private Limited, Chennai	**1.10**	1.10
e) 6,42,306 (March 31, 2022: 6,42,306) equity shares of ₹ 10/- each in Watsun Infra Build Private Limited, Ahmedabad	**0.63**	0.63
f) 1,40,000 (March 31, 2022: 1,70,000) equity shares of ₹ 10/- each in MMS Steel and Power Private Limited, Chennai	**0.13**	0.17
g) 31,000 (March 31, 2022: 31,000) equity shares of ₹ 10/- each in Clean Switch India Private Limited, Hyderabad	**0.03**	0.03
h) Nil (March 31, 2022: 1,41,230) equity shares of ₹ 10/- each in Nagai power Private Limited, Hyderabad	**-**	0.14
i) 19,18,800 (March 31, 2022: Nil) equity shares of ₹ 10/- each in First Energy TN 1 Private Limited, Pune	**1.91**	-
	8.52	6.79
* The right to sell/ transfer these shares are subject to terms and conditions of respective shareholder agreement.		
(ii) 3,51,00,000 (March 31, 2022: 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, 2022: ₹ 2.37)	**1.14**	1.14
Total of (III)	**9.66**	7.93
Total of (I+II+III)	**346.82**	322.71
** Amount less than ₹ 0.01		
Aggregate amount of quoted investments and market value thereof	**20.60**	18.76
Aggregate value of unquoted investments	**326.22**	303.95
Aggregate amount of impairment in value of investments (included in the above)	**45.67**	45.67

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

B. Impairment assessment of investment in Sundram International Limited, UK

The Company had performed impairment assessment of investments made in Sundram International Limited, UK, triggered due to changes in business environment including the impact of global COVID-19 pandemic and recognised an aggregate provision for impairment amounting to ₹ 41.30 upto March 31, 2022, with an impairment charge of ₹ 30.00 recognised as an exceptional item in the statement of profit and loss for the year ended March 31, 2022. During the current year, based on an impairment assessment carried out and sensitivities drawn following the same, the management believes that there is no further impairment to the carrying value of such investment.

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

	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
7 Loans				
(Unsecured considered good, unless otherwise stated)				
Loans to related parties (refer note below and note 37)	**12.47**	**5.75**	9.77	5.75
Loans to employees	**1.14**	**0.40**	1.24	0.35
	13.61	**6.15**	11.01	6.10

The Company's exposure to credit risk and market risk are disclosed in note 35.
Also refer note 32.

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

Name of the subsidiary company (purpose of loan)	Amount Outstanding		Percentage to total loans		Maximum balance outstanding during the year ended		Investment by subsidiary in shares of the Company (No. of shares)	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
TVS Upasana Limited, Chennai (for working capital purposes - repayable on demand)	**5.75**	5.75	**29.1%**	33.6%	**5.75**	5.75	**-**	-
TVS Engineering Limited, Chennai (for working capital purposes for a term of 5 years)	**4.51**	1.99	**22.8%**	11.6%	**4.51**	1.99	**-**	-
Sundram International Inc. USA (for working capital purposes - repayable on demand)	**0.08**	0.07	**0.4%**	0.4%	**0.08**	0.07	**-**	-
Sundram International Limited, UK (for working capital purposes for a term of 5 years)	**7.88**	7.71	**39.9%**	45.0%	**7.88**	7.82	**-**	-

	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
8 Other financial assets				
(Unsecured considered good, unless otherwise stated)				
Security deposits	**36.23**	**-**	24.30	-
Derivative assets *	**-**	**-**	-	0.35
Interest receivable (includes interest receivable from related party of ₹ 0.23 (March 31, 2022: 0.58)) (refer note 37)	**-**	**1.12**	-	0.82
Other receivables	**-**	**1.75**	-	4.02
	36.23	**2.87**	24.30	5.19

* This represents fair value of forward contracts entered with banks for the purpose of hedging receivable balances from export customers.

The Company's exposure to credit risk and market risk are disclosed in note 35.

	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
9 Other tax assets, net				
Advance income tax, net of provision	**63.03**	-	62.52	-
	63.03	**-**	62.52	-
10 Other assets				
(Unsecured considered good, unless otherwise stated)				
Prepaid expenses	**-**	**13.41**	-	10.18
Capital advances	**37.82**	**-**	16.25	-
Balance with statutory/government authorities	**32.47**	**5.85**	33.62	4.89
Export incentives and other receivables	**-**	**22.86**	-	27.55
Advances to suppliers	**-**	**17.99**	-	12.85
	70.29	**60.11**	49.87	55.47

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

	As at March 31, 2023	As at March 31, 2022
11 Inventories		
(Valued at lower of cost and net realisable value)		
Raw materials and components		
(includes raw materials in transit of ₹ 27.88 (March 31, 2022 ₹ 23.98)	**243.07**	211.04
Work-in-progress	**182.23**	158.95
Finished goods	**286.57**	257.16
Stores and spares	**25.85**	25.10
Loose tools	**44.40**	39.14
	782.12	691.39

For the carrying value of inventories pledged as securities for borrowings, refer note 15.

In addition, inventories of finished goods have been reduced as a result of the write-down to net realisable value.

The write-downs and reversals are included in changes in inventories of finished goods.

	As at March 31, 2023	As at March 31, 2022
12 Trade receivables		
Trade receivables considered good - Secured	**-**	-
Trade receivables considered good - Unsecured	**946.11**	843.38
Trade receivables which have significant increase in credit risk	**10.80**	6.66
Trade receivables credit impaired	**-**	-
Total trade receivables	**956.91**	850.04
Less: Loss allowance	**(12.07)**	(11.33)
Net trade receivables	**944.84**	838.71
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties (refer note 37)	**50.52**	43.90
Less: Loss allowance	**(10.80)**	(6.66)
	39.72	37.24
Movement in loss allowance on trade receivables		
Opening balance	**11.33**	4.67
Amount written off	**-**	-
Loss allowance	**0.74**	6.66
Closing balance	**12.07**	11.33

The Company's exposure to credit risks and loss allowances related to trade receivables are disclosed in note 35.

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

12(a) Ageing schedule

As at March 31, 2023

Particulars	Outstanding for following periods from the due date of payment						
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables							
(i) Considered good	751.90	180.54	7.50	5.33	0.50	0.34	**946.11**
(ii) Which have significant increase in credit risk	-	-	-	10.80	-	-	**10.80**
(iii) Credit impaired	-	-	-	-	-	-	**-**
Disputed Trade receivables							
(i) Considered good	-	-	-	-	-	-	**-**
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Credit impaired	-	-	-	-	-	-	**-**
Total	**751.90**	**180.54**	**7.50**	**16.13**	**0.50**	**0.34**	**956.91**
Less: Loss allowance							(12.07)
Total trade receivable							**944.84**

As at March 31, 2022

Particulars	Outstanding for following periods from the due date of payment						
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables							
(i) Considered good	656.98	158.91	20.87	5.50	0.80	0.32	**843.38**
(ii) Which have significant increase in credit risk	-	-	1.00	5.66	-	-	**6.66**
(iii) Credit impaired	-	-	-	-	-	-	**-**
Disputed Trade receivables							
(i) Considered good	-	-	-	-	-	-	**-**
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Credit impaired	-	-	-	-	-	-	**-**
Total	**656.98**	**158.91**	**21.87**	**11.16**	**0.80**	**0.32**	**850.04**
Less: Loss allowance							(11.33)
Total trade receivable							**838.71**

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

		As at March 31, 2023	As at March 31, 2022
13 Cash and cash equivalents			
Balances with banks			
- On Current account		**23.07**	12.12
- Deposits with original maturity of less than three months		**0.05**	0.05
Cash on hand		**7.84**	1.84
Total cash and cash equivalents	**(A)**	**30.96**	14.01
Other bank balances			
Earmarked balances with banks - dividend warrant accounts		**4.24**	17.75
Total bank balance other than cash and cash equivalents	**(B)**	**4.24**	17.75
Total	**(A) + (B)**	**35.20**	31.76

Note :

The company's exposure to credit risk and material risk are disclosed in note 35.

	As at March 31, 2023	As at March 31, 2022
14 Share capital and other equity		
A Share capital		
Authorised		
25,00,00,000 (March 31, 2022: 25,00,00,000) equity shares of ₹ 1/- each	**25.00**	25.00
Issued, subscribed and paid-up		
21,01,28,370 (March 31, 2022: 21,01,28,370) equity shares of ₹ 1/- each fully paid-up	**21.01**	21.01
	21.01	21.01

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	**Amount**	No. of shares	Amount
a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period				
Equity shares				
At the commencement and end of the year	**21,01,28,370**	**21.01**	21,01,28,370	21.01
b) Shares held by ultimate holding company/ holding company / subsidiaries / associates				
Equity shares				
Equity shares of ₹ 1/- each fully paid up held by TVS Sundram Fasteners Private Limited, Chennai (refer note to section (d) below)	**10,16,15,280**	**10.16**	10,40,85,280	10.41

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

14 Share capital and other equity (Contd.)

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	**% holding**	**No. of shares**	**% holding**
c) Particulars of shareholders holding more than 5% of the aggregate shares in the Company				
Equity shares of ₹ 1/- each fully paid up held by				
TVS Sundram Fasteners Private Limited, Chennai	**10,16,15,280**	**48.36%**	10,40,85,280	49.53%
HDFC Trustee Company Limited, Mumbai	**1,16,56,978**	**5.55%**	1,32,86,677	6.32%
Amansa Holdings Private Limited	**1,13,15,511**	**5.39%**	1,23,13,603	5.86%
	12,45,87,769	**59.29%**	12,96,85,560	61.71%

d) Shares held by promoters / promoter group at the end of the year

As at March 31, 2023

Name of the shareholder	**No. of shares held**	**% of total shares**	**% of change during the year**
TVS Sundram Fasteners Private Limited, Chennai	10,16,15,280	48.36%	1.18%
Suresh Krishna	36,040	0.02%	-
Usha Krishna	74,613	0.04%	-
Arathi Krishna	47,040	0.02%	-
Arundathi Krishna	51,840	0.02%	-
Suresh Krishna HUF	6,400	0.00%	-
UFL Properties Private Limited	100,174	0.05%	-
Lakshminarayana Ancillaries Private Limited	9,656	0.00%	-

As at March 31, 2022

Name of the shareholder	**No. of shares held**	**% of total shares**	**% of change during the year**
TVS Sundram Fasteners Private Limited, Chennai (refer note below)	10,40,85,280	49.53%	100.00%
Suresh Krishna	36,040	0.02%	-
Usha Krishna	74,613	0.04%	-
Arathi Krishna	47,040	0.02%	-
Arundathi Krishna	51,840	0.02%	-
Suresh Krishna HUF	6,400	0.00%	-
UFL Properties Private Limited	100,174	0.05%	-
Lakshminarayana Ancillaries Private Limited	9,656	0.00%	-

Note

The Honourable National Company Law Tribunal, Chennai bench, vide its order dated December 6, 2021, approved the composite scheme of amalgamation and arrangement (demerger) inter-alia amongst T V Sundram Iyengar & Sons Private Limited ("TVSS"), Sundaram Industries Private Limited ("SIPL"), Southern Roadways Private Limited ("SRPL") and TVS Sundram Fasteners Private Limited ("TPL") ("Composite Scheme") in accordance with Sections 230 to 232 and other applicable provisions under the Companies Act, 2013 and rules made thereunder and other applicable laws. The Composite Scheme was made effective on January 6, 2022 ("Effective Date").

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

14 Share capital and other equity (Contd.)

Pursuant to the Composite Scheme, SRPL and SIPL merged into TVSS on the Effective date, thereby holding 49.53% of the paid up share capital of the Company. Further, in terms of the Scheme, the Fasteners business undertaking of TVSS, including 49.53% shareholding in the Company was demerged from TVSS and has been vested in / transferred to TPL on February 4, 2022. Consequently, effective February 4, 2022, TPL is the Promoter of the Company.

e) 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. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. 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.

f) There are no bonus shares or buy-back of shares or shares issued for consideration other than cash during a period of five years immediately preceding financial year ended March 31, 2023

g) 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, 2023	As at March 31, 2022
Total debt (bank and other borrowings)		**436.10**	461.04
Cash and cash equivalents		**(30.96)**	(14.01)
Adjusted net debt	A	**405.14**	447.03
Total equity		**2,909.03**	2,545.27
Equity	B	**2,909.03**	2,545.27
Net debt to equity	C = (A/B)*100	**13.93%**	17.56%

B Other equity - Reserves and surplus

(a) Dividends

	Year ended March 31, 2023	Year ended March 31, 2022
The following dividends were declared and paid by the Company during the year:		
First interim dividend of ₹ 5.57/- includes ₹ 2.00/- special dividend (March 31, 2022: ₹ 6.45/-) per equity share for the respective years	**117.12**	135.54
Second interim dividend of ₹ 3.40/- per equity share for the year ended March 31, 2021	**-**	71.44
	117.12	**206.98**

(b) After the reporting dates the following interim dividend was declared by the directors; this dividend has not been recognised as liability.

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

14 Share capital and other equity (Contd.)

	Year ended March 31, 2023	Year ended March 31, 2022
Second Interim dividend of ₹ 3.06/- (March 31, 2022: ₹ Nil) per equity share	64.30	-
	64.30	-

(c) Nature and purpose of reserves

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.

C Analysis of items of OCI (net of tax)

Fair valuation of equity instruments

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.

15 Borrowings

	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Financial liabilities at amortised cost				
a) Secured				
Working Capital Loans				
Working capital facility from banks (refer note (i) below)	-	37.83	-	21.54
	-	37.83	-	21.54
b) Unsecured				
Term loan from banks (refer note (ii) below)	123.27	-	189.50	-
Working capital facility from bank (refer note (i) below)	-	275.00	-	250.00
	123.27	275.00	189.50	250.00
c) Current maturities of long term borrowings	(82.18)	82.18	(75.80)	75.80
Total	41.09	395.01	113.70	347.34

(i) Working capital loan from banks

The Company has various working capital facilities with an aggregate outstanding of ₹ 37.83 (March 31, 2022: ₹ 21.54) carrying interest rate of 8.90% per annum (March 31, 2022: 9.75%) per annum. 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 INR amounting to ₹ 275.00 (March 31, 2022: ₹ 250.00). The loan is unsecured and is repayable within 360 days and carries interest in the range of 4.93% to 5.65% per annum (March 31, 2022: 2.10% to 2.75%) per annum.

(ii) Term loan from banks

External Commercial Borrowing (ECB) loan from a bank amounting to USD 5 million, equivalent to ₹ 41.09 (March 31, 2022: USD 10 million, equivalent to ₹ 75.80), repayable over 3 equal yearly instalments commencing from July 2021. The loan is unsecured and its interest rate is linked to Libor + agreed spread per annum.

Another ECB loan from the same bank amounting to USD 10 million, equivalent to ₹ 82.18 (March 31, 2022: USD 15 million, equivalent to ₹ 113.70), repayable over 3 equal yearly instalments commencing from August 2022. The loan is unsecured and its interest rate is linked to LIBOR + agreed spread per annum.

The company's exposure to liquidity, interest rate and currency risk related to borrowings are disclosed in note 35.

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

15 Borrowings (Contd.)

(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities

	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	(30.96)	(14.01)
Current borrowings	312.83	271.54
Non-current borrowings	123.27	189.50
Net debt	**405.14**	447.03

Particulars	Other assets	Liabilities from financing activities		Total
	Cash and cash equivalents	Current borrowings	Non-current borrowings	
Net debt as at April 1, 2022	(14.01)	271.54	189.50	447.03
Net cash flows	(16.95)	-	-	(16.95)
Proceeds from borrowings	-	41.29	-	41.29
Repayment of borrowings, net	-	-	(78.96)	(78.96)
Foreign exchange adjustments	-	-	12.73	12.73
Net debt as at March 31, 2023	**(30.96)**	**312.83**	**123.27**	**405.14**
Net debt as at April 1, 2021	(12.85)	236.67	219.36	443.18
Net cash flows	(1.16)	-	-	(1.16)
Proceeds from borrowings, net	-	34.87	-	34.87
Repayment of borrowings, net	-	-	(37.03)	(37.03)
Foreign exchange adjustments	-	-	7.17	7.17
Net debt as at March 31, 2022	**(14.01)**	**271.54**	**189.50**	**447.03**

(iv) Other notes

a) Term loans were applied for the purpose for which they were obtained. Further, short term loans availed have not been utilised for long term purposes by the Company.

b) Quarterly returns or statements of current assets filed by the Company for the sanctioned working capital limits with banks or financial institutions along with reconciliation and reasons for differences are tabulated in the below table:

Quarter end	Particulars	Amount as per books of account	Amout as per quarterly statement	Difference #	Reason for differences	Whether subsequently rectified
Sep-22	Sales	1,218.19	1,216.05	2.14	Differences arising on account of adjustments made in connection with book closure process	Yes
	Production	1,032.63	1,028.42	4.21		
Dec-22	Sales	1,226.87	1,229.01	(2.14)	Differences arising on account of adjustments made in connection with book closure process	Yes
	Production	1,047.98	1,052.19	(4.21)		

Impact considered through cumulative information provided for the financial year during quarterly returns/ statements submission

c) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

16 Lease liabilities

	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Lease liabilities (also refer note 39)	6.42	2.10	2.04	3.37
	6.42	2.10	2.04	3.37

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

	As at March 31, 2023		As at March 31, 2022	
	Non-current	**Current**	Non-current	Current
17 Provisions				
Provision for employee benefits				
Provision for gratuity *	**0.99**	**5.57**	1.17	5.77
Provision for compensated absences	**5.57**	**1.44**	5.49	1.36
Provision for others	**-**	**15.06**	-	13.45
	6.56	**22.07**	6.66	20.58

* also includes 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, its subsidiaries of (i) TVS Upasana Limited, Chennai; and (ii) TVS Next Limited, Chennai and its Holding company TVS Sundram Fasteners Private 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	**Year ended March 31, 2023**	Year ended March 31, 2022
Amount recognised in statement of profit and loss	**3.82**	3.83
Amount recognised in other comprehensive income	**0.19**	(1.63)
Total expense	**4.01**	2.20
Net employee benefit expense		
Recognised in statement of profit and loss		
Current service cost	**3.64**	3.56
Interest cost on benefit obligation	**0.26**	0.38
Sub - total	**3.90**	3.94
Amount allocated to related entities	**(0.08)**	(0.11)
Amount recognised in statement of profit and loss	**3.82**	3.83

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

17 Provisions (Contd.)

Gratuity (Contd.)

Particulars	**Year ended March 31, 2023**	Year ended March 31, 2022
Recognised in other comprehensive income		
Actuarial gain arising from change in financial assumptions	**(1.72)**	(0.31)
Actuarial loss / (gain) arising from experience adjustments	**1.96**	(1.35)
Sub - total	**0.24**	(1.66)
Amount allocated to related entities	**(0.05)**	0.03
Amount recognised in other comprehensive income	**0.19**	(1.63)
The following table sets out the defined obligation and funded status including its related entities	**As at March 31, 2023**	As at March 31, 2022
Net defined obligation		
Present value of defined benefit obligation	**57.25**	54.60
Fair value of plan assets	**(52.24)**	(49.35)
	5.01	5.25
Changes in present value of the defined benefit obligation are as follows:	**Year ended March 31, 2023**	Year ended March 31, 2022
Balance at the beginning of the year	**54.60**	53.15
Interest cost	**3.54**	3.37
Current service cost	**3.64**	3.56
Benefits paid	**(5.10)**	(4.13)
Actuarial loss / (gain) on obligation	**0.57**	(1.35)
Balance at the end of the year	**57.25**	54.60
Changes in the fair value of plan assets are as follows:		
Balance at the beginning of the year	**49.35**	46.08
Expected return on plan assets	**3.28**	2.99
Actuarial gain on plan assets	**0.33**	0.31
Contribution made by the employer	**3.95**	4.10
Benefits paid	**(4.67)**	(4.13)
Balance at the end of the year	**52.24**	49.35
Plan assets comprises of :		
% of Investment with insurer	**100.00**	100.00
Principal actuarial assumptions used		
Discount rate	**7.40%**	6.80%
Salary escalation rate	**7.00%**	7.00%
Attrition rate	**12.00%**	12.00%
Classification		
- Current	**5.01**	5.25
- Non-current	**-**	-

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

17 Provisions (Contd.)

Gratuity (Contd.)

Sensitivities	Year ended March 31, 2023 Increase	Year ended March 31, 2023 Decrease	Year ended March 31, 2022 Increase	Year ended March 31, 2022 Decrease
A. Discount rate				
> Sensitivity level	**1.00%**	**1.00%**	1.00%	1.00%
Defined benefit obligation	**54.72**	**60.00**	52.06	57.38
> Impact on defined benefit obligation	**(2.53)**	**2.75**	(2.54)	2.78
B. Salary escalation rate				
> Sensitivity level	**1.00%**	**1.00%**	1.00%	1.00%
Defined benefit obligation	**59.45**	**55.19**	56.84	52.51
> Impact on defined benefit obligation	**2.20**	**(2.06)**	2.24	(2.09)

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:

	Year ended March 31, 2023	Year ended March 31, 2022
Net employee benefit expense		
Recognised in statement of profit and loss		
Current service cost	**0.11**	0.12
Interest cost on benefit obligation	**0.10**	0.11
Amount recognised in statement of profit and loss	**0.21**	0.23
Recognised in other comprehensive income		
Actuarial (gain) / loss arising from financial assumptions	**(0.05)**	(0.01)
Actuarial gain arising from demographic assumptions	**-**	(0.12)
Actuarial gain arising from experience adjustments	**(0.06)**	(0.13)
Amount recognised in other comprehensive income	**(0.11)**	(0.26)
Changes in present value of the defined benefit obligation are as follows:		
Defined benefit obligation at the beginning of the year	**1.69**	1.90
Interest cost	**0.10**	0.11
Current service cost	**0.11**	0.12
Benefits paid	**(0.20)**	(0.18)
Actuarial gain on obligation	**(0.11)**	(0.26)
Defined benefit obligation at the end of the year	**1.59**	1.69
Principal actuarial assumptions used		
Discount rate	**7.30%**	6.40%
Attrition rate	**12.00%**	12.00%
Remaining working lives for selected class of employees (in year)	**4.79**	4.86
Classification		
- Current	**0.56**	0.52
- Non-current	**0.99**	1.17

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)

17 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 recognises 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, 2023	As at March 31, 2022
Principal actuarial assumptions used		
Discount rate	**7.40%**	6.80%
Interest rate declared by EPFO	**8.10%**	8.10%
Remaining working lives (in years)	**6.59**	6.62

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, 2023	Year ended March 31, 2022
Recognised in statement of profit and loss:		
Current service cost	**0.72**	0.68
Interest cost on benefit obligation	**0.44**	0.41
Net actuarial gain recognised	**(0.29)**	(0.09)
	0.87	1.00

Principal actuarial assumptions used:	**As at March 31, 2023**	As at March 31, 2022
Discount rate	**7.40%**	6.80%
Salary escalation rate	**7.00%**	7.00%
Attrition rate	**12.00%**	12.00%

b) Provision for others (refer note below)		
Movement of Provisions for others as follows:		
Balance at the beginning of the year	**13.45**	13.16
Provision made during the year, net	**1.61**	0.29
Balance at the end of the year	**15.06**	13.45

Note:

Provision for others primarily includes provision made towards statutory liabilities.

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

	Year ended March 31, 2023	Year ended March 31, 2022
18 Income Tax		
A Amount recognised in statement of profit and loss		
Current tax (a)		
Current period	**154.53**	148.11
Tax relating to earlier years	**(5.83)**	-
Deferred tax (b)		
Attributable to - origination and reversal of temporary differences	**2.83**	0.39
Tax expense (a) + (b)	**151.53**	148.50

B Income tax recognised in other comprehensive income

Particulars	As at March 31, 2023			As at March 31, 2022		
	Amount	Tax (expense) / benefit	Net of tax	Amount	Tax (expense) / benefit	Net of tax
Fair value gain on equity instruments	**22.29**	**(5.75)**	**16.54**	12.46	(2.12)	10.34
Remeasurements (loss) / gain on defined benefit liability	**(0.08)**	**0.02**	**(0.06)**	1.89	(0.48)	1.41
Total	**22.21**	**(5.73)**	**16.48**	14.35	(2.60)	11.75

C Reconciliation of effective tax rate

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	%	Amount	%	Amount
Profit before tax		**615.93**		555.96
Tax using the Company's domestic tax rate	**25.17%**	**155.02**	25.17%	139.92
Effect of:				
- CSR expenditure disallowance, net of deduction under section 80G of the Income Act, 1961	**0.38%**	**2.31**	0.44%	2.46
- Impairment loss on investments disclosed under exceptional item	**-**	**-**	1.35%	7.55
- Tax relating to earlier years	**(0.95%)**	**(5.83)**	-	-
- Others	**0.01%**	**0.03**	(0.25%)	(1.43)
Effective tax rate / tax expense	**24.60%**	**151.53**	26.71%	148.50

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

18 Income Tax (Contd.)

D 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, 2023	As at March 31, 2022	**As at March 31, 2023**	As at March 31, 2022	**As at March 31, 2023**	As at March 31, 2022
Property, plant and equipment, intangible assets and investment property	**-**	-	**122.57**	117.28	**122.57**	117.28
Investments measured at fair value through OCI	**-**	-	**14.21**	8.45	**14.21**	8.45
Provision for employee benefits	**(1.29)**	(1.23)	**-**	-	**(1.29)**	(1.23)
Loss allowance on trade receivables	**(3.05)**	(2.86)	**-**	-	**(3.05)**	(2.86)
Others	**(5.88)**	(3.63)	**-**	-	**(5.88)**	(3.63)
	(10.21)	(7.72)	**136.78**	125.73	**126.56**	118.01

Movement in temporary differences for the year ended March 31, 2023

Particulars	Balance as at April 1, 2022	Recognised in profit and loss during 2022-23	Recognised in OCI during 2022-23	Other adjust-ments	Balance as at March 31, 2023
Property, plant and equipment, intangible assets and investment property	117.28	**5.29**	**-**	**-**	**122.57**
Investments measured at fair value through OCI	8.45	**-**	**5.75**	**-**	**14.21**
Provision for employee benefits	(1.23)	**(0.03)**	**(0.02)**	**-**	**(1.29)**
Loss allowance on trade receivables	(2.86)	**(0.19)**	**-**	**-**	**(3.05)**
Others	(3.63)	**(2.25)**	**-**	**-**	**(5.88)**
	118.01	**2.82**	**5.73**	**-**	**126.56**

(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, 2022

Particulars	Balance as at April 1, 2021	Recognised in profit and loss during 2021-22	Recognised in OCI during 2021-22	Other adjust-ments	Balance as at March 31, 2022
Property, plant and equipment, intangible assets and investment property	114.57	2.71	-	-	117.28
Investments measured at fair value through OCI	6.33	-	2.12	-	8.45
Provision for employee benefits	(1.61)	(0.10)	0.48	-	(1.23)
Loss allowance on trade receivables	(1.18)	(1.68)	-	-	(2.86)
Others	(3.09)	(0.54)	-	-	(3.63)
	115.02	0.39	2.60	-	118.01

E 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:

Particulars	**As at March 31, 2023**		As at March 31, 2022	
	Gross amount	**Unrecog-nised tax effect**	Gross amount	Unrecog-nised tax effect
Long term capital loss #	**7.05**	**1.77**	5.81	1.46

The long term capital loss expires in Assessment Year 2029-30.

	As at March 31, 2023		As at March 31, 2022	
	Non-current	**Current**	Non-current	Current
19 Other tax liabilities, net				
Provision for taxation, net of advance income tax	**6.99**	**24.57**	6.97	25.71
	6.99	**24.57**	6.97	25.71

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

	As at March 31, 2023	As at March 31, 2022
20 Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note below)	**62.24**	66.09
Total outstanding dues of creditors other than micro enterprises and small enterprises	**364.93**	406.24
	427.17	472.33
Of the above, trade payable to related parties (refer note 37)	**0.98**	0.81
Disclosure required under Section 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006		
i. Principal amount remaining unpaid to any supplier as at the end of the year; interest due thereon remaining unpaid to any supplier as at the end of the year	**62.24**	66.09
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 the 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 the 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.	**-**	-
Total	**62.24**	**66.09**

The above disclosures have been provided 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 35.

20(a) Ageing schedule

As at March 31, 2023

Particulars	Outstanding for following periods from the due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues						
(i) MSME	46.52	15.44	0.08	0.05	-	**62.09**
(ii) Others	223.97	107.40	0.37	0.47	1.19	**333.39**
Disputed dues						
(i) MSME	-	-	-	-	0.15	**0.15**
(ii) Others	-	0.01	-	-	0.07	**0.08**
Unbilled dues	31.45	-	-	-	-	**31.45**
Total	**301.94**	**122.85**	**0.45**	**0.53**	**1.42**	**427.17**

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

20(a) Ageing schedule (Contd.)

As at March 31, 2022

Particulars	Outstanding for following periods from the due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues						
(i) MSME	53.62	12.31	-	-	-	**65.93**
(ii) Others	267.63	106.95	2.54	1.86	1.45	**380.43**
Disputed dues						
(i) MSME	-	-	0.01	-	0.15	**0.16**
(ii) Others	-	-	0.05	-	0.11	**0.16**
Unbilled dues	25.65	-	-	-	-	**25.65**
Total	**346.90**	**119.26**	**2.60**	**1.86**	**1.71**	**472.33**

	As at March 31, 2023	As at March 31, 2022
21 Other financial liabilities		
a. Financial liabilities at fair value through profit or loss		
Premium on financial guarantee	**1.36**	2.56
b. Financial liabilities at amortised cost		
Interest accrued but not due on borrowings	**2.33**	0.91
Liability towards supplier bills discounted	**13.77**	9.93
Unclaimed dividend (refer note 13)	**4.24**	4.55
Employee benefits payable	**33.02**	35.39
Other payables*	**15.86**	15.01
	70.58	**68.35**

* includes managerial commission of ₹ 9.36 (March 31, 2022: ₹ 8.41) (also refer note 37)

The Company's exposure to currency risk and liquidity risk related to other financial liability are disclosed in note 35.

	As at March 31, 2023	As at March 31, 2022
22 Other current liabilities		
Advance from customers	**9.96**	10.05
Statutory dues	**11.51**	16.51
	21.47	**26.56**

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

	Year ended March 31, 2023	Year ended March 31, 2022
23 Revenue from operations		
a) Sale of products	**4,763.99**	4,052.31
b) Sale of services	**1.13**	0.65
c) Other operating revenues (refer note (i) below)	**154.31**	119.61
	4,919.43	4,172.57
Note:		
(i) Other operating revenues		
(i) Scrap sales	**120.75**	94.64
(ii) Export incentives	**9.57**	21.72
(iii) Others	**23.99**	3.25
	154.31	119.61
(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) Sale of products		
(i) Domestic (including retail sales)	**3,235.04**	2,631.22
(ii) Exports	**1,528.95**	1,421.09
	4,763.99	4,052.31
b) Sale of services	**1.13**	0.65
c) Scrap sales	**120.75**	94.64
d) Total revenue from contracts with customers (a+b+c)	**4,885.87**	4,147.60
e) Other operating revenues		
- Export incentives	**9.57**	21.72
- Others	**23.99**	3.25
Total other operating revenue (e)	**33.56**	24.97
Total revenue from operations (d + e)	**4,919.43**	4,172.57
(iii) Contract balances		
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)	**944.84**	838.71
Advance from customer (refer note 22)	**9.96**	10.05
24 Other income		
Interest income		
- on bank deposit	**-**	0.06
- on others	**3.03**	1.37
Net foreign exchange gain	**17.87**	16.78
Dividend income from		
- subsidiary companies	**3.37**	2.20
- other companies	**0.73**	0.68
Gain on sale of investments in mutual funds	**0.32**	0.74
Other non-operating income	**4.66**	3.78
	29.98	25.61

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

	Year ended March 31, 2023	Year ended March 31, 2022
25 Cost of materials consumed		
Opening stock of raw materials and components	**211.04**	186.94
Add: Purchases made during the year	**2,329.88**	1,928.55
Less: Closing stock of raw materials and components	**243.07**	211.04
	2,297.85	1,904.45
26 Changes in inventories of finished goods and work-in-progress		
A) Opening inventory:		
Work-in-progress	**158.95**	129.41
Finished goods	**257.16**	188.73
	416.11	318.14
B) Closing inventory:		
Work-in-progress	**182.23**	158.95
Finished goods	**286.57**	257.16
	468.80	416.11
C) Increase / Decrease in inventory:		
Work-in-progress	**(23.28)**	(29.54)
Finished goods	**(29.41)**	(68.43)
Total (A- B)	**(52.69)**	(97.97)
27 Employee benefits expense		
Salaries, wages and bonus	**288.08**	271.21
Expenses relating to post-employment benefit plans (refer note 17)	**4.03**	4.06
Contribution to provident and other funds (refer note below)	**11.27**	10.44
Staff welfare expenses	**30.60**	26.02
	333.98	311.73

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 ₹ 10.33 (March 31, 2022: ₹ 9.51).

	Year ended March 31, 2023	Year ended March 31, 2022
28 Finance costs		
Interest expense		
- on financial liabilities measured at amortised cost	**17.18**	7.68
- on lease liabilities (refer note 39)	**1.06**	1.02
- on others	**2.35**	-
Exchange differences regarded as an adjustment to borrowing costs	**5.96**	7.17
Less: Borrowing costs capitalised (also refer note below)	**(1.92)**	(2.48)
	24.63	13.39

Note: The capitalisation rate used to determine the amount of borrowing costs to be capitalised is weighted average interest rate applicable to the company's borrowing, being 5.82% per annum (March 31, 2022: 3.39%) per annum.

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

		Year ended March 31, 2023	Year ended March 31, 2022
29	**Depreciation and amortisation expense**		
	Depreciation on property, plant and equipment (refer note 5(a))	**152.29**	146.09
	Depreciation on investment property (refer note 5(c))	**0.02**	0.02
	Amortisation of right-of-use assets (refer note 5(d) and note 39)	**3.91**	5.97
	Amortisation of intangible assets (refer note 5(e))	**0.80**	0.75
		157.02	152.83
30	**Other expenses**		
	Consumption of stores, tools and spares	**502.22**	409.06
	Power and fuel	**210.31**	178.47
	Repairs and maintenance		
	- buildings	**39.30**	36.54
	- plant and equipment	**55.09**	56.49
	- other assets	**7.28**	6.81
	Sub-contract expenses	**481.46**	391.87
	Auditor's remuneration (refer note below)	**1.18**	0.96
	Expenditure on corporate social responsibility (refer note 33)	**9.12**	9.78
	Freight and cartage outward	**157.77**	147.87
	Loss on sale of property, plant and equipment, net	**0.92**	1.01
	Loss allowance on trade receivables	**0.74**	6.66
	Miscellaneous expenses (Under this head there are no expenditure which is in excess of 1% of revenue from operations)	**107.30**	82.27
		1,572.69	1,327.79
	Note:		
	Auditor's remuneration		
	As auditor		
	Statutory audit	**0.65**	0.50
	Tax audit	**0.05**	0.03
	Limited review of quarterly results	**0.35**	0.30
	In other capacity		
	Taxation matters	**0.02**	0.02
	Other services	**0.08**	0.08
	Reimbursement of expenses	**0.03**	0.03
		1.18	0.96

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

		Year ended March 31, 2023	Year ended March 31, 2022
31 Earnings per share (EPS)			
Net profit attributable to equity shareholders	(A)	**464.40**	407.46
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)**	**22.10**	19.39

Diluted earnings per share

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

32 Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.

(iii) A) During the previous year ended March 31, 2022, the Company loaned ₹ 7.82 (including extension of existing loan) to Sundram International Limited (wholly owned subsidiary of the Company), an intermediary, which has inturn loaned such amount to Cramlington Precision Forge Limited (‘CPFL’) (wholly owned subsidiary of Sundram International Limited), the ulitmate beneficiary of such loan. This loan was made in the ordinary course of business to facilitate the working capital requirements of CPFL.

B) During the year, the Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

1) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

2) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(iv) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vi) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period except the following:

Chargeholder Name	Registrar location	As at March 31, 2023	As at March 31, 2022
The Hongkong And Shanghai Banking Corporation Limited	Chennai	-	50.00
Government of Tamilnadu	Chennai	2.80	2.80
Canara Bank	Chennai	-	37.00
ANZ Grindlays Bank	Chennai	-	1.10

* The Company is awaiting for No-objection certificate from concerned chargeholders for filing the requisite satisfaction of charges with ROC.

(vii) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(viii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

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

32 Other statutory information (Contd.)

(ix) Transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 are as follows:-

Name of the struck off Company	Nature of transaction	As at March 31, 2023	As at March 31, 2022	Relationship with the Struck off Company
Helical Springs Limited	Payable for Purchase of goods	0.03	-	Third party supplier
RBC Bearings Private Limited *	Payable for Purchase of goods	0.00	-	Third party supplier
Scanstar Inspection Technology Private Limited	Payable for Purchase of goods	0.13	-	Third party supplier
Resems Instruments Private Limited	Payable for Purchase of equipments	0.02	0.02	Third party supplier
Rvee Business Solution Private Limited	Payable for Purchase of goods	0.01	0.01	Third party supplier
Sha Hydraulics Private Limited	Payable for Purchase of goods	-	0.01	Third party supplier

* Amount less than ₹ 0.01

	Year ended March 31, 2023	Year ended March 31, 2022
33 Expenditure on corporate social responsibility (CSR)		
a) Amount required to be spent by the Company during the year	**9.12**	9.78
b) Amount approved by the Board to be spent during the year	**9.12**	9.78
c) Amount spent during the year (in cash):		
(i) Construction / acquisition of asset	-	-
(ii) On purposes other than (i) above		
a) Education	**3.44**	1.96
b) Healthcare	**1.85**	4.82
c) Mental health education	**2.03**	1.50
d) Others	**1.80**	0.86
	9.12	9.14
d) Unspent obligations as the end of the year (note 3)	-	0.64
e) Total of previous years unspent obligations	-	-
f) Details of unspent obligation	NA	Refer note 1 and 3 below
g) Details of related party transactions	Refer note 2 below	Refer note 2 below
h) The movements in the provision for unspent CSR (relating to ongoing project) is as follows:		
Opening balance	0.64	-
Amount required to be spent during the year	-	0.64
Amount spent during the year	0.35	-
Closing balance	0.29	0.64

Note 1: In view of the impact of COVID-19 Pandemic, certain activities to complete the shooting schedules relating to wildlife photography project were postponed which were originally planned to be completed by January 2022, resulting in postponement of planned spend. The Company has spent Rs. 0.35 during the year ended March 31, 2023 and intends to spend the remaining expenditure within the prescribed timelines.

Note 2 : The above expenditure includes contribution to Krishna Educational Society, over which the Company has significant influence (also refer note 37)

Note 3 : The Company has deposited the unspent obligation in a separate CSR unspent account within the prescribed timelines.

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

34 Ratios as per the schedule III requirements:

a) Current ratio = Current assets divided by Current liabilities

Particulars	March 31, 2023	March 31, 2022
Current assets	**1,831.29**	1,628.62
Current liabilities	**962.97**	964.24
Ratio	**1.90**	1.69
% change from previous year	**12.43%**	

Reason for change more than 25% : Not applicable

b) Debt-Equity Ratio = Total debt divided by total equity where total debt represents aggregate of current and non-current borrowings

Particulars	March 31, 2023	March 31, 2022
Total debt	**436.10**	461.04
Total equity	**2,909.03**	2,545.27
Ratio	**0.15**	0.18
% change from previous year	**(16.67%)**	

Reason for change more than 25% : Not applicable

c) Debt Service Coverage Ratio = Earnings available for debt services divided by total interest and principal repayments

Particulars	March 31, 2023	March 31, 2022
Profit after tax	**464.40**	407.46
Add:		
Depreciation and amortisation expense	**157.02**	152.83
Finance cost	**24.63**	13.39
Earnings available for debt services	**646.05**	**573.68**
Interest payment on borrowings	**17.18**	7.68
Principal payment of lease liabilities	**4.46**	7.35
Principal repayments	**78.96**	37.03
Total interest and principal repayments	**100.59**	52.06
Ratio	**6.42**	11.02
% change from previous year	**(41.74%)**	

Reason for change more than 25% : Change attributable to repayment of long term borrowings in the current year.

d) Return on Equity ratio / Return on investment ratio = Profit after tax divided by average total equity

Particulars	March 31, 2023	March 31, 2022
Profit after tax	**464.40**	407.46
Average total equity (refer note below)	**2,727.15**	2,439.16
Ratio	**17.03%**	16.71%
% change from previous year	**1.92%**	

Note: Average shareholder's equity = (Total equity as at beginning of respective year + total equity as at end of respective year) divided by 2.

Reason for change more than 25% : Not applicable

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

34 Ratios as per the schedule III requirements: (Contd.)

e) Inventory turnover ratio = Cost of goods sold divided by average inventory

Particulars	March 31, 2023	March 31, 2022
Cost of goods sold (refer note 1 below)	**3,228.84**	2,607.41
Average inventory (refer note 2 below)	**736.76**	625.10
Ratio	**4.38**	4.17
% change from previous year	**5.04%**	

Note:

1. Cost of goods sold includes cost of materials consumed and changes in inventories of finished goods and work-in-progress, consumption of stores, tools and spares and sub-contract expenses.
2. Average inventory = (Total inventory as at beginning of respective year + total inventory as at end of respective year) divided by 2.

Reason for change more than 25% : Not applicable

f) Trade receivables turnover ratio = Sales divided by average trade receivables

Particulars	March 31, 2023	March 31, 2022
Turnover (refer note 1 below)	**4,909.86**	4,150.85
Average trade receivables (refer note 2 below)	**891.77**	776.89
Ratio	**5.51**	5.34
% change from previous year	**3.18%**	

Note:

1. Turnover represents revenue from operations excluding export incentives

2. Average trade receivables = (Total trade receivables as at beginning of respective year + total trade receivables as at end of respective year) divided by 2.

Reason for change more than 25% : Not applicable

g) Trade payables turnover ratio = Purchases divided by average trade payables

Particulars	March 31, 2023	March 31, 2022
Purchases (refer note 1 below)	**3,313.56**	2,729.48
Average trade payables (refer note 2 below)	**385.59**	462.94
Ratio	**8.59**	5.90
% change from previous year	**45.59%**	

Note:

1. Purchases includes purchase of materials, consumption of stores, tools and spares and sub-contract expenses.

2. Average trade payables = (Total Trade Payables as at beginning of respective year + Total Trade Payables as at end of respective year) divided by 2.

Reason for change more than 25% : Change attributable to availment of additional working capital facilities and overall increase in operations.

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

34 Ratios as per the schedule III requirements: (Contd.)

h) Net capital turnover ratio = Revenue from operations divided by working capital

Particulars	March 31, 2023	March 31, 2022
Revenue from operations	**4,919.43**	4,172.57
Working capital (refer note below)	**868.32**	664.38
Ratio	**5.67**	6.28
% change from previous year	**(9.71%)**	

Note: Working capital = Current assets - Current liabilities

Reason for change more than 25% : Not applicable

i) Net profit ratio = Net profit after tax divided by Revenue from operations

Particulars	March 31, 2023	March 31, 2022
Net profit after tax	**464.40**	407.46
Revenue from operations	**4,919.43**	4,172.57
Ratio	**9.44%**	9.77%
% change from previous year	**(3.38%)**	

Reason for change more than 25% : Not applicable

j) Return on Capital employed = Earnings before interest and taxes (EBIT) divided by capital employed

Particulars	March 31, 2023	March 31, 2022
Earnings before interest and taxes (refer note 1 below)	**640.56**	569.35
Capital employed (refer note 2 below)	**3,480.21**	3,129.74
Ratio	**18.41%**	18.19%
% change from previous year	**1.21%**	

Note:

1. EBIT = Profit before taxes + finance cost
2. Capital employed = Total equity + total debt + deferred tax liabilities + lease liabilities

Reason for change more than 25% : Not applicable

k) Return on investments = Income generated from invested funds divided by Average invested funds in treasury investments

Particulars	March 31, 2023	March 31, 2022
Income generated from invested funds	**0.32**	0.74
Invested funds in treasury investments	**7.80**	25.55
Ratio	**4.10%**	2.90%
% change from previous year	**41.38%**	

Reason for change more than 25% : Change attributable to market volatility

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

35 Financial instruments - Fair values and risk management

A Accounting classification and fair values

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

Particulars	Note	March 31, 2023				March 31, 2022			
		FVTPL	FVOCI	Amortised cost	Total	FVTPL	FVOCI	Amortised cost	Total
Financial assets									
Investments (excluding investments in subsidiaries)	6	9.68	87.20	-	96.88	7.93	64.91	-	72.84
Loans	7	-	-	19.76	19.76	-	-	17.11	17.11
Security deposits	8	-	-	36.23	36.23	-	-	24.30	24.30
Derivative assets	8	-	-	-	-	0.35	-	-	0.35
Advances recoverable	8	-	-	1.75	1.75	-	-	4.02	4.02
Interest receivable	8	-	-	1.12	1.12	-	-	0.82	0.82
Trade receivables	12	-	-	944.84	944.84	-	-	838.71	838.71
Cash and cash equivalents	13	-	-	30.96	30.96	-	-	14.01	14.01
Bank balance other than cash and cash equivalents	13	-	-	4.24	4.24	-	-	17.75	17.75
Total financial assets		9.68	87.20	1,038.90	1,135.78	8.28	64.91	916.72	989.91
Financial liabilities									
Borrowings	15	-	-	436.10	436.10	-	-	461.04	461.04
Lease liabilities	16	-	-	8.52	8.52	-	-	5.41	5.41
Trade payables	20	-	-	427.17	427.17	-	-	472.33	472.33
Premium on financial guarantee	21	1.36	-	-	1.36	2.56	-	-	2.56
Interest accrued but not due on borrowings	21	-	-	2.33	2.33	-	-	0.91	0.91
Liability towards supplier bills discounted	21	-	-	13.77	13.77	-	-	9.93	9.93
Unclaimed dividend	21	-	-	4.24	4.24	-	-	4.55	4.55
Employee benefits payable	21	-	-	33.02	33.02	-	-	35.39	35.39
Other payables	21	-	-	15.86	15.86	-	-	15.01	15.01
Total financial liabilities		1.36	-	941.01	942.37	2.56	-	1,004.57	1,007.13

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)

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

B 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, 2023				March 31, 2022			
		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	**96.88**	**20.60**	**-**	**76.28**	72.84	18.76	-	54.08
Loans #	7	**19.76**	**-**	**-**	**-**	17.11	-	-	-
Security deposits #	8	**36.23**	**-**	**-**	**-**	24.30	-	-	-
Derivative assets	8	**-**	**-**	**-**	**-**	0.35	-	0.35	-
Advances recoverable #	8	**1.75**	**-**	**-**	**-**	4.02	-	-	-
Interest receivable #	8	**1.12**	**-**	**-**	**-**	0.82	-	-	-
Trade receivables #	12	**944.84**	**-**	**-**	**-**	838.71	-	-	-
Cash and cash equivalents #	13	**30.96**	**-**	**-**	**-**	14.01	-	-	-
Bank balance other than cash and cash equivalents #	13	**4.24**	**-**	**-**	**-**	17.75	-	-	-
Total financial assets		**1,135.78**	**20.60**	**-**	**76.28**	989.91	18.76	0.35	54.08
Financial liabilities									
Borrowings #	15	**436.10**	**-**	**-**	-	461.04	-	-	-
Lease liabilities #	16	**8.52**	**-**	**-**	-	5.41	-	-	-
Trade payables #	20	**427.17**	**-**	**-**	-	472.33	-	-	-
Premium on financial guarantee	21	**1.36**	**-**	**1.36**	-	2.56	-	2.56	-
Interest accrued but not due on borrowings #	21	**2.33**	**-**	**-**	-	0.91	-	-	-
Liability towards supplier bills discounted #	21	**13.77**	**-**	**-**	-	9.93	-	-	-
Unclaimed dividend #	21	**4.24**	**-**	**-**	-	4.55	-	-	-
Employee benefits payable #	21	**33.02**	**-**	**-**	-	35.39	-	-	-
Other payables #	21	**15.86**	**-**	**-**	-	15.01	-	-	-
Total financial liabilities		**942.37**	**-**	**1.36**	**-**	1,007.13	-	2.56	-

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.

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

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)
Investments	Discounted cash flows: The valuation model considers the present value of the net cash flows expected to be generated. The cash flow projections include specific estimates for projected period. The expected net cash flows are discounted using a risk-adjusted discount rate.	- Cash flow estimates for the projected period - Risk adjusted discount rate	The estimated fair value would increase/ (decrease) if: - Cash flow estimates were higher/ (lower) - Risk adjusted discount rate lower/ (higher)

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)

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

Financial 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 (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, 2023								
Trade receivables	**258.34**	**34.49**	**81.30**	**374.13**	**-**	**-**	**-**	**-**
Cash and cash equivalents	**0.05**	**-**	**-**	**0.05**	**-**	**-**	**-**	**-**
Investments	**-**	**-**	**-**	**-**	**1.73**	**209.37**	**1.75**	**212.85**
Trade payables	**(14.44)**	**(0.98)**	**(4.01)**	**(19.42)**	**-**	**-**	**-**	**-**
Borrowings	**(82.18)**	**-**	**-**	**(82.18)**	**(41.09)**	**-**	**-**	**(41.09)**
Others	**(1.37)**	**0.23**	**-**	**(1.15)**	**0.08**	**7.89**	**-**	**7.98**
	160.39	**33.75**	**77.29**	**271.45**	**(39.28)**	**217.26**	**1.75**	**179.74**
March 31, 2022								
Trade receivables	287.87	31.51	59.46	378.84	-	-	-	-
Cash and cash equivalents	0.31	-	-	0.31	-	-	-	-
Investments	-	-	-	-	1.73	209.37	1.75	212.85
Trade payables	(11.08)	(1.15)	(6.03)	(18.26)	-	-	-	-
Borrowings	(75.80)	-	-	(75.80)	(113.70)	-	-	(113.70)
Others	(0.59)	0.58	-	(0.01)	0.07	7.71	-	7.78
	200.71	**30.94**	**53.43**	**285.08**	**(111.90)**	**217.08**	**1.75**	**106.93**

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

35 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 in relation to the fluctuation in the respective currencies 'all other things being equal'

If the Indian Rupee had strengthened/ weakened against the respective currency by 5% during the year ended March 31, 2023 (March 31, 2022: 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, 2023	Year ended March 31, 2022	**Year ended March 31, 2023**	Year ended March 31, 2022
Increase / (decrease) in profit and equity				
USD	**(6.06)**	(4.44)	**6.06**	4.44
GBP	**(12.55)**	(12.40)	**12.55**	12.40
EUR and others	**(3.95)**	(2.76)	**3.95**	2.76
	(22.56)	(19.60)	**22.56**	19.60

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 receipt of collections from export customers and repayment of External commercial borrowings to a foreign bank. 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, 2023		Year ended March 31, 2022	
	Less than 180 days	**More than 180 days**	Less than 180 days	More than 180 days
Receivables				
Forward exchange contracts maturing				
Net exposure	-	-	34.59	-
Average ₹ / USD forward contract rate	-	-	76.86	-
External Commercial Borrowings				
Forward exchange contracts maturing				
Net exposure	-	-	5.68	-
Average ₹ / USD forward contract rate	-	-	75.74	-

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. The Company has Nil% (March 31, 2022: 15%) of its borrowings at a fixed rate of interest.

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

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

Interest rate exposure

Particulars	**Floating rate borrowings**	**Fixed rate borrowings**	**Total borrowings**
Rupee loans	**312.83**	**-**	**312.83**
USD loans	**123.27**	**-**	**123.27**
As at March 31, 2023	**436.10**	**-**	**436.10**
Rupee loans	201.54	70.00	271.54
USD loans	189.50	-	189.50
As at March 31, 2022	391.04	70.00	461.04

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, 2023 and March 31, 2022. 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, 2023	As at March 31, 2022
Increase	**+1%**	**(4.36)**	(3.91)
Decrease	**-1%**	**4.36**	3.91

The Company does not expect any change in interest rates on fixed rate borrowings and accordingly have not presented any sensitivities on such borrowings.The Company also does not expect any significant impact of changes in the market interest rates on account of COVID-19.

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 ₹ 20.58 (March 31, 2022: ₹ 18.76)

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.

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

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

b) Credit risk *(Contd.)*

The carrying amount of financial assets represents the maximum credit exposure.

Particulars	Reference	Carrying Amount	
		As at March 31, 2023	As at March 31, 2022
Trade receivables	(i)	**944.84**	838.71
Investments	(ii)	**96.88**	72.84
Loans	(iii)	**19.76**	17.11
Cash and cash equivalents	(iv)	**30.96**	14.01
Bank balances other than cash and cash equivalents	(iv)	**4.24**	17.75
Security deposits	(v)	**36.23**	24.30
Derivative assets	(v)	**-**	0.35
Advances recoverable	(v)	**1.75**	4.02
Interest receivable	(v)	**1.12**	0.82
Total		**1,135.78**	989.91

(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 including consideration for increased likelihood of credit risk. 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, 2023	As at March 31, 2022
Not more than 180 days	**932.43**	815.89
More than 180 days	**24.47**	34.15
Sub-total	**956.91**	850.03
Less: Loss allowance in accordance with expected credit loss model	**(12.07)**	(11.33)
Total	**944.84**	838.71

(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, compulsorily convertible preference shares and other trade investments. The Company does not expect significant credit risks arising from these investments after considering impact of COVID-19 pandemic.

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

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

b) Credit risk *(Contd.)*

(iii) Loans

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.

	As at March 31, 2023	As at March 31, 2022
Loans to related parties	18.22	15.52
Loans to employees	1.54	1.59
Net carrying amount	**19.76**	17.11

(iv) Cash and cash equivalents and Bank balances other than 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, derivative assets, 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.

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, 2023	Carrying amount	Less than 180 days	More than 180 days
Borrowings*	436.10	395.01	41.09
Lease liabilities	8.52	1.27	7.25
Premium on financial guarantee	1.36	0.46	0.91
Interest accrued but not due on borrowings	2.33	2.33	-
Trade payables	427.17	424.77	2.40
Liability towards supplier bills discounted	13.77	13.77	-
Unclaimed dividend	4.24	0.46	3.78
Employee benefits payable	33.02	32.55	0.47
Other payables	15.86	9.36	6.50
Total	**942.37**	**879.97**	**62.39**

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

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

c) Liquidity risk *(Contd.)*

As at March 31, 2022	Carrying amount	Less than 180 days	More than 180 days
Borrowings*	461.04	347.34	113.70
Lease liabilities	5.41	1.69	3.72
Premium on financial guarantee	2.56	0.63	1.93
Interest accrued but not due on borrowings	0.91	0.91	-
Trade payables	472.33	466.16	6.17
Liability towards supplier bills discounted	9.93	9.93	-
Unclaimed dividend	4.55	0.45	4.10
Employee benefits payable	35.39	27.28	8.12
Other payables	15.01	8.43	6.58
Total	**1,007.13**	**862.82**	**144.32**

*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.

36 Contingencies and commitments	**As at March 31, 2023**	As at March 31, 2022
a) Contingent liabilities		
- Claims against the company not acknowledged as debt		
Legal claims		
- Sales tax / Entry tax - under appeal	**12.54**	12.54
- Excise duty / Customs duty / Service tax / GST - under appeal	**7.24**	4.36
- Income-tax - under appeal	**1.98**	1.74
- Others	**1.00**	1.00
	22.76	19.64

(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 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 judgement and absence of reliable measurement of provisions relating to earlier periods, this matter has been disclosed as a contingent liability.

(ii) In addition to the above, the Company from time to time is also engaged in proceedings pending with various authorities in the ordinary course of business. Judgement is required in assessing the range of possible outcomes for some of these matters, which could change substantially over time as each of the matters progresses depending on experience on actual assessment proceedings by the respective authorities and other judicial precedents. Based on its internal assessment supported by external legal counsel views, as considered necessary, the Company believes that it will be able to sustain its positions if challenged by the authorities and accordingly no additional provision / disclosures are required for these matters.

Management is of the view that above matters will not have any material adverse effect on the Company's financial position and results of operations.

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

36 Contingencies and commitments *(Contd.)*

a) Contingent liabilities *(Contd.)*	**As at March 31, 2023**	As at March 31, 2022
- Guarantees		
Guarantees including financial guarantees issued to subsidiaries and utilised (Total guarantees issued to subsidiaries: ₹ 303.90 (March 31, 2022: ₹ 302.89))	**140.25**	210.99
- Other money for which the Company is contingently liable		
On letters of credit	**11.42**	2.13
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	**101.01**	44.89

37 (A) Related party disclosures

Related Parties:

(I) Where control exists:

(A) Ultimate holding company

(1) TVS Sundram Fasteners Private Limited, Chennai, India (from February 4, 2022)

(2) TV Sundram Iyengar & Sons Private Limited, Madurai, India (upto February 3, 2022)

(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) TVS Next Limited, Chennai,

(5) Sunfast TVS Limited, Chennai,

(6) TVS Engineering Limited, Chennai.

Foreign subsidiaries

(1) Sundram International Limited, UK and

(2) Sundram International Inc, Michigan, USA

37 Related party disclosures *(Contd.)*

(C) Step down subsidiary companies

Foreign subsidiaries

(1) Sundram Fasteners (Zhejiang) Limited, Zhejiang, People's 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 Next Inc., Michigan, USA (Subsidiary of TVS Next Limited, Chennai, India)

(D) Others

Post employement benefit plan

(1) Sundram Fasteners Limited Gratuity Fund

(2) Sundram Fasteners Limited Senior Staff Superannuation Fund and

(3) Sundram Fasteners Limited Staff Provident Fund (Employees)

Enterprises over which KMP are able to exercise significant influence

(1) Krishna Educational Society

(2) Suresh Krishna HUF

(3) UFL Properties Private Limited

(4) Lakshminarayana Ancillaries Private Limited

(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 (upto June 30, 2022)

(5) Mr R Dilip Kumar* and

(6) Mr G Anand Babu*

(B) Non-executive directors

(1) Mr S Mahalingam

(2) Mr Heramb R Hajarnavis

(3) Mr B Muthuraman

(4) Ms Preethi Krishna

(5) Dr. Nirmala Lakshman

(C) Relatives of KMP

(1) Ms Usha Krishna

(2) Ms Preethi Krishna and

(3) Mr K Ramesh

* Key Managerial Personnel as per Companies Act, 2013

37 Related party disclosures *(Contd.)*

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

(1) Southern Roadways Private Limited, Madurai, India (upto January 6, 2022)

(2) The Associated Auto Parts Private Limited, Mumbai, India (upto February 3, 2022)

(3) Sundaram-Clayton Limited, Chennai, India (upto February 3, 2022)

(4) Madurai Trans Carrier Limited, Chennai, India (upto February 3, 2022)

(5) TVS Electronics Limited, Chennai, India (upto February 3, 2022)

(6) TVS Motor Company Limited, Chennai, India (upto February 3, 2022)

(7) Lucas TVS Limited, Chennai, India (upto February 3, 2022)

(8) TVS Training and Services Limited, Chennai, India (upto February 3, 2022)

(9) Lucas Indian Services Limited, Mumbai, India (upto February 3, 2022)

(10) India Motor Parts & Accessories Limited, Chennai, India (upto February 3, 2022)

(11) Delphi TVS Technologies Limited, Chennai, India (upto February 3, 2022)

(12) Wheels India Limited, Chennai, India (upto February 3, 2022)

(13) Brakes India Private Limited, Chennai, India (upto February 3, 2022)

(14) TVS Supply Chain Solutions Limited, Madurai, India (upto February 3, 2022)

(15) India Nippon Electricals Limited, Chennai, India (upto February 3, 2022)

(16) TVS Automobile Solutions Private Limited, Madurai, India (upto February 3, 2022)

(17) TVS Argomm Private Limited, Madurai, India (upto February 3, 2022)

(18) Sundaram Industries Private Limited, Madurai, India (upto February 3, 2022) and

(19) Ki Mobility Solutions Private Limited, Madurai, India (upto February 3, 2022)

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

37 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	Subsidiary companies	Ultimate holding company	Key management personnel	Relatives of key management personnel	Others	Subsidiaries / joint ventures / associates of ultimate holding company
Purchases						
Goods and materials (including reimbursement of expenses)	5.86	-	-	-	-	-
	(3.88)	-	-	-	-	(2.22)
Shares	-	-	-	-	-	-
	(0.75)	-	-	-	-	-
Property, plant and equipment	0.16	-	-	-	-	-
	-	(1.09)	-	-	-	-
Sales						
Goods and materials	16.46	123.50	-	-	-	-
	(14.54)	(87.81)	-	-	-	(141.76)
Services						
Rendered	0.81	-	-	-	-	-
	(0.55)	-	-	-	-	-
Received	11.60	-	-	-	-	-
	(8.04)	(0.06)	-	-	-	(9.73)
Finance						
Interest on inter-corporate loans	0.63	-	-	-	-	-
	(0.69)	-	-	-	-	-
Dividend received	3.37	-	-	-	-	-
	(2.20)	-	-	-	-	-
Dividend paid	-	56.60	0.08	0.04	0.06	-
	-	(85.26)	(0.13)	(0.08)	-	(17.26)
Others						
Leasing inward or outward / hire purchase arrangements	0.01	0.06	1.11	0.05	0.01	-
	(0.01)	(0.03)	(1.14)	(0.06)	(0.01)	-
Guarantees and collaterals furnished or availed	-	-	-	-	-	-
	(139.68)	-	-	-	-	-
Post employee benefit contribution	-	-	-	-	11.72	
	-	-	-	-	(8.10)	-
Donations	-	-	-	-	3.50	-
	-	-	-	-	(2.14)	-
Impairment of investments	-	-	-	-	-	-
	(30.00)	-	-	-	-	-
Loans given	2.52	-	-	-	-	-
	(9.82)	-	-	-	-	-
Loss allowance on Trade Receivables	4.14					
	(6.66)	-	-	-	-	-

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

37 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	Others	Subsidiaries / joint ventures / associates of ultimate holding company
Management contracts (including commission)	-	-	16.16	0.03	-	-
	-	-	(15.12)	(0.03)	-	-
Reimbursement of expenses	-	3.96	-	-	-	-
	-	-	-	-	-	-
Outstanding balances						
Investments	249.96	-	-	-	-	-
	(249.87)	-	-	-	-	-
Outstanding loan (including interest receivable)	18.84	-	-	-	-	-
	(16.10)	-	-	-	-	-
Due to the Company	31.79	18.73	-	-	-	-
	(20.62)	(23.28)	-	-	-	-
Due by the Company	0.98	-	-	-	-	-
	(0.81)	-	-	-	-	-
Guarantees given outstanding	140.25	-	-	-	-	-
	(210.99)	-	-	-	-	-

(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 (also refer note 41).

B Particulars of loans, guarantees and investments under Section 186 of the Companies Act, 2013 during the financial year ended March 31, 2023

Name of the body corporate	Nature of transaction	Amount of transaction	Purpose for which the loan / security / acquisition of shares / guarantee utilised by receipient
TVS Engineering Limited, Chennai	Loan given	2.52	For working capital purpose
Sundaram Overnight Fund Direct Growth Scheme of Sundaram Asset Management Co Limited, Chennai	Investment in mutual funds	1,332.50	Treasury investments
First Energy TN 1 Private Limited, Pune	Investment in power generation companies	1.91	Investment in equity shares for purchase of power under group captive basis

38 Prior year comparatives

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

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

39 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.

The following are the disclosures that has been made pursuant to Ind AS 116 requirements:

(i) **Right-of-use assets**

Refer note 5 (d) for detailed break-up of right-of-use assets and amortisation thereon.

(ii) **Lease liabilities**

	As at March 31, 2023	As at March 31, 2022
Maturity analysis - contractual undiscounted cash flows		
Not later than one year	**2.84**	3.79
Later than one year and not later than five years	**7.13**	2.38
More than five years	**0.86**	-
Total undiscounted lease liabilities	**10.83**	6.17
Lease liabilities		
Current	**2.10**	3.37
Non-current	**6.42**	2.04

(iii) **Amounts recognised in profit or loss**	**Year ended March 31, 2023**	Year ended March 31, 2022
Interest expense on lease liabilities	**1.06**	1.02
Amortisation of right-of-use assets (refer note 5(d))	**3.91**	5.97
Expenses relating to short-term leases	**7.59**	4.25
(iv) **Amounts recognized in the statement of cash flows**		
Total cash outflow towards lease payments (excluding short-term leases)	**4.46**	7.35

40 Segment Reporting

In accordance with Ind AS 108, segment information with respect to geographic segment has been provided in the consolidated financial statements of the Company and therefore no separate disclosures have been given in these standalone financial statements.

41 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 financial statements, particularly on amount of tax expense and that of provision for taxation.

42 Events after the reporting period

The Board of Directors of the Company has declared interim dividend in its meeting held on May 04, 2023 as disclosed under note 14B(b).

The notes from 1 to 42 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 04, 2023

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)

R DILIP KUMAR
Chief Financial Officer
(DIN: 00240372)

G ANAND BABU
Manager - Finance & Company Secretary
(ACS Membership No: A19848)

Consolidated Financial Statement 2022 - 2023

B S R & Co. LLP
Chartered Accountants

KRM Tower, 1st & 2nd Floors, 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 the Consolidated Financial Statements

Opinion

We have audited the consolidated 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, 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated 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 the other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated 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, 2023, 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 Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditor on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Taxation and contingent liability related matters

Refer Notes 3, 18 and 36 to consolidated financial statements

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, interpretation of laws and regulations etc. Judgment is also required in assessing the range of possible outcomes for these matters. The Group makes an assessment to determine the outcome of these matters and records an accrual or discloses this as a contingent liability in accordance with applicable accounting standards. Accordingly, taxation and contingent liability related matters are areas of focus in the audit.	In view of the significance of the matter, we applied the following key audit procedures: • Involved our tax specialists and evaluated and challenged the underlying judgements used in respect of estimation of provisions, exposures and contingencies. • Considered third party advice received by the Group where applicable, status of recent and current tax assessments, outcome of previous claims, judgmental positions taken in tax returns and developments in tax environment. • Evaluated the adequacy of disclosures on tax provisions and contingent liabilities made in the consolidated financial statements.

Revenue recognition

Refer Notes 3 and 23 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group's revenue is derived primarily from sale of automobile spare parts and components ("goods"). Revenue from the sale of goods is recognised upon the transfer of control of the goods to the customer. The Group and its external stakeholders focus on revenue as a key performance metric and the Group uses various shipment terms across its operating markets. Revenue recognition has been identified as a key audit matter as there could be an incentive or external pressures to meet expectations resulting in revenue being overstated or recognized before control has been transferred.	In view of the significance of the matter we applied the following key audit procedures in this area: • Assessed the Group's accounting policy for revenue recognition as per applicable accounting standards. • Tested the design, implementation and operating effectiveness of key controls relating to revenue recognition. • Performed substantive testing of revenue transactions recorded during the year on a sample basis by verifying the underlying documents. • Tested samples of revenue transactions recorded closer to the year-end by verifying underlying documents, to assess the accuracy of the period in which revenue was recognized. • Tested material manual journal entries posted to revenue

Information Other than the Financial Statements and Auditor's 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 auditor's reports thereon.

Our opinion on the consolidated 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 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 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 reports 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.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated 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 statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated 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 the respective Board of Directors 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated 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 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 financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activity/activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated 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 the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated 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 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

We did not audit the financial statements of nine subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 855.98 crores as at March 31, 2023, total revenues (before consolidation adjustments) of Rs. 580.28 crores and net cash flows (before consolidation adjustments) amounting to ₹ 3.58 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated 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, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2A. 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 financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated 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 financial statements.

   d. In our opinion, the aforesaid consolidated 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, 2023 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, 2023 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 B".

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 Auditors) 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:

   a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 36 to the consolidated financial statements.

   b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.

   c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2023.

   d. (i) The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 32 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 32 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The first interim dividend declared and paid by the Holding Company and dividend declared and paid by its subsidiary companies incorporated in India, during the year and until the date of this audit report is in accordance with Section 123 of the Act. The second interim dividend declared by the Holding Company for the year ended 31 March 2023, is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend. However, the said dividend was not paid on the date of this audit report.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

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 is 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) of the Act 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
ICAI UDIN: 23203491BGYXWS6348

Place : Chennai
Date : May 04, 2023

Annexure A to the Independent Auditor's Report on the Consolidated financial statements for the year ended March 31, 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Sundram Fasteners Limited	L35999TN1962PLC004943	Holding Company	Clause (ii) (b)
2	TVS Engineering Limited	U29309TN2020PLC134322	Subsidiary	Clause (vii) (a)and (xvii)
3	Sunfast TVS Limited	U74999TN2019PLC128635	Subsidiary	Clause (xvii)
4	Sundram Fasteners Investments Limited	U65991TN1992PLC022618	Subsidiary	Clause (i)(c)
5	TVS Upasana Limited	U65991TN1992PLC022619	Subsidiary	Clause (i)(c)

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

S Sethuraman
Partner
Membership No.: 203491
ICAI UDIN: 23203491BGYXWS6348

Place : Chennai
Date : May 04, 2023

B S R & Co. LLP
Chartered Accountants

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

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Sundram Fasteners Limited for the year ended March 31, 2023

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Sundram Fasteners Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements/financial information of subsidiary companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 were 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 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 judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls 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 consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 consolidated 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.

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 four subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of above matters.

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

S Sethuraman
Partner
Membership No.: 203491
ICAI UDIN: 23203491BGYXWS6348

Place : Chennai
Date : May 04, 2023

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

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

	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	5 (a)	**1,923.16**	1,840.94
Capital work-in-progress	5 (b)	**64.39**	116.70
Investment property	5 (c)	**2.68**	7.98
Right-of-use assets	5 (d)	**96.76**	91.29
Goodwill	5 (e)	**3.34**	3.34
Other intangible assets	5 (e)	**2.98**	4.32
Intangible assets under development	5 (f)	**0.55**	-
Financial assets			
- Investments	6A	**98.79**	73.92
- Loans	7	**1.22**	1.34
- Other financial assets	8	**38.56**	29.10
Deferred tax assets, net	18	**0.12**	0.44
Other tax assets, net	9	**66.10**	67.27
Other non-current assets	10	**77.09**	65.39
Total non-current assets		**2,375.74**	2,302.03
Current assets			
Inventories	11	**923.42**	820.08
Financial assets			
- Investments	6B	**3.51**	3.01
- Trade receivables	12	**1,144.57**	1,005.04
- Cash and cash equivalents	13	**57.53**	36.47
- Bank balance other than cash and cash equivalents	13	**29.45**	34.84
- Loans	7	**0.51**	0.47
- Other financial assets	8	**4.28**	11.50
Other tax assets, net	9	**5.05**	5.50
Other current assets	10	**80.33**	65.23
Total current assets		**2,248.65**	1,982.14
Total assets		**4,624.39**	4,284.17
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14A	**21.01**	21.01
Other equity		**2,994.70**	2,600.27
Total equity attributable to equity owners of the company		**3,015.71**	2,621.28
Non-controlling interest		**18.36**	14.92
Total equity		**3,034.07**	2,636.20
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	15	**140.85**	236.55
- Lease liabilities	16	**18.83**	12.48
- 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		**-**	1.18
- Other financial liabilities	21	**2.64**	1.66
Provisions	17	**11.46**	11.13
Deferred tax liabilities, net	18	**136.83**	127.01
Other tax liabilities, net	19	**6.99**	6.97
Total non-current liabilities		**317.60**	396.98
Current Liabilities			
Financial liabilities			
- Borrowings	15	**565.18**	517.46
- Lease liabilities	16	**5.43**	5.19
- Trade payables	20		
-Total outstanding dues of micro enterprises and small enterprises; and		**65.34**	67.71
-Total outstanding dues of creditors other than micro enterprises and small enterprises		**475.80**	504.48
- Other financial liabilities	21	**80.31**	73.31
Other current liabilities	22	**26.78**	30.50
Provisions	17	**22.82**	21.31
Current tax liabilities, net	19	**31.06**	31.03
Total current liabilities		**1,272.72**	1,250.99
Total liabilities		**1,590.32**	1,647.97
Total equity and liabilities		**4,624.39**	4,284.17

Significant accounting policies — 3 and 4

The notes from 1 to 42 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 04, 2023

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)

R DILIP KUMAR
Chief Financial Officer
(DIN: 00240372)

G ANAND BABU
Manager - Finance & Company Secretary
(ACS Membership No: A19848)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

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

	Note	**Year ended March 31, 2023**	Year ended March 31, 2022
Income			
Revenue from operations	23	**5,662.75**	4,902.06
Other income	24	**44.85**	39.34
Total income		**5,707.60**	4,941.40
Expenses			
Cost of materials consumed	25	**2,554.87**	2,172.08
Changes in inventories of finished goods and work-in-progress	26	**(65.29)**	(110.89)
Employee benefits expense	27	**518.90**	486.16
Finance costs	28	**39.69**	28.72
Depreciation and amortisation expense	29	**197.97**	190.79
Other expenses	30	**1,800.80**	1,553.32
Total expenses		**5,046.94**	4,320.18
Profit before tax		**660.66**	621.22
Tax expense	18		
a) Current tax		**155.78**	157.35
b) Deferred tax		**4.53**	2.04
Total tax expense		**160.31**	159.39
Profit for the year		**500.35**	461.83
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
(i) Re-measurement gains on defined benefit plans		**0.39**	1.80
(ii) Fair value gains on equity instruments		**22.29**	12.49
(iii) Income tax effect on above		**(5.85)**	(2.57)
		16.83	11.72
Items that will be reclassified to profit or loss			
(i) Exchange difference on translation of foreign operations		**0.24**	12.79
(ii) Income tax effect on above		**-**	-
		0.24	12.79
Total other comprehensive income		**17.07**	24.51
Total comprehensive income for the year		**517.42**	486.34
Profit attributable to:			
Owners of the parent		**494.69**	456.72
Non-controlling interest		**5.66**	5.11
Other comprehensive income attributable to:			
Owners of the parent		**16.87**	24.44
Non-controlling interest		**0.20**	0.07
Total comprehensive income attributable to:			
Owners of the parent		**511.56**	481.16
Non-controlling interest		**5.86**	5.18
Earnings per equity share	31		
Basic (in ₹)		**23.54**	21.74
Diluted (in ₹)		**23.54**	21.74

Significant accounting policies 3 and 4

The notes from 1 to 42 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 04, 2023

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)

R DILIP KUMAR
Chief Financial Officer
(DIN: 00240372)

G ANAND BABU
Manager - Finance & Company Secretary
(ACS Membership No: A19848)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

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

A. Equity share capital

A. Equity share capital	Note	Amount
Balance as at April 1, 2022	14A	21.01
Changes in equity share capital due to prior period errors		-
Restated balance as at April 1, 2022		**21.01**
Changes in equity share capital during the year		-
Balance as at March 31, 2023	14A	**21.01**
Balance as at April 1, 2021	14A	21.01
Changes in equity share capital due to prior period errors		-
Restated balance as at April 1, 2021		**21.01**
Changes in equity share capital during the year		-
Balance as at March 31, 2022	14A	**21.01**

B. Other equity

Particulars	Attributable to owners of the company						Non-controlling interest	Total
	Reserves and surplus			Items of other comprehensive income		Total other equity		
	General reserve	Special reserve	Retained earnings	Items that will not be reclassified to profit and loss: Fair valuation of equity instruments	Items that will be reclassified to profit and loss: Foreign currency translation reserve			
Balances as at April 1, 2022	**2,269.65**	**0.88**	**208.21**	**49.06**	**72.47**	**2,600.27**	**14.92**	**2,615.19**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2022	**2,269.65**	**0.88**	**208.21**	**49.06**	**72.47**	**2,600.27**	**14.92**	**2,615.19**
Profit for the year	-	-	494.69	-	-	494.69	5.66	500.35
Other comprehensive income for the year	-	-	0.07	16.56	0.24	16.87	0.20	17.07
Total comprehensive income for the year	-	-	**494.76**	**16.56**	**0.24**	**511.56**	**5.86**	**517.42**
Dividends (refer note 14B(a))	-	-	(117.12)	-	-	(117.12)	(2.42)	(119.54)
Transfer from retained earnings	175.00	-	(175.00)	-	-	-	-	-
Other adjustments	-	(0.01)	-	-	-	(0.01)	-	(0.01)
Balances as at March 31, 2023	**2,444.65**	**0.87**	**410.85**	**65.62**	**72.71**	**2,994.70**	**18.36**	**3,013.06**
Balances as at April 1, 2021	**2,119.65**	**0.82**	**107.19**	**38.68**	**59.75**	**2,326.09**	**11.26**	**2,337.35**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2021	**2,119.65**	**0.82**	**107.19**	**38.68**	**59.75**	**2,326.09**	**11.26**	**2,337.35**
Profit for the year	-	-	456.72	-	-	456.72	5.11	**461.83**
Other comprehensive income for the year	-	-	1.34	10.38	12.72	24.44	0.07	**24.51**
Total comprehensive income for the year	-	-	**458.06**	**10.38**	**12.72**	**481.16**	**5.18**	**486.34**
Dividends (refer note 14B(a))	-	-	(206.98)	-	-	(206.98)	(1.52)	**(208.50)**
Transfer from retained earnings	150.00	0.06	(150.06)	-	-	-	-	-
Balances as at March 31, 2022	**2,269.65**	**0.88**	**208.21**	**49.06**	**72.47**	**2,600.27**	**14.92**	**2,615.19**

Significant accounting policies 3 and 4

The notes from 1 to 42 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 04, 2023

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)

R DILIP KUMAR
Chief Financial Officer
(DIN: 00240372)

G ANAND BABU
Manager - Finance & Company Secretary
(ACS Membership No: A19848)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

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

	Note	Year ended March 31, 2023	Year ended March 31, 2022
A. Cash flows from operating activities			
Profit before tax		**660.66**	621.22
Adjustments for:			
Depreciation and amortisation expense	29	**191.14**	182.08
Amortisation of right of use assets	29	**6.83**	8.71
Unrealised foreign exchange loss / (gain), net		**2.48**	(1.05)
Mark to market gain on derivative instruments		**0.35**	(0.26)
Finance costs	28	**39.69**	28.72
Interest income	24	**(4.50)**	(2.27)
Dividend income	24	**(0.76)**	(0.69)
Profit on sale of property plant and equipment, net		**(7.14)**	(2.04)
Reversal of provision no longer required		**(0.14)**	(2.62)
Gain on sale of investments in mutual funds, net	24	**(0.32)**	(0.74)
Fair value gain on financial instruments at fair value through profit or loss		**(0.50)**	(0.33)
(Reversal) / loss allowance on trade receivables		**(1.90)**	2.74
Operating profit before working capital changes		**885.89**	833.47
Adjustments for changes in working capital:			
Increase in inventories		**(102.56)**	(140.43)
Increase in financial assets		**(139.28)**	(108.00)
Decrease / (increase) in other assets		**15.55**	(15.43)
Decrease in financial liabilities		**(31.70)**	(13.67)
(Decrease) / increase in other liabilities and provisions		**(1.28)**	10.55
Cash generated from operating activities		**626.62**	566.49
Income taxes paid, net		**(157.66)**	(165.31)
Net cash from operating activities		**468.96**	401.18
B. Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advances)		**(238.53)**	(203.73)
Proceeds from sale of property, plant and equipment		**10.14**	4.74
Acquisition of investments		**(1,335.19)**	(2,265.44)
Proceeds from sale of investments		**1,332.82**	2,266.24
Bank deposits with maturity more than 3 months but less than 12 months		**(8.19)**	(6.79)
Dividend received	24	**0.76**	0.69
Interest received		**3.96**	2.11
Net cash used in investing activities		**(234.23)**	(202.19)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

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

	Note	Year ended March 31, 2023	Year ended March 31, 2022
C. Cash flows from financing activities			
Principal payment of lease liabilities		**(7.32)**	(9.83)
Proceeds from short - term borrowings, net		**57.16**	84.31
Repayment of long term borrowings, net		**(112.41)**	(30.92)
Dividend paid		**(119.54)**	(208.42)
Interest paid		**(32.15)**	(21.52)
Net cash used in financing activities		**(214.26)**	(186.38)
D. Net cash flows during the year (A+B+C)		**20.47**	12.61
E. Cash and cash equivalents at the beginning of the year		**36.47**	24.96
F. Effect of exchange differences on cash and cash equivalents held in foreign currency		**0.59**	(1.10)
G. Cash and cash equivalents at the end of the year (D+E+F)		**57.53**	36.47
Reconciliation of the cash and cash equivalents as per the cash flow statement			
Balances with banks in current accounts	13	**49.36**	34.55
Balances with banks in deposit accounts (original maturity of 3 months or less)	13	**0.29**	0.05
Cash on hand	13	**7.88**	1.87
		57.53	36.47

Significant accounting policies 3 and 4

The notes from 1 to 42 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 04, 2023

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)

R DILIP KUMAR
Chief Financial Officer
(DIN: 00240372)

G ANAND BABU
Manager - Finance & Company Secretary
(ACS Membership No: A19848)

1. Corporate information

Sundram Fasteners Limited ('the Company / the parent company') is a public limited company 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 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 the Companies Act, 2013, ('the Act') and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated financial statements for the year ended March 31, 2023 (including comparatives) are approved for issue by the Board on May 04, 2023.

Details of the Group's accounting policies are included in notes 3 and 4.

2.2 Functional and presentation currency

The 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 accounting estimates are recognised prospectively.

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of assets including trade receivables, inventories and other current / non-current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group has used internal and external sources of information on the expected future performance of the Group. The Group has performed sensitivity analysis (wherever applicable) on the assumptions used and based on current estimates expects that the carrying amount of these assets will be recovered. The Group will continue to closely monitor any material changes to future economic conditions.

Judgements

Information about judgements 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 3(7) and 39: Leases - whether an arrangement contains a lease;
- Note 3(8) and 34: Financial instruments: Classification and measurement

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.

- Note 3(3), 3(4) and 3(5): Useful lives of property, plant and equipment, intangible assets and investment property
- Note 3(8), 3(9), 6, 12 and 35: Impairment test on financial and non-financial assets; key assumptions underlying recoverable amounts;
- Note 3(10), 3(12), 17(b), 18 and 35: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of

resources including provision for income taxes and related contingencies

- Note 17(a): measurement of defined benefit obligation; key actuarial assumptions;

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 liabilities 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 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. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transactions gain or loss) 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.

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 goods and service 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 over time as services are recognised 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 (c)). Rental income from investment property is recognised in statement of profit and loss on a straight-line basis over the term of the lease.

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

3. Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognised as asset if, and only if it is probable that future economic benefits associated with an item will flow to the Group and cost of such item can be measured reliably.

3.1 Recognition and measurement:

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

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain/ loss on disposal of an item of property, plant and equipment is recognised in statement of profit and 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 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 and in accordance with Schedule II to the Companies Act, 2013 on a straight-line basis.

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. Intangible assets and research and development expenditure

Intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

4.1 Subsequent expenditure:

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in statement of profit and loss as incurred.

4.2 Amortisation:

Intangible assets comprising of Computer software are amortised on a straight-line basis over the estimated useful life of 3 to 5 years. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if necessary, for each reporting period.

4.3 Research and development expenditure

Expenditure are mainly on research activities and the same is recognised in the statement of profit and loss as incurred.

5. 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 and impairment losses if any.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Investment property is derecognised either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

The Group has depreciated investment property as evaluated on technical assessment and in accordance with Schedule II to the Companies Act, 2013, on a straight-line basis. Any gain or loss on disposal of an investment property is recognised in the statement of profit and loss.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

6. Inventories

Inventories are valued at lower of cost and net realizable value including necessary provision for obsolescence. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The comparison of cost and net realisable value is made on an item by item basis. The cost of raw materials, components, consumable stores and spare parts are determined using the weighted average method and includes freight, taxes and duties, net of duty credits wherever applicable. Finished goods, including stock in trade and work in progress are valued at lower of cost and net realisable value. Cost includes all direct costs including excise duty and applicable manufacturing overheads incurred in bringing them to their present location and condition.

6.1 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.

6.2 Work-in-progress and finished goods

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

6.3 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.

7. Leases

7.1 Assets held under leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Assets taken on lease

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative standalone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in –substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets and lease liabilities separately on the face of the balance sheet.

Short-term leases

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Assets leased out

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other operating revenue' or 'Other income'.

8. Financial instruments

8.1 Recognition and initial measurement:

Trade receivables are initially recognised when they are originated. A trade receivable without a significant financing component is initially measured at the transaction price.

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 and 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 does not contain significant financing component.

8.2 Financial assets:

8.2.1 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 measured at amortised cost.

b. Those to be measured at fair value through other comprehensive Income (FVTOCI) and;

c. Those to be measured at fair value through profit and loss (FVTPL)

a. 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 amortised cost using the effective interest method. Interest income, foreign exchange gains and losses, if any and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

b. 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 the statement of profit and 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 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.

c. Financial assets at Fair Value Through Profit and 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 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 and loss.

8.2.2 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.

8.2.3 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, the same is continued to be recognised to the extent of continuing involvement in the financial asset.

8.3 Financial Liabilities

8.3.1 Classification of financial liabilities

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

8.3.2 Subsequent measurement

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

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

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

8.3.3 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

8.4 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.

9. 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 amount equal to lifetime expected credit losses. Lifetime expected credit losses are credit losses resulting 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.

9.1.1 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).

9.1.2 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.

9.1.3 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.

9.2 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.

10. Income taxes

Income tax comprises current and deferred tax. It is recognised in the statement of profit and 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.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under *Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets*.

Current tax:

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:

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.

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

11.1 Short term employee benefit obligations:

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

11.2 Other long term employee benefit obligations:

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Group's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. Such benefit is discounted to determine its present value The obligation is measured annually by qualified actuary using projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

11.3 Post-employment obligation:

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

11.3.1 Gratuity/ group terminal benefit plan:

The liability or asset recognised in balance sheet in respect of these defined benefit obligation is the present value of defined benefit obligation at the end of 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.

11.3.2 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.

12 Provisions and contingent liabilities

12.1 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.

12.1.1 Provision for warranties

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

12.1.2 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.

12.2 Contingent liability:

Contingent liability is a possible obligation arising 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. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

12.3 Contingent assets:

Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

13 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.

14 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 maturing within three months from the date of acquisition.

15 Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The Group is primarily engaged in manufacture and sale of bolts and nuts, water 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 Group has only one reportable segment in products and services.

The segment information with respect to geographic segments have been provided in these consolidated financial statements.

16 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 the statement of profit and loss as other operating revenue on a systematic basis in the periods in which such expenses are recognised.

17 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 the statement of profit and loss.

Foreign 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.

18 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

4. Recent pronouncements

On March 31, 2023, the Ministry of Corporate Affairs ("MCA") through notifications, amended the existing Ind AS. The same shall come into force from annual reporting period beginning on or after April 01, 2023. Key Amendments relating to the financial statements which are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Ind AS 1 – Presentation of Financial Statements:

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes:

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

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

5 (a) Property, plant and equipment

Reconciliation of carrying amount

Gross block	Freehold land	Buildings	Plant and equip-ment	Furniture and fixtures	Office equip-ments	Vehicles	Total
As at April 1, 2021	**42.78**	**391.59**	**2,087.52**	**12.69**	**32.73**	**10.03**	**2,577.34**
Additions	-	9.79	192.75	0.54	1.83	1.99	206.90
Disposals	(0.01)	(0.09)	(7.33)	(0.10)	(0.55)	(0.13)	(8.21)
Exchange difference on translation of foreign operations	-	3.33	11.75	(0.02)	0.33	0.01	15.40
As at March 31, 2022	**42.77**	**404.62**	**2,284.69**	**13.11**	**34.34**	**11.90**	**2,791.43**
Additions	-	51.63	207.01	4.03	4.50	2.28	**269.45**
Disposals	(0.01)	(0.49)	(10.73)	(0.18)	(1.97)	(0.60)	**(13.98)**
Exchange difference on translation of foreign operations	-	0.06	1.01	0.04	0.01	0.01	**1.13**
Transfer from investment property	-	7.90	-	-	-	-	**7.90**
As at March 31, 2023	**42.76**	**463.72**	**2,481.98**	**17.00**	**36.88**	**13.59**	**3,055.93**
Accumulated depreciation							
As at April 1, 2021	**-**	**57.92**	**682.64**	**5.04**	**20.61**	**4.11**	**770.32**
Depreciation For the year	-	14.54	160.56	1.18	3.31	1.21	180.79
Disposals	-	(0.08)	(4.92)	(0.08)	(0.38)	(0.11)	(5.57)
Exchange difference on translation of foreign operations	-	0.63	4.15	(0.01)	0.16	0.02	4.95
As at March 31, 2022	**-**	**73.01**	**842.43**	**6.13**	**23.70**	**5.23**	**950.49**
Depreciation For the year	-	15.62	167.26	1.57	3.47	1.43	**189.35**
Disposals	-	(0.41)	(8.35)	(0.15)	(1.73)	(0.54)	**(11.18)**
Exchange difference on translation of foreign operations *	-	0.06	1.02	0.03	0.02	0.00	**1.13**
Transfer from investment property	-	2.97	-	-	-	-	**2.97**
As at March 31, 2023	**-**	**91.25**	**1,002.36**	**7.58**	**25.46**	**6.12**	**1,132.77**
Net block							
As at March 31, 2022	42.77	331.60	1,442.26	6.98	10.64	6.67	1,840.94
As at March 31, 2023	**42.76**	**372.47**	**1,479.62**	**9.42**	**11.42**	**7.47**	**1,923.16**

* Amount less than ₹ 0.01

a) Plant and equipment includes net block of assets held by third parties amounting to ₹ 6.99 (March 31, 2022: ₹ 5.48).

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

c) Refer note 36(c) for capital commitments.

d) Freehold land pending registration: ₹ 2.56 (March 31, 2022: ₹ 2.56).

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

5 (a)(i) Title deeds of Immovable property not held in the name of the group

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the company except as disclosed below:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/director	Date since which the property is being held	Reason for not being held in the name of the group
Property, plant and equipment	Freehold land	0.05	J Ashwini Kumar	No	2-Dec-04	Refer note below
Investment property	Freehold land	2.51	M/S UFL Properties Limited	No	13-Feb-02	Refer note below

Note:

The registration of the free hold land in the name of the Group is pending. However, full consideration has been paid to the seller with possession of these properties available with the Group.

5 (b) Capital work-in-progress (CWIP)

CWIP	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
As at March 31, 2022	-	47.82	68.88	-	-	-	116.70
As at March 31, 2023	**-**	**27.25**	**37.14**	**-**	**-**	**-**	**64.39**

5 (b)(i) Ageing details

As at March 31, 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	47.04	12.66	1.65	3.04	64.39
Projects temporarily suspended	-	-	-	-	-
Total	**47.04**	**12.66**	**1.65**	**3.04**	**64.39**

As at March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	66.58	37.35	11.68	1.09	116.70
Projects temporarily suspended	-	-	-	-	-
Total	**66.58**	**37.35**	**11.68**	**1.09**	**116.70**

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

5 (b)(ii) Capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

There are no projects as on March 31, 2023 and March 31, 2022, where the costs have exceeded the original plan approved by the Board of Directors.

The following table summarises projects whose completion is overdue alongwith expected completion schedule for such projects:

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023					
Projects in progress					
Expansion at wind energy fasteners plant	9.05	-	-	-	9.05
Vaccum furnance at aerospace fasteners plant	4.78	-	-	-	4.78
Heat furnance work at Pondy Hex plant	4.24	-	-	-	4.24
Assembly line at Uttarakhand plant	1.98	-	-	-	1.98
Others	4.93	-	-	-	4.93
Projects temporarily suspended	**-**	**-**	**-**	**-**	**-**
Total	**24.98**	**-**	**-**	**-**	**24.98**

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022					
Projects in progress					
Press line project in Hot Forging Division	30.50	-	-	-	30.50
Sricity project	10.91	-	-	-	10.91
Building at Padi plant	28.82	-	-	-	28.82
Others	1.81	-	-	-	1.81
Projects temporarily suspended	**-**	**-**	**-**	**-**	**-**
Total	**72.04**	**-**	**-**	**-**	**72.04**

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

5 (c) Investment property

Reconciliation of carrying amount

Gross block	**Land**	**Building**	**Total**
As at April 1, 2021	**2.72**	**7.68**	**10.40**
Additions	-	-	**-**
Disposals	(0.04)	(0.27)	**(0.31)**
Exchange difference on translation of foreign operations	-	0.53	0.53
As at March 31, 2022	**2.68**	**7.94**	**10.62**
Additions	-	-	**-**
Disposals	-	-	**-**
Exchange difference on translation of foreign operations	-	0.01	**0.01**
Transfer to owner occupied property	-	(7.90)	**(7.90)**
As at March 31, 2023	**2.68**	**0.05**	**2.73**

Accumulated depreciation

As at April 1, 2021	-	**2.24**	**2.24**
Depreciation for the year	-	0.38	0.38
Disposals	-	(0.14)	(0.14)
Exchange difference on translation of foreign operations	-	0.16	0.16
As at March 31, 2022	-	**2.64**	**2.64**
Depreciation for the year	-	0.37	**0.37**
Disposals	-	-	**-**
Exchange difference on translation of foreign operations	-	0.01	**0.01**
Transfer to owner occupied property	-	(2.97)	**(2.97)**
As at March 31, 2023	-	**0.05**	**0.05**

Net block

As at March 31, 2022	2.68	5.30	7.98
As at March 31, 2023	**2.68**	**-**	**2.68**

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

5 (c) Investment property (Contd.)

Notes:

1. Amounts recognised in profit or loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rental income from the investment property	**0.12**	0.18
Less: Expenses that contribute to the rental income (including repairs and maintenance)	**-**	(0.01)
Profit before depreciation	**0.12**	0.17
Less: Depreciation	**(0.37)**	(0.38)
Profit / (loss)	**(0.25)**	(0.21)

2. Fair value hierarchy and valuation technique

The fair value of investment properties amounted to ₹ 12.90 (March 31, 2022 : ₹ 11.35). These disclosures are based on external information available with the Group including valuation reports obtained from an independent valuer specialised in valuing these types of investment properties and registered as a valuer as defined under Rule 2 of the Companies (registered valuers and valuation) Rules, 2017.

5 (d) Right-of-use assets

Reconciliation of carrying amount

Gross block	Land under long term lease	Buildings (including land)	Total
As at April 1, 2021	**77.75**	**37.42**	**115.17**
Additions	-	4.27	4.27
Derecognition	-	(7.10)	(7.10)
Exchange difference on translation of foreign operations	0.87	0.03	0.90
As at March 31, 2022	**78.62**	**34.62**	**113.24**
Additions	0.05	12.52	**12.58**
Derecognition	-	(0.63)	**(0.63)**
Exchange difference on translation of foreign operations	0.01	-	**0.01**
As at March 31, 2023	**78.68**	**46.52**	**125.20**

Accumulated Depreciation

As at April 1, 2021	**2.09**	**14.02**	**16.11**
Depreciation for the year	1.09	7.63	8.72
Derecognition	-	(2.91)	(2.91)
Exchange difference on translation of foreign operations	0.05	(0.02)	0.03
As at March 31, 2022	**3.23**	**18.72**	**21.95**
Depreciation for the year	1.01	5.82	**6.83**
Derecognition	-	(0.39)	**(0.39)**
Exchange difference on translation of foreign operations	0.01	0.04	**0.05**
As at March 31, 2023	**4.25**	**24.19**	**28.44**

Net block

As at March 31, 2022	75.39	15.90	91.29
As at March 31, 2023	**74.43**	**22.33**	**96.76**

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

5 (e) Goodwill and Other Intangible assets

Gross block	Goodwill	Other intangible assets - Software	Total
As at April 1, 2021	**3.34**	**6.06**	**9.40**
Additions	-	1.86	1.86
Exchange difference on translation of foreign operations	-	0.08	0.08
As at March 31, 2022	**3.34**	**8.00**	**11.34**
Additions	-	0.08	0.08
Exchange difference on translation of foreign operations*	-	0.00	0.00
As at March 31, 2023	**3.34**	**8.08**	**11.42**
Accumulated amortisation			
As at April 1, 2021	**-**	**2.66**	**2.66**
Amortisation for the year	-	0.90	0.90
Exchange difference on translation of foreign operations	-	0.12	0.12
As at March 31, 2022	**-**	**3.68**	**3.68**
Amortisation for the year	-	1.42	1.42
Exchange difference on translation of foreign operations*	-	0.00	0.00
As at March 31, 2023	**-**	**5.10**	**5.10**
Net block			
As at March 31, 2022	3.34	4.32	7.66
As at March 31, 2023	**3.34**	**2.98**	**6.32**

* Amount less than ₹ 0.01

5 (f) Intangible assets under development (IAUD)

Particulars	Software	Total
As at April 1, 2021	**0.47**	**0.47**
Additions	0.90	0.90
Disposal	(1.37)	(1.37)
As at March 31, 2022	**-**	**-**
Additions	**0.55**	**0.55**
Disposal	**-**	**-**
As at March 31, 2023	**0.55**	**0.55**

5 (f)(i) Ageing details

As at March 31, 2023

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.55	-	-	-	0.55
Projects temporarily suspended	-	-	-	-	-
Total	**0.55**	**-**	**-**	**-**	**0.55**

As at March 31, 2022

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

The Group does not have any IAUD which is overdue or has exceeded its cost compared to its original plan and hence IAUD completion schedule is not applicable.

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

	As at March 31, 2023	As at March 31, 2022
6A Non-current Investments		
I) Investments measured at fair value through other comprehensive income		
Investments in equity instruments		
(i) Quoted		
a) 75,000 (March 31, 2022: 75,000) fully paid equity shares of ₹ 2/- each in Housing Development Finance Corporation Limited, Mumbai	**19.71**	17.93
b) 5,000 (March 31, 2022: 5,000) fully paid equity shares of ₹ 1/- each in HDFC Bank Limited, Mumbai	**0.80**	0.74
c) 20,439 (March 31, 2022: 20,439) fully paid equity shares of ₹ 10/- each in IDBI Bank Limited, Mumbai	**0.09**	0.09
d) 6,188 (March 31, 2022: 6,188) fully paid equity shares of ₹ 5/- each in India Nippon Electricals Limited, Chennai	**0.26**	0.26
e) 7,800 (March 31, 2022: 7,800) fully paid equity shares of ₹ 10/- each in Sundaram Brake Linings Limited, Chennai	**0.27**	0.27
	21.13	19.29
(ii) Unquoted		
a) 1,25,000 (March 31, 2022: 1,25,000) equity shares of ₹ 10/- each in Madras Engineering Industries Private Limited, Chennai	**53.12**	38.65
b) 2,777 (March 31, 2022: 2,777) equity shares of ₹ 10/- each in Ki Mobility Solutions Private Limited, Chennai	**13.48**	7.50
	66.60	46.15
Total of (I)	**87.73**	**65.44**
II) Investments measured at cost		
(A) Investment in venture capital fund		
a) 168 units (March 31, 2022: 168 units) of ₹ 100/- each in the ICICI Emerging Sectors Fund, Bengaluru **	**0.00**	0.00
(B) Other investments		
a) 35 (March 31, 2022: 35) equity shares of ₹ 100/- each (₹ 65/- paid-up) in The Adyar Property Holding Co. Limited aggregating to ₹ 2,275/- (extent of holding - 1.09%) **	**0.00**	0.00
b) Capital Contribution in PGSD engineering LLP, New Delhi (extent of holding - 19%)**	**0.00**	0.00
Total of (II)	**0.00**	**0.00**
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, 2022: 12,935) Class A equity shares of ₹ 10/- each and 2,84,169 (March 31, 2022: 2,84,169) Class B equity shares of ₹ 10/- each in PPS Enviro Power Private Limited, Hyderabad, less impairment loss of ₹ 1.19 (March 31, 2022: ₹ 1.19)	**-**	-
b) 23,85,762 (March 31, 2022: 23,85,762) equity shares of ₹ 10/- each in Clarion Wind Farm Private Limited, Chennai	**2.39**	2.39
c) 12,28,233 (March 31, 2022: 12,28,233) Class A equity shares of ₹ 10/- each in Beta Wind Farm Private Limited, Chennai	**2.33**	2.33

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

	As at March 31, 2023	As at March 31, 2022
6 Non-current Investments (Contd.)		
d) 11,00,000 (March 31, 2022: 11,00,000) equity shares of ₹ 10/- each in Gayatri Green Power Limited, Chennai	**1.10**	1.10
e) 6,42,306 (March 31, 2022: 6,42,306) equity shares of ₹ 10/- each in Watsun Infra Build Private Limited, Ahmedabad	**0.63**	0.63
f) 1,40,000 (March 31, 2022: 1,70,000) equity shares of ₹ 10/- each in MMS Steel and Power Private Limited, Chennai	**0.13**	0.17
g) Nil (March 31, 2022: 1,41,230) equity shares of ₹ 10/- each in Nagai power Private Limited, Hyderabad	**-**	0.14
h) 31,000 (March 31, 2022: 31,000) equity shares of ₹ 10/- each in Clean Switch India Private Limited, Hyderabad	**0.03**	0.03
i) 28,80,000 (March 31, 2022: Nil) equity shares of ₹ 10/- each in First Energy TN 1 Private Limited, Pune	**2.76**	-
j) 55,000 (March 31, 2022: 55,000) Class B equity shares of ₹ 10/- each in Clean Switch India Private Limited, Hyderabad	**0.06**	0.06
k) 4,85,574 (March 31, 2022: 4,85,574) Class B equity shares of ₹ 10/- each in Gamma Green Power Private Limited, Chennai	**0.49**	0.49
*The right to sell / transfer these shares are subject to terms and conditions of respective shareholder agreement.		
(ii) Other investments		
a) 3,51,00,000 (March 31, 2022: 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, 2022: ₹ 2.37)	**1.14**	1.14
Total of (III)	**11.06**	8.48
Total of (I+II+III)	**98.79**	73.92

6B Current Investments		
I) Investments measured at fair value through statement of profit or loss		
Investments in equity instruments		
Quoted		
a) 1,320 (March 31, 2022: 1,320) equity shares of ₹ 1/- each fully paid up in State Bank of India	**0.07**	0.07
b) 1 (March 31, 2022: 1) equity share of ₹ 5/- each fully paid up in Maruti Suzuki India Limited, New Delhi **	**0.00**	0.00
c) 1,000 (March 31, 2022: 1,000) equity shares of ₹ 2/- each, fully paid up in Sterling Tools Limited	**0.04**	0.01
d) 83 (March 31, 2022: 83) equity shares of ₹ 10/- each, fully paid up in Lakshmi Precision Screws Limited **	**0.00**	0.00
e) 500 (March 31, 2022: 500) equity shares of ₹ 2/- each, fully paid up in Simmonds-Marshall Limited **	**0.00**	0.00
f) 50 (March 31, 2022: 50) equity shares of ₹ 2/- each, fully paid up in Bharat Forge Limited **	**0.00**	0.00
g) 13,900 (March 31, 2022: 13,900) equity shares of ₹ 10/- each, fully paid up in Sundaram Brake Linings Limited	**0.39**	0.48

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

	As at March 31, 2023	As at March 31, 2022
6B Current Investments (Contd.)		
h) 1,994 (March 31, 2022: 1,994) equity shares of ₹ 5/- each, fully paid up in Sundaram Clayton Limited	**0.75**	0.71
i) 1,994 (March 31, 2022: 1,994) equity shares of ₹ 5/- each, fully paid up in ZF Commercial Vehicle Control Systems India (formerly known as WABCO-INDIA Limited)	**2.08**	1.52
j) 2,952 (March 31, 2022: 2,952) equity shares of ₹ 10/- each, fully paid up in India Motor Parts and Accessories Limited	**0.18**	0.22
Total	**3.51**	**3.01**
** Amount less that ₹ 0.01		
Aggregate amount of quoted investments and market value thereof	**24.64**	22.30
Aggregate value of unquoted investments	**77.66**	54.63
Aggregate amount of impairment in value of investments	**3.56**	3.56

	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
7 Loans				
(Unsecured considered good, unless otherwise stated)				
Loans to employees	**1.22**	**0.51**	1.34	0.47
	1.22	**0.51**	1.34	0.47

The Group's exposure to credit risk and market risk are disclosed in note 35.

	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
8 Other financial assets				
(Unsecured considered good, unless otherwise stated)				
Security deposits	**38.56**	**1.05**	29.10	0.36
Derivative assets*	**-**	**-**	-	0.35
Advances recoverable	**-**	**0.08**	-	0.11
Other receivables**	**0.00**	**3.15**	0.00	10.68
	38.56	**4.28**	29.10	11.50

* This represents fair value of forward contracts entered with banks for the purpose of hedging receivable balances from export customers.

** Amount less than ₹ 0.01

The Group's exposure to credit risk and market risk are disclosed in note 35.

	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
9 Other tax assets, net				
Advance income tax, net of provision	**66.10**	**5.05**	67.27	**5.50**
	66.10	**5.05**	67.27	5.50

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

	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
10 Other assets				
(Unsecured considered good, unless otherwise stated)				
Prepaid expenses	3.33	15.55	2.57	12.90
Capital advance	40.67	-	28.73	-
Balance with statutory / government authorities	33.09	8.72	34.09	5.51
Export incentives and other receivables	-	29.08	-	33.44
Advances to suppliers	-	26.98	-	13.38
	77.09	80.33	65.39	65.23

	As at March 31, 2023	As at March 31, 2022
11 Inventories		
(Valued at lower of cost and net realisable value)		
Raw materials and components (includes goods in transit of ₹ 29.99 (March 31, 2022 : ₹ 26.94)	269.03	237.26
Work-in-progress	236.50	198.11
Finished goods (includes goods in transit of ₹ 3.18 (March 31, 2022 : ₹ 3.33)	337.97	310.35
Stores and spares	29.46	29.38
Loose tools	50.46	44.98
	923.42	820.08

For the carrying value of inventories pledged as securities for borrowings, refer note 15

Inventories of finished goods have been reduced as a result of the write-down to net realisable value.

Such write-downs and reversals are included in changes in inventories of finished goods

	As at March 31, 2023	As at March 31, 2022
12 Trade receivables		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,146.79	1,008.71
Trade receivables which have significant increase in credit risk	-	1.27
Trade receivables credit impaired	2.40	1.78
Total trade receivables	1,149.19	1,011.76
Loss allowance		
Less: Loss allowance	(4.62)	(6.72)
Net trade receivables	1,144.57	1,005.04
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties (refer note 37)	18.82	23.35
Loss allowance	-	-
	18.82	23.35
Movement in loss allowance of trade receivables		
Opening balance	6.72	5.45
Amount written off	-	(1.47)
Loss allowance	(1.90)	2.74
Exchange difference on translation of foreign operations	(0.20)	-
Closing balance	4.62	6.72

The Group's exposure to credit risks and loss allowance related to trade receivables are disclosed in note 35.

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

12(a) Ageing schedule

As at March 31, 2023

Particulars	Outstanding for following periods from the due date of payment						
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables							
(i) Considered good	853.65	263.10	12.14	9.38	0.98	0.37	**1,139.62**
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Credit impaired	-	-	-	-	0.18	2.22	**2.40**
Disputed Trade receivables							
(i) Considered good	-	-	-	0.82	0.16	-	**0.98**
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Credit impaired	-	-	-	-	-	-	**-**
Unbilled dues	6.19	-	-	-	-	-	**6.19**
Total	**859.84**	**263.10**	**12.14**	**10.20**	**1.32**	**2.59**	**1,149.19**
Less: Loss allowance on trade receivables							(4.62)
Total trade receivables							**1,144.57**

As at March 31, 2022

Particulars	Outstanding for following periods from the due date of payment						
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables							
(i) Considered good	734.64	237.59	10.31	8.82	1.62	1.31	**994.29**
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Credit impaired	-	-	-	1.38	0.40	-	**1.78**
Disputed Trade receivables							
(i) Considered good	-	-	0.34	0.71	-	-	**1.05**
(ii) Which have significant increase in credit risk	-	-	0.41	0.86	-	-	**1.27**
(iii) Credit impaired	-	-	-	-	-	-	**-**
Unbilled dues	13.37	-	-	-	-	-	**13.37**
Total	**748.01**	**237.59**	**11.06**	**11.77**	**2.02**	**1.31**	**1,011.76**
Less: Loss allowance on trade receivables							(6.72)
Total trade receivables							**1,005.04**

		As at March 31, 2023	As at March 31, 2022
13 Cash and cash equivalents			
Balances with banks			
Balances with banks in current accounts		**49.36**	34.55
Deposits with maturity less than 3 months		**0.29**	0.05
Cash on hand		**7.88**	1.87
Total cash and cash equivalents	**(A)**	**57.53**	36.47
Other bank balances			
Earmarked balances with banks - dividend warrant accounts		**4.24**	17.75
Deposits with banks (maturity more than 3 months but less than 12 months)		**25.21**	17.09
Total bank balance other than cash and cash equivalents	**(B)**	**29.45**	34.84
Total	**(A) + (B)**	**86.98**	71.31

The Group's exposure to credit risk and market risk are disclosed in note 35.

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

	As at March 31, 2023	As at March 31, 2022
14 Share capital and other equity		
A Share capital		
Authorised		
25,00,00,000 (March 31, 2022: 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, 2022: 21,01,28,370) equity shares of ₹ 1/- each fully paid-up	**21.01**	21.01
	21.01	21.01

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	**Amount**	No. of shares	Amount
a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period				
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 TVS Sundram Fasteners Private Limited, Chennai (refer note to secion (d) below)	**10,16,15,280**	**10.16**	10,40,85,280	10.41

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	**% holding**	No. of shares	% holding
c) Particulars of shareholders holding more than 5% of the aggregate shares in the Company				
Equity shares of ₹ 1/- each fully paidup held by				
TVS Sundram Fasteners Private Limited, Chennai	**10,16,15,280**	**48.36%**	10,40,85,280	49.53%
HDFC Trustee Company Limited, Mumbai	**1,16,56,978**	**5.55%**	1,32,86,677	6.32%
Amansa Holdings Private Limited	**1,13,15,511**	**5.39%**	1,23,13,603	5.86%
	12,45,87,769	**59.30%**	12,96,85,560	61.71%

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

14 Share capital and other equity (Contd.)

d) Shares held by promoters / promoter group at the end of the year

As at March 31, 2023

Promoter name	No. of shares held	% of total shares	% of change during the year
TVS Sundram Fasteners Private Limited, Chennai	10,16,15,280	48.36%	1.18%
Suresh Krishna	36,040	0.02%	-
Usha Krishna	74,613	0.04%	-
Arathi Krishna	47,040	0.02%	-
Arundathi Krishna	51,840	0.02%	-
Suresh Krishna HUF	6,400	0.00%	-
UFL Properties Private Limited	1,00,174	0.05%	-
Lakshminarayana Ancillaries Private Limited	9,656	0.00%	-

As at March 31, 2022

Promoter name	No. of shares held	% of total shares	% of change during the year
TVS Sundram Fasteners Private Limited, Chennai (refer note below)	10,40,85,280	49.53%	100.00%
Suresh Krishna	36,040	0.02%	-
Usha Krishna	74,613	0.04%	-
Arathi Krishna	47,040	0.02%	-
Arundathi Krishna	51,840	0.02%	-
Suresh Krishna HUF	6,400	0.00%	-
UFL Properties Private Limited	1,00,174	0.05%	-
Lakshminarayana Ancillaries Private Limited	9,656	0.00%	-

Note

The Honourable National Company Law Tribunal, Chennai bench, vide its order dated December 6, 2021, approved the composite scheme of amalgamation and arrangement (demerger) inter-alia amongst T V Sundram Iyengar & Sons Private Limited ("TVSS"), Sundaram Industries Private Limited ("SIPL"), Southern Roadways Private Limited ("SRPL") and TVS Sundram Fasteners Private Limited ("TPL") ("Composite Scheme") in accordance with Sections 230 to 232 and other applicable provisions under the Companies Act, 2013 and rules made thereunder and other applicable laws. The Composite Scheme was made effective on January 6, 2022 ("Effective Date").

Pursuant to the Composite Scheme, SRPL and SIPL merged into TVSS on the Effective date, thereby holding 49.53% of the paid up share capital of the Company. Further, in terms of the Scheme, the Fasteners business undertaking of TVSS, including 49.53% shareholding in the Company was demerged from TVSS and has been vested in / transferred to TPL on February 4, 2022. Consequently, effective February 4, 2022, TPL is the Promoter of the Company.

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

14 Share capital and other equity (Contd.)

e) 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. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. 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.

f) There are no bonus shares or buy-back of shares or shares issued for consideration other than cash during a period of five years immediately preceding financial year ended March 31, 2023.

g) 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.
The Group's net debt to adjusted equity ratio i.e. capital gearing ratio at March 31, 2023 was as follows:

		As at March 31, 2023	As at March 31, 2022
Total debt (bank and other borrowings) (refer note 15)		706.03	754.01
Cash and cash equivalents (refer note 13)		(57.53)	(36.47)
Net debt	A	648.50	717.54
Equity attributable to equity holders of the parent		3,015.71	2,621.28
Total equity	B	3,015.71	2,621.28
Net debt to equity	C = (A/B)*100	21.50%	27.37%

B Other equity

a) Dividends

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

	Year ended March 31, 2023	Year ended March 31, 2022
Attributable to Owners of the Company		
First interim dividend of ₹ 5.57/- includes ₹ 2.00 special dividend (March 31, 2022: ₹ 6.45/-) per equity share for the respective years	117.12	135.54
Second interim dividend of ₹ 3.40/- per equity share for the year ended March 31, 2021	-	71.44
	117.12	206.98
Attributable to Non-controlling interests		
Dividend of ₹ 75/- (March 31, 2022: ₹ 30/-) per equity share declared by subsidiary Sundram Non-Conventional Energy Systems Limited	1.76	0.71
Dividend of ₹ 0.68/- (March 31, 2022: ₹ 0.84/-) per equity share declared by subsidiary TVS Next Limited	0.66	0.81
	2.42	1.52
	119.54	208.50

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

14 Share capital and other equity (Contd.)

b) After the reporting dates the following interim dividend was declared by the directors; this dividend has not been recognised as a liability.

	Year ended March 31, 2023	Year ended March 31, 2022
Second Interim dividend of ₹ 3.06/- (March 31, 2022: ₹ Nil) per equity share	**64.30**	-
	64.30	-

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 reserve

Special reserve has been created out of the profits of Sundram Fasteners Investments Limited, wholly owned subsidiary of the Company in order to comply with certain provisions of the Reserve Bank of India Act, 1934.

C Analysis of items of OCI (net of tax)

a) Fair valuation of equity instruments

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) Exchange difference on translation of foreign operations

This comprises of exchange differences arising from translation of financial statements/financial information of foreign operations.

	As at March 31, 2023		As at March 31, 2022	
15 Borrowings	**Non-current**	**Current**	Non-current	Current
Financial liabilities at amortised cost				
a) Secured				
Term loans from banks (refer note (i) below)	**111.14**	**-**	144.42	-
Working capital facilities from banks (refer note (ii) below)	**-**	**183.62**	-	170.04
	111.14	**183.62**	144.42	170.04
Current maturities of long term borrowings	**(11.38)**	**11.38**	(21.57)	21.57
	99.76	**195.00**	122.85	191.61
b) Unsecured				
Term loan from banks (refer note (i) below)	**123.27**	**-**	189.50	-
Working capital facility from banks (refer note (ii) below)	**-**	**288.00**	-	250.05
	123.27	**288.00**	189.50	250.05
Current maturities of long term borrowings	**(82.18)**	**82.18**	(75.80)	75.80
	41.09	**370.18**	113.70	325.85
Total	**140.85**	**565.18**	236.55	517.46

15 Borrowings (Contd.)

(i) Term loan from banks include

Secured

(a) An outstanding term loan from a bank amounting to ₹ 39.50 (March 31, 2022: ₹ 49.18) is secured by exclusive mortgage on the factory land and building at SIPCOT, Oragadam and first pari passu charge on moveable fixed assets and corporate guarantee given by the Holding Company. The interest rate is linked to MCLR + agreed spread. During the previous year, the group has availed a Guaranteed Emergency Credit Line (GECL) from HDFC Bank amounting to ₹ Nil (March 31, 2022 : ₹ 11.79) with a principal repayment moratorium period of 12 months, which is secured by NCGTC Ministry of Finance, Government of India and second charge on current assets.

(b) An outstanding term loan from a bank amounting to RMB 59.95 million equivalent to ₹ 71.64 (March 31, 2022: RMB 69.89 million equivalent to ₹ 83.45) is secured by land use right, factory buildings, plant and equipments relating to the business for which the loan has been taken. The interest rate is linked to Base Rate + agreed spread per annum.

Unsecured

(c) External Commercial Borrowing (ECB) loan from a bank amounting to USD 5 million, equivalent to INR 41.09 (March 31, 2022 - USD 10 million, equivalent to INR 75.80), repayable over 3 equal yearly instalments commencing from July 2021. The loan is unsecured and its interest rate is linked to LIBOR + agreed spread per annum.

(d) Another ECB loan from the same bank amounting to USD 10 million, equivalent to INR 82.18 (March 31, 2022 - USD 15 million, equivalent to INR 113.70), repayable over 3 equal yearly instalments commencing from August 2022. The loan is unsecured and its interest rate is linked to LIBOR + agreed spread per annum.

(ii) Working capital loan from banks include

Secured

(a) The Group has various working capital facilities aggregating to ₹ 37.83 (March 31, 2022: ₹ 21.54) carrying interest rate of 8.90% per annum (March 31, 2022 - 9.75% per annum). These facilities are repayable on demand, partly secured by pari-passu first charge on current assets viz., stocks of raw materials, work in progress and finished goods.

(b) The outstanding working capital facility amounting to ₹ 19.09 (March 31, 2022: ₹ 25.80) carrying interest rates ranging between 5.00% to 10.00% per annum (March 31, 2022: 4.50% - 7.80% per annum). These facilities are secured by hypothecation of current assets viz., of stocks of raw materials, work-in-progress, finished goods and receivables relating to the business for which the loan was taken.

(c) Cash credit facilities of ₹ 0.13 (March 31, 2022: ₹ 1.44) from banks carrying interest rates ranging between of 7.00% - 10.00% per annum (March 31, 2022: 8.00% - 10.00% per annum). The facility is repayable on demand and is secured by hypothecation of current assets relating to the business for which the loan was taken.

(d) The outstanding working capital facilities of GBP 2.81 million equivalent to ₹ 28.58 (March 31, 2022: GBP 2.71 million equivalent to ₹ 26.93) carrying interest rate being base rate + agreed spread per annum. These are secured by fixed and floating charges over all the assets and undertaking including all present and future freehold and leasehold property, book and other debts, chattels and goodwill and uncalled capital, both present and future.

(e) The outstanding working capital facilities of RMB 82 million equivalent to ₹ 97.99 (March 31, 2022: RMB 79 million equivalent to ₹ 94.33). The loan is secured by land use right and factory buildings relating to the business for which the loan was taken. The interest rate is linked to base rate + agreed spread per annum.

Unsecured

(f) Preshipment packing credit loan was availed in INR amounting to ₹ 275.00 (March 31, 2022: ₹ 250.05). The loan is unsecured and is repayable within 360 days and carries interest in the range of 4.93% to 5.65% per annum (March 31, 2022 - 2.10% to 2.75% per annum).

(g) During the current year, the Company has availed ₹ 13.00 (March 31, 2022: ₹ Nil) an unsecured export packing credit facility from ICICI bank with a tenure of 270 days or expiry of contracts, whichever is earlier.

The Group's exposure to liquidity, interest rate and currency risk related to borrowings are disclosed in note 35.

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

15 Borrowings (Contd.)

(iii) Reconciliation of cash flow from financing activities	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	(57.53)	(36.47)
Current borrowings	471.61	420.09
Non-current borrowings	234.41	333.92
Net debt	648.49	717.54

Particulars	Other assets	Liabilities from financing activities		Total
	Cash and cash equivalents	Current borrowings	Non-current borrowings	
Net debt as at April 1, 2022	(36.47)	420.09	333.92	717.54
Net cash flows from financing activities	(20.47)	-	-	(20.47)
Proceeds from / (Repayment of) borrowings, net	-	57.16	(112.41)	(55.25)
Foreign exchange adjustments	(0.59)	(5.64)	12.90	6.67
Net debt as at March 31, 2023	(57.53)	471.61	234.41	648.49
Net debt as at April 1, 2021	(24.96)	332.04	351.81	658.89
Net cash flows from financing activities	(12.61)	-	-	(12.61)
Proceeds from borrowings	-	84.31	(30.92)	53.39
Foreign exchange adjustments	1.10	3.74	13.03	17.87
Net debt as at March 31, 2022	(36.47)	420.09	333.92	717.54

Note:

1) Term loans were applied for the purpose for which they were obtained. Further, short term loans availed have not been utilised for long term purposes by the Group.
2) Quarterly returns or statements of current assets filed by the Company for the sanctioned working capital limits with banks or financial institutions along with reconciliation and reasons for differences are tabulated in the below table:

Quarter end	Particulars	Amount as per books of account	Amout as per quarterly statement	Difference #	Reason for differences	Whether subsequently rectified
Sep-22	Sales	1,218.19	1,216.05	2.14	Differences arising on account of adjustments made in connection with book closure process	Yes
	Production	1,032.63	1,028.42	4.21		
Dec-22	Sales	1,226.87	1,229.01	(2.14)	Differences arising on account of adjustments made in connection with book closure process	Yes
	Production	1,047.98	1,052.19	(4.21)		

Impact considered through cumulative information provided for the financial year during quarterly returns/ statements submission.

3) None of the entities in the group have been declared as wilful defaulter by any bank or financial institution or government or any government authority.

16 Lease liabilities

	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Lease liabilities (also refer note 39)	18.83	5.43	12.48	5.19
	18.83	5.43	12.48	5.19

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

	As at March 31, 2023		As at March 31, 2022	
17 Provisions	**Non-current**	**Current**	Non-current	Current
Provision for employee benefits				
Provision for gratuity *	**4.84**	**5.85**	4.58	6.20
Provision for compensated absences	**6.62**	**1.91**	6.55	1.66
Provision for others	**-**	**15.06**	-	13.45
	11.46	**22.82**	11.13	21.31

* also includes 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 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 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.

Based on actuarial valuation obtained, the following table sets out the amounts recognised in the Group's financial statements as at balance sheet date:

Particulars	**Year ended March 31, 2023**	Year ended March 31, 2022
Amount recognised in statement of profit and loss	**5.02**	4.76
Amount recognised in other comprehensive income	**0.08**	(1.54)
Total expense	**5.10**	3.22
Net employee benefit expense		
Recognised in statement of profit and loss		
Current service cost	**3.85**	4.22
Interest cost on benefit obligation	**1.17**	0.54
Amount recognised in statement of profit and loss	**5.02**	4.76
Recognised in other comprehensive income		
Actuarial gain arising from change in financial assumptions	**(0.33)**	(0.31)
Actuarial gain arising from experience adjustments	**0.41**	(1.23)
Amount recognised in other comprehensive income	**0.08**	(1.54)

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

17 Provisions (Contd.)

Gratuity (Contd.)

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

	As at March 31, 2023	As at March 31, 2022
Net defined obligation		
Present value of defined benefit obligation	**61.86**	58.54
Fair value of plan assets	**(52.38)**	(49.45)
	9.48	9.09
Changes in present value of the defined benefit obligation are as follows:		
Balance at the beginning of the year	**58.54**	56.40
Interest cost	**4.45**	3.53
Current service cost	**3.85**	4.22
Benefits paid	**(5.39)**	(4.39)
Actuarial gain on obligation	**0.41**	(1.23)
Balance at the end of the year	**61.86**	**58.54**
Changes in the fair value of plan assets are as follows:		
Balance at the beginning of the year	**49.45**	46.14
Expected return on plan assets	**3.28**	2.99
Actuarial gain on asset	**0.33**	0.31
Contribution made by the employer	**3.98**	4.34
Benefits paid	**(4.66)**	(4.33)
Balance at the end of the year	**52.38**	49.45
Plan assets comprises of :		
% of Investment with insurer	**100.00**	100.00
Principal actuarial assumptions used		
Discount rate	**7.40%**	6.80%
Salary escalation rate	**7.00%**	7.00%
Attrition rate	**12.00%**	12.00%
Classification		
- Current	**5.29**	5.68
- Non-current	**3.85**	3.41

Sensitivities

	Year ended March 31, 2023		Year ended March 31, 2022	
	Increase	Decrease	Increase	Decrease
A - Discount 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	**(2.67)**	**2.90**	(2.67)	2.93
B - 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	**2.32**	**(2.17)**	2.36	(2.20)

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

17 Provisions (Contd.)

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:

Net employee benefit expense	Year ended March 31, 2023	Year ended March 31, 2022
Recognised in statement of profit and loss		
Current service cost	**0.11**	0.12
Interest cost on benefit obligation	**0.10**	0.11
Amount recognised in statement of profit and loss	**0.21**	0.23
Recognised in other comprehensive income		
Actuarial (gain) / loss arising from change in financial assumptions	**(0.05)**	(0.01)
Actuarial gain arising from demographic assumptions	**-**	(0.12)
Actuarial gain arising from experience adjustments	**(0.06)**	(0.13)
Amount recognised in other comprehensive income	**(0.11)**	(0.26)

Changes in present value of the defined benefit obligation are as follows:	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation at the beginning of the year	**1.69**	1.90
Interest cost	**0.10**	0.11
Current service cost	**0.11**	0.12
Benefits paid	**(0.20)**	(0.18)
Actuarial gain on obligation	**(0.11)**	(0.26)
Defined benefit obligation at the end of the year	**1.59**	**1.69**
Principal actuarial assumptions used		
Discount rate	**7.30%**	6.40%
Attrition rate	**12.00%**	12.00%
Remaining working lives for selected class of employees (in year)	**4.79**	4.86
Classification		
- Current	**0.56**	0.52
- Non-current	**0.99**	1.17

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 the applicable domestic subsidiaries.

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

17 Provisions (Contd.)

iii) Provident fund

All eligible employees of the Group are entitled to receive benefits under provident fund, a defined contribution plan in which both the employee and employer (at a determined rate) contribute monthly. The Group 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 contribution to 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, 2023	As at March 31, 2022
Principal actuarial assumptions used		
Discount rate	**7.40%**	6.80%
Interest rate declared by EPFO	**8.10%**	8.10%
Remaining working lives (in years)	**6.59**	6.62

iv) Compensated absences

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

	Year ended March 31, 2023	Year ended March 31, 2022
Recognised in statement of profit and loss:		
Current service cost	**1.24**	1.07
Interest cost on benefit obligation	**0.52**	0.48
Net actuarial gain recognised	**(0.60)**	(0.28)
	1.17	1.28

Principal actuarial assumptions used:	As at March 31, 2023	As at March 31, 2022
Discount rate	**7.20% - 7.50%**	6.80% - 7.40%
Salary escalation rate	**7.00% - 10.00%**	7.00% - 10.00%
Attrition rate	**1.00% - 12.00%**	1.00% - 12.00%

b) Provision for others (refer note below)	Year ended March 31, 2023	Year ended March 31, 2022
Movement of Provisions for others as follows:		
Balance at the beginning of the year	**13.45**	13.16
Provision made during the year, net	**1.61**	0.29
Balance at the end of the year	**15.06**	13.45

Note: Provision for others primarily includes provision made towards statutory liabilities.

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

	Year ended March 31, 2023	Year ended March 31, 2022
18 Income tax		
A Amounts recognised in statement of profit and loss		
Current tax (a)		
Current period	**161.63**	157.35
Tax relating to earlier years	**(5.85)**	-
	155.78	157.35
Deferred tax (b)		
Attributable to - origination and reversal of temporary differences	**4.53**	2.04
Tax expense (a) + (b)	**160.31**	159.39

B Income tax recognised in other comprehensive income

Particulars	As at March 31, 2023			As at March 31, 2022		
	Amount	Tax (expense) / benefit	Net of tax	Amount	Tax (expense) / benefit	Net of tax
Items that will not be reclassified to profit or loss						
Fair value gain on equity instruments	**22.29**	**(5.75)**	**16.54**	12.49	(2.11)	10.38
Re-measurement gain on defined benefit plans	**0.39**	**(0.10)**	**0.29**	1.80	(0.46)	1.34
Total	**22.68**	**(5.85)**	**16.83**	14.29	(2.57)	11.72

C Reconciliation of effective tax rate

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	%	Amount	%	Amount
Profit before tax		**660.66**		621.21
Tax using the Company's domestic tax rate	**25.17%**	**166.28**	25.17%	156.35
Effect of:				
- CSR expenditure disallowance, net of deduction under section 80G of the Income Tax Act, 1961	**0.36%**	**2.40**	0.42%	2.58
- Tax relating to earlier years	**(0.89%)**	**(5.85)**	-	-
- Others	**(0.38%)**	**(2.52)**	0.07%	0.46
Effective tax rate / tax expense	**24.26%**	**160.31**	25.66%	159.39

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

18 Income tax (Contd.)

D 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, 2023	As at March 31, 2022	**As at March 31, 2023**	As at March 31, 2022	**As at March 31, 2023**	As at March 31, 2022
Property, plant and equipment, intangible assets and investment property	**-**	-	**132.73**	125.98	**132.73**	125.98
Investments measured at fair value through OCI	**-**	-	**14.10**	8.35	**14.10**	8.35
Provision for employee benefits	**(1.79)**	(1.65)	**-**	-	**(1.79)**	(1.65)
Others	**(4.04)**	(1.73)	**-**	-	**(4.04)**	(1.73)
	(5.83)	(3.38)	**146.83**	134.33	**141.00**	130.95
Minimum alternative tax	**(4.17)**	(3.94)	**-**	-	**(4.17)**	(3.94)
	(10.00)	(7.32)	**146.83**	134.33	**136.83**	127.01

Movement in temporary differences for the year ended March 31, 2023

Particulars	Balance as at April 1, 2022	Recognised in profit and loss during 2022-23	Recognised in OCI during 2022-23	Other adjustments	Balance as at March 31, 2023
Property, plant and equipment, intangible assets and investment property	125.98	**6.75**	**-**	**-**	**132.73**
Investments measured at fair value through OCI	8.35	**-**	**5.75**	**-**	**14.10**
Provision for employee benefits	(1.65)	**(0.14)**	**(0.00)**	**-**	**(1.79)**
Others	(1.73)	**(2.31)**	**-**	**-**	**(4.04)**
	130.95	**4.30**	**5.75**	**-**	**141.00**
Minimum alternative tax	(3.94)	**(0.17)**	**-**	**(0.06)**	**(4.17)**
	127.01	**4.13**	**5.75**	**(0.06)**	**136.83**

(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, 2022

Particulars	Balance as at April 1, 2021	Recognised in profit and loss during 2021-22	Recognised in OCI during 2021-22	Other adjustments	Balance as at March 31, 2022
Property, plant and equipment, intangible assets and investment property	122.13	3.85	-	-	125.98
Investments measured at fair value through OCI	6.13	0.11	2.11	-	8.35
Provision for employee benefits	(1.97)	(0.11)	0.43	-	(1.65)
Others	0.32	(2.05)	-	-	(1.73)
	126.61	1.80	2.54	-	130.95
Minimum alternative tax	(3.66)	-	-	(0.28)	(3.94)
	122.95	**1.80**	**2.54**	**(0.28)**	**127.01**

(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, 2023	As at March 31, 2022	**As at March 31, 2023**	As at March 31, 2022	**As at March 31, 2023**	As at March 31, 2022
Property, plant and equipment and intangible assets	**-**	-	0.74	0.72	**0.74**	0.72
Provision for employee benefits	**(0.49)**	(0.44)	**-**	-	**(0.49)**	(0.44)
Others	**(0.37)**	(0.72)	**-**	-	**(0.37)**	(0.72)
	(0.86)	(1.16)	**0.74**	0.72	**(0.12)**	(0.44)

Movement in temporary differences for the year ended March 31, 2023

Particulars	Balance as at April 1, 2022	Recognised in profit and loss during 2022-23	Recognised in OCI during 2022-23	Other adjustments	Balance as at March 31, 2023
Property, plant and equipment and intangible assets	0.72	**0.02**	**-**	**-**	**0.74**
Provision for employee benefits	(0.44)	**(0.15)**	**0.10**	**-**	**(0.49)**
Others	(0.72)	**0.36**	**-**	**-**	**(0.37)**
	(0.44)	**0.23**	**0.10**	**-**	**(0.12)**

(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, 2022

Particulars	Balance as at April 1, 2021	Recognised in profit and loss during 2021-22	Recognised in OCI during 2021-22	Other adjustments	Balance as at March 31, 2022
Property, plant and equipment, intangible assets and investment property	0.28	0.44	-	-	0.72
Provision for employee benefits	(0.46)	(0.01)	0.03	-	(0.44)
Others	(0.53)	(0.19)	-	-	(0.72)
	(0.71)	**0.24**	**0.03**	**-**	**(0.44)**

E 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:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Long term capital loss *	**7.05**	**1.77**	5.81	1.46
Business loss other than speculative business loss	**-**	**-**	0.61	0.16

* The long term capital loss expires in Assessment year 2029-30

	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
19 Other tax liabilities, net				
Provision for taxation, net of advance income tax	**6.99**	**31.06**	6.97	31.03
	6.99	**31.06**	6.97	31.03
20 Trade payables				
Total outstanding dues of micro enterprises and small enterprises	**-**	**65.34**	-	67.71
Total outstanding dues of creditors other than micro enterprises and small enterprises	**-**	**475.80**	1.18	504.48
	-	**541.14**	1.18	572.19
Of the above, trade payables to related parties (refer note 37)	**-**	**-**	-	-

The Group's exposure to currency risks and liquidity risk related to other financial liabilities are disclosed in note 35.

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

20 Trade payables (Contd.)	As at March 31, 2023	As at March 31, 2022
Disclosure required under Section 22 of The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006		
i. The principal amount due thereon remaining unpaid to any supplier at the end of each accounting year and the amount of interest due thereon remaining unpaid to any supplier at the end of each accounting year	**65.34**	**67.71**
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 the accounting year	**-**	-
iii. The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	**-**	-
iv. The amount of interest accrued and remaining unpaid at the end of the 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	**-**	-
	65.34	**67.71**

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

The group's exposure to currency risks and liquidity risk related to other financial liabilities are disclosed in note 35.

20(a) Ageing schedule

As at March 31, 2023

Particulars	Outstanding for following periods from the due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues						
(i) MSME	49.62	15.44	0.08	0.05	-	**65.19**
(ii) Others	272.58	165.45	0.85	1.81	1.74	**442.43**
Disputed dues						
(i) MSME	-	-	-	-	0.15	**0.15**
(ii) Others	-	0.01	-	-	0.07	**0.08**
Unbilled dues	33.29	-	-	-	-	**33.29**
Total	**355.49**	**180.90**	**0.93**	**1.86**	**1.96**	**541.14**

As at March 31, 2022

Particulars	Outstanding for following periods from the due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues						
(i) MSME	55.24	12.31	-	-	-	**67.55**
(ii) Others	316.08	142.37	4.15	1.32	2.78	**466.70**
Disputed dues						
(i) MSME	-	-	0.01	-	0.15	**0.16**
(ii) Others	-	-	0.05	-	0.13	**0.18**
Unbilled dues	38.78	-	-	-	-	**38.78**
Total	**410.10**	**154.68**	**4.21**	**1.32**	**3.06**	**573.37**

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

	As at March 31, 2023		As at March 31, 2022	
21 Other financial liabilities	**Non-current**	**Current**	Non-current	Current
Financial liabilities at amortised cost				
Interest accrued but not due on borrowings	-	2.20	-	1.39
Liability towards supplier bills discounted	-	13.77	-	9.93
Unclaimed dividend (refer note 13)	-	4.24	-	4.55
Employee benefits payable	-	41.51	-	39.40
Other payables*	2.64	18.59	1.66	18.04
	2.64	80.31	1.66	73.31

* includes managerial commission of ₹ 9.36 (March 31, 2022 : ₹ 8.41) (also refer note 37)

The Group's exposure to currency risks and liquidity risk related to other financial liabilities are disclosed in note 35.

	As at March 31, 2023	As at March 31, 2022
22 Other current liabilities		
Advance from customers	10.10	10.31
Statutory dues	16.68	20.19
	26.78	30.50

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

	Year ended March 31, 2023	Year ended March 31, 2022
23 Revenue from operations		
(a) Revenue from sale of products	**5,407.02**	4,696.18
(b) Rendering of services	**83.08**	71.08
(c) Other operating revenue (refer note (i) below)	**172.65**	134.80
	5,662.75	4,902.06
Note:		
(i) Other operating revenue		
(i) Scrap sales	**132.10**	107.74
(ii) Export incentives	**10.90**	23.54
(iii) Others	**29.65**	3.52
	172.65	134.80
(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 customer markets		
a) Revenue from sale of products		
(i) Domestic (including retail sales)	**3,608.43**	3,057.08
(ii) Exports	**1,798.59**	1,639.10
	5,407.02	4,696.18
b) Rendering of services	**83.08**	71.08
c) Scrap sales	**132.10**	107.74
d) Total revenue from contracts with customers (a+b+c)	**5,622.20**	4,875.00
e) Other operating revenues		
- Export incentives	**10.90**	23.54
- Others	**29.65**	3.52
Total other operating revenue (e)	**40.55**	27.06
Total revenue from operations (d + e)	**5,662.75**	4,902.06
(iii) Contract balances		
The following disclosure provide information about receivables, contract assets and liabilities from contract with customers		
Receivables which are included in trade receivables (refer note 12)	**1,144.57**	1,005.04
Unbilled revenue	**-**	5.36
Advance from customers (refer note 22)	**10.10**	10.31
24 Other income		
Interest income	**4.50**	2.27
Net foreign exchange gain	**22.86**	17.87
Dividend income	**0.76**	0.69
Fair value gain on financial instruments at fair value through profit or loss	**0.50**	0.33
Profit on sale of property, plant and equipment, net	**7.14**	2.04
Gain on sale of investments in mutual funds	**0.32**	0.74
Provision/ liabilities no longer required	**2.04**	2.62
Other non-operating income	**6.73**	12.78
	44.85	39.34

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

	Year ended March 31, 2023	Year ended March 31, 2022
25 Cost of materials consumed		
Opening stock of raw materials and components	**237.25**	217.67
Add: Purchases during the year	**2,586.65**	2,191.66
Less: Closing stock of raw materials and components	**269.03**	237.26
	2,554.87	2,172.08
26 Changes in inventories of finished goods and work-in-progress		
A) Opening stock:		
Work-in-progress	**198.11**	163.20
Finished goods	**310.35**	230.54
Exchange rate fluctuation on account of foreign currency translation	**(1.55)**	2.39
	506.91	396.13
B) Closing stock:		
Work-in-progress	**236.50**	198.11
Finished goods	**337.97**	310.35
Exchange rate fluctuation on account of foreign currency translation	**(2.27)**	(1.44)
	572.19	507.02
C) Increase / Decrease in stock		
Work-in-progress	**38.39**	34.91
Finished goods	**27.62**	79.81
Exchange rate fluctuation on account of foreign currency translation	**(0.72)**	(3.83)
Total (A- B)	**(65.29)**	(110.89)
27 Employee benefits expense		
Salaries and wages	**447.63**	424.05
Expenses related to post-employment benefit plan (refer note 17)	**5.23**	4.99
Contribution to provident and other funds (refer note below)	**26.20**	23.19
Staff welfare expenses	**39.84**	33.93
	518.90	486.16

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, 2023	Year ended March 31, 2022
28 Finance costs		
Interest expense		
- on financial liabilities measured at amortised cost	**31.35**	21.75
- on lease liabilities	**1.85**	2.18
- others	**2.40**	-
Exchange differences regarded as an adjustment to borrowing cost	**5.96**	7.17
Other borrowing costs	**0.05**	0.10
Less: Borrowing costs capitalised (refer note below)	**(1.92)**	(2.48)
	39.69	28.72

Note: The Capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group being 5.82% per annum (March 31, 2022: 3.39% per annum)

	Year ended March 31, 2023	Year ended March 31, 2022
29 Depreciation and amortisation expense		
Depreciation on property, plant and equipment (refer note 5(a))	**189.35**	180.79
Depreciation on investment property (refer note 5(c))	**0.37**	0.38
Amortisation on right of use assets (refer note 5(d) and note 39)	**6.83**	8.72
Amortisation on intangible assets (refer note 5(e))	**1.42**	0.90
	197.97	190.79
30 Other expenses		
Consumption of stores, tools and spares	**578.20**	488.92
Power and fuel	**241.10**	207.22
Rent	**2.97**	6.74
Rates and taxes	**4.17**	7.84
Repairs and maintenance		
- buildings	**40.37**	37.68
- plant and equipment	**63.36**	65.60
- other assets	**7.88**	7.68
Sub-contract expenses	**535.60**	456.07
Auditor's remuneration (refer note below)	**2.36**	2.15
Foreign exchange loss	**0.19**	0.91
Expenditure on corporate social responsibility (refer note 33)	**9.55**	10.21
Freight and cartage outward	**169.18**	160.78
Miscellaneous expenses (Under this head there are no expenditure which is in excess of 1% of revenue from operations.)	**145.87**	101.52
	1,800.80	1,553.32
Note:		
Auditor's remuneration*		
As auditor		
Statutory audit	**1.75**	1.57
Tax audit	**0.09**	0.06
Limited review of quarterly results	**0.35**	0.30
In other capacity		
Taxation matters	**0.02**	0.02
Other services	**0.11**	0.16
Reimbursement of expenses	**0.05**	0.04
	2.36	2.15

* Comprise of payments made to other auditors of subsidiaries

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

		Year ended March 31, 2023	Year ended March 31, 2022
31 Earnings per equity share (EPS)			
Net profit attributable to owners of the parent	(A)	**494.69**	456.72
Weighted average number of equity shares outstanding as at reporting date	(B)	**21,01,28,370**	21,01,28,370
Basic earnings per share (in ₹)	**(A/B)**	**23.54**	21.74

Diluted earnings per share

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

32 Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group has not traded or invested in Crypto currency or virtual currency during the financial year.

(iii) The Group has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(iv) The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with an understanding (whether recorded in writing or otherwise) that the Group shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).

(vi) The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period except the following:

Chargeholder Name	Registrar location	As at March 31, 2023	As at March 31, 2022
The Hongkong And Shanghai Banking Corporation Limited	Chennai	-	50.00
Canara Bank	Chennai	-	37.00
Government of Tamilnadu	Chennai	**2.80**	2.80
Axis Bank	Chennai	**1.50**	2.50
ANZ Grindlays Bank	Chennai	-	1.10

* The Group is awaiting for No-objection certificate from concerned chargeholders for filing the requisite satisfaction of charges with ROC.

(vii) Transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 are as follows:-

Name of the struck off company and nature of transaction	Relationship with the struck-off company	As at March 31, 2023	As at March 31, 2022
Helical Springs Limited - Payable for purchase of goods	Third party supplier	**0.03**	-
RBC Bearings Private Limited - Payable for purchase of goods *	Third party supplier	**0.00**	-
Scanstar Inspection Technology Private Limited - Payable for purchase of goods	Third party supplier	**0.13**	-

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

32. Additional regulatory information... (Contd.)

Name of the struck off company and nature of transaction	Relationship with the struck-off company	As at March 31, 2023	As at March 31, 2022
Resems Instruments Private Limited - Payable for purchase of equipments	Third party supplier	**0.02**	0.02
Rvee Business Solution Private Limited - Payable for purchase of goods	Third party supplier	**0.01**	0.01
Sha Hydraulics Private Limited - Payable for purchase of goods	Third party supplier	**-**	0.01

* Amount less than ₹ 0.01

(viii) The Group has complied with the number of layers prescribed under the Companies Act, 2013.

(ix) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

	Year ended March 31, 2023	Year ended March 31, 2022
33 Expenditure on corporate social responsibility (CSR) #		
a) Amount required to be spent by the Group during the year	**9.54**	10.21
b) Amount approved by the Board to be spent during the year	**9.54**	10.21
c) Amount spent during the year (in cash):		
(i) Construction / acquisition of asset	-	-
(ii) On purposes other than (i) above		
a) Education	**3.54**	2.17
b) Healthcare	**1.99**	6.17
c) Mental health education	**2.03**	0.84
d) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art	**1.80**	0.29
e) Others	**0.19**	0.10
	9.55	9.57
d) Unspent obligations as the end of the year (note 3)	**-**	0.64
e) Total of previous years unspent obligations	-	-
f) Details of unspent obligation	NA	Refer note 1 and 3 below
g) Details of related party transactions	Refer note 2 below	Refer note 2 below
h) The movements in the provision for unspent CSR (relating to ongoing project) is as follows:		
Opening balance	0.64	-
Amount required to be spent during the year	-	-
Amount spent during the year	0.35	0.64
Closing balance	0.29	0.64

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

Note 1: In view of the impact of COVID-19 Pandemic, certain activities to complete the shooting schedules relating to wildlife photography project were postponed which were originally planned to be completed by January 2022, resulting in postponement of planned spend. The Company has spent Rs. 0.35 during the year ended March 31, 2023 and intends to spend the remaining expenditure within the prescribed timelines.

Note 2 : The above expenditure includes contribution to Krishna Educational Society, over which the Group has significant influence (also refer note 37).

Note 3 : The Company has deposited the unspent obligation in a separate CSR unspent account within the prescribed timelines.

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

34 Ratios as per the schedule III requirements:

a) Current ratio = Current assets divided by Current liabilities

Particulars	March 31, 2023	March 31, 2022
Current assets	**2,248.65**	1,982.14
Current liabilities	**1,272.72**	1,250.99
Ratio	**1.77**	**1.58**
% change from previous year	**12.03%**	

Reason for change more than 25% : Not applicable

b) Debt-Equity Ratio = Total debt divided by total equity where total debt refers to sum of current and non-current borrowings

Particulars	March 31, 2023	March 31, 2022
Total debt	**706.03**	754.01
Total equity	**3,034.07**	2,636.20
Ratio	**0.23**	**0.29**
% change from previous year	**(20.69%)**	

Reason for change more than 25% : Not applicable

c) Debt Service Coverage Ratio = Earnings available for debt services divided by total interest and principal repayments

Particulars	March 31, 2023	March 31, 2022
Profit after tax	**500.35**	461.83
Add:		
Depreciation and amortisation expense	**197.97**	190.79
Finance cost	**39.69**	28.72
Earnings available for debt services	**738.01**	**681.34**
Interest payment on borrowings	**31.35**	21.75
Lease payments	**1.85**	2.18
Principal repayments	**112.41**	30.92
Total interest and principal repayments	**145.61**	54.85
Ratio	**5.07**	**12.42**
% change from previous year	**(59.18%)**	

Reason for change more than 25% : Repayment of long term borrowings in the current year has resulted in change of more than 25% in the current year.

d) Return on Equity ratio = Profit after tax divided by average shareholder's equity

Particulars	March 31, 2023	March 31, 2022
Profit after tax	**500.35**	461.83
Average shareholder's equity (refer note below)	**2,835.14**	2,497.28
Ratio	**17.65%**	**18.49%**
% change from previous year	**(4.54%)**	

Note: Average shareholder's equity = (Total shareholder's equity as at beginning of respective year + total shareholder's equity as at end of respective year) divided by 2.

Reason for change more than 25% : Not applicable

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

34 Ratios as per the schedule III requirements: (Contd.)

e) Inventory turnover ratio = Cost of goods sold divided by average inventory

Particulars	March 31, 2023	March 31, 2022
Cost of goods sold (refer note 1 below)	**3,603.38**	3,006.18
Average inventory (refer note 2 below)	**871.75**	747.22
Ratio	**4.13**	**4.02**
% change from previous year	**2.74%**	

Note:

1. Cost of goods sold includes cost of materials consumed and changes in inventories of finished goods and work-in-progress, consumption of stores, tools and spares and sub-contract expenses.
2. Average inventory = (Total inventory as at beginning of respective year + total inventory as at end of respective year) divided by 2.

Reason for change more than 25% : Not applicable

f) Trade receivables turnover ratio = Sales divided by average trade receivables

Particulars	March 31, 2023	March 31, 2022
Turnover (refer note 1 below)	**5,651.85**	4,878.52
Average trade receivables (refer note 2 below)	**1,074.81**	945.34
Ratio	**5.26**	**5.16**
% change from previous year	**1.94%**	

Note:

1. Turnover includes revenue from operations excluding export incentives.

2. Average trade receivables = (Total trade receivables as at beginning of respective year + total trade receivables as at end of respective year) divided by 2.

Reason for change more than 25% : Not applicable

g) Trade payables turnover ratio = Purchases divided by average trade payables

Particulars	March 31, 2023	March 31, 2022
Purchases (refer note 1 below)	**3,700.45**	3,136.66
Average trade payables (refer note 2 below)	**557.26**	582.01
Ratio	**6.64**	**5.39**
% change from previous year	**23.19%**	

Note:

1. Purchases includes purchase of materials, consumption of stores, tools and spares and sub-contract expenses.

2. Average trade payables = (Total Trade Payables as at beginning of respective year + Total Trade Payables as at end of respective year) divided by 2.

Reason for change more than 25% : Not applicable

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

34 Ratios as per the schedule III requirements: (Contd.)

h) Net capital turnover ratio = Revenue from operations divided by working capital

Particulars	March 31, 2023	March 31, 2022
Revenue from operations	**5,662.75**	4,902.06
Working capital (refer note below)	**975.93**	731.14
Ratio	**5.80**	**6.70**
% change from previous year	**(13.43%)**	

Note: Working capital = Current assets - Current liabilities

Reason for change more than 25% : Not applicable

i) Net profit ratio = Net profit after tax divided by Revenue from operations

Particulars	March 31, 2023	March 31, 2022
Net profit after tax	**500.35**	461.83
Revenue from operations	**5,662.75**	4,902.06
Ratio	**8.84%**	**9.42%**
% change from previous year	**(6.16%)**	

Reason for change more than 25% : Not applicable

j) Return on Capital employed = Earnings before interest and taxes (EBIT) divided by capital employed

Particulars	March 31, 2023	March 31, 2022
Earnings before interest and taxes (refer note 1 below)	**700.35**	649.94
Capital employed (refer note 2 below)	**3,901.19**	3,534.89
Ratio	**17.95%**	**18.39%**
% change from previous year	**(2.39%)**	

Note:

1. EBIT = Profit before taxes + finance cost
2. Capital employed = Total equity + total debt + deferred tax liabilities + lease liabilities

Reason for change more than 25% : Not applicable

k) Return on investments = Income generated from invested funds divided by Average invested funds in treasury investments

Particulars	March 31, 2023	March 31, 2022
Income generated from invested funds	**0.32**	0.74
Average invested funds in treasury investments	**7.80**	25.55
Ratio	**4.10%**	**2.90%**
% change from previous year	**41.38%**	

Reason for change more than 25% : Change attributable to market volatility

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

35 Financial instruments - fair values and risk management

A Accounting classification and fair values

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

Particulars	Note	March 31, 2023				March 31, 2022			
		FVTPL	FVOCI	Amortised cost	Total	FVTPL	FVOCI	Amortised cost	Total
Financial assets									
Investments	6A	14.57	87.73	-	102.30	11.49	65.44	-	76.93
Loans	7	-	-	1.73	1.73	-	-	1.81	1.81
Security deposits	8	-	-	39.61	39.61	-	-	29.46	29.46
Derivative assets	8	-	-	-	-	0.35	-	-	0.35
Advances recoverable	8	-	-	0.08	0.08	-	-	0.11	0.11
Other financial assets	8	-	-	3.15	3.15	-	-	5.32	5.32
Trade receivables (including unbilled revenues)	12	-	-	1,144.57	1,144.57	-	-	1,010.41	1,010.41
Cash and cash equivalents	13	-	-	57.53	57.53	-	-	36.47	36.47
Bank balance other than cash and cash equivalents	13	-	-	29.45	29.45	-	-	34.84	34.84
Total financial assets		14.57	87.73	1,276.12	1,378.42	11.84	65.44	1,118.42	1,195.70
Financial liabilities									
Borrowings (including current maturities of term loans from banks)	15	-	-	706.03	706.03	-	-	754.01	754.01
Lease liabilities	16	-	-	24.26	24.26	-	-	17.67	17.67
Trade payables	20	-	-	541.14	541.14	-	-	573.37	573.37
Interest accrued but not due on borrowings	21	-	-	2.20	2.20	-	-	1.39	1.39
Liability towards supplier bills discounted	21	-	-	13.77	13.77	-	-	9.93	9.93
Unclaimed dividend	21	-	-	4.24	4.24	-	-	4.55	4.55
Employee benefits payable	21	-	-	41.51	41.51	-	-	39.40	39.40
Other payables	21	-	-	21.23	21.23	-	-	19.70	19.70
Total financial liabilities		-	-	1,354.38	1,354.38	-	-	1,420.02	1,420.02

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)

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

B 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, 2023				March 31, 2022			
		Carrying amount	Fair value			Carrying amount	Fair value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets									
Investments	6A	**102.30**	**24.64**	**-**	**77.66**	76.93	22.30	-	54.63
Loans #	7	**1.73**	**-**	**-**	**-**	1.81	-	-	-
Security deposits #	8	**39.61**	**-**	**-**	**-**	29.46	-	-	-
Derivative assets	8	**-**	**-**	**-**	**-**	0.35	-	0.35	-
Advances recoverable #	8	**0.08**	**-**	**-**	**-**	0.11	-	-	-
Other financial assets #	8	**3.15**	**-**	**-**	**-**	5.32	-	-	-
Trade receivables (including unbilled revenues) #	12	**1,144.57**	**-**	**-**	**-**	1,010.41	-	-	-
Cash and cash equivalents #	13	**57.53**	**-**	**-**	**-**	36.47	-	-	-
Bank balance other than cash and cash equivalents #	13	**29.45**	**-**	**-**	**-**	34.84	-	-	-
Total financial assets		**1,378.42**	**24.64**	**-**	**77.66**	1,195.70	22.30	0.35	54.63
Financial liabilities									
Borrowings (including current maturities of term loans from banks)#	15	**706.03**	**-**	**-**	**-**	754.01	-	-	-
Lease liabilities #	16	**24.26**	**-**	**-**	**-**	17.67	-	-	-
Trade payables #	20	**541.14**	**-**	**-**	**-**	573.37	-	-	-
Derivative liabilities	21	**-**	**-**	**-**	**-**	-	-	-	-
Interest accrued but not due on borrowings #	21	**2.20**	**-**	**-**	**-**	1.39	-	-	-
Liability towards supplier bills discounted #	21	**13.77**	**-**	**-**	**-**	9.93	-	-	-
Unclaimed dividend #	21	**4.24**	**-**	**-**	**-**	4.55	-	-	-
Employee benefits payable #	21	**41.51**	**-**	**-**	**-**	39.40	-	-	
Other payables #	21	**21.23**	**-**	**-**		19.70	-	-	-
Total financial liabilities		**1,354.38**	**-**	**-**	**-**	1,420.02	-	-	-

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.

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

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)
Investments	Discounted cash flows: The valuation model considers the present value of the net cash flows expected to be generated. The cash flow projections include specific estimates for projected period. The expected net cash flows are discounted using a risk-adjusted discount rate.	- Cash flow estimates for the projected period - Risk adjusted discount rate	The estimated fair value would increase / (decrease) if: - Cash flow estimates were higher/ (lower) - Risk adjusted discount rate lower/ (higher)

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 of 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.

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

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

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.

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.

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 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 *Rupees.*

	Short-term exposure				Long-term exposure			
	USD	GBP	EUR and others	Total	USD	GBP	EUR and others	Total
March 31, 2023								
Financial assets	277.48	7.95	84.02	369.45	-	-	-	-
Financial liabilities	(97.99)	(0.98)	(4.62)	(103.59)	(41.09)	-	-	(41.09)
	179.49	**6.97**	**79.40**	**265.86**	**(41.09)**	**-**	**-**	**(41.09)**
March 31, 2022								
Financial assets	324.75	11.41	62.52	398.68	1.96	-	-	1.96
Financial liabilities	(88.60)	(0.91)	(6.50)	(96.01)	(113.70)	-	-	(113.70)
	236.15	10.50	56.02	302.67	(111.74)	-	-	(111.74)

Foreign currency sensitivity

The following table illustrates the sensitivity of profit and equity with respect to the Group's financial assets and financial liabilities in relation to the fluctuation in the respective currency with '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, 2023 (March 31, 2022: 5%), then this would have had the following impact on profit before tax and equity:

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

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

The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date.

	Strengthening		Weakening	
	Year ended March 31, 2023	Year ended March 31, 2022	**Year ended March 31, 2023**	Year ended March 31, 2022
Increase / (decrease) in profit and equity				
USD	**(6.92)**	(6.22)	**6.92**	6.22
GBP	**(0.35)**	(0.53)	**0.35**	0.53
EUR and others	**(3.97)**	(2.80)	**3.97**	2.80
	(11.24)	(9.54)	**11.24**	9.54

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 receipt of collections from export customers and repayment of External Commercial Borrowings to a foreign bank. 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, 2023		Year ended March 31, 2022	
	Less than 180 days	**More than 180 days**	Less than 180 days	More than 180 days
Receivables				
Forward exchange contracts maturing				
Net exposure	**-**	**-**	34.59	-
Average ₹ / USD forward contract rate	**-**	**-**	76.86	-
External Commercial Borrowings				
Forward exchange contracts maturing				
Net exposure	**-**	**-**	5.68	-
Average ₹ / USD forward contract rate	**-**	**-**	75.74	-

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. As at March 31, 2023, approximately 2% (March 31, 2022: 12%) 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	**367.56**	**17.00**	**384.56**
USD loans	**123.27**	**-**	**123.27**
GBP and other loans	**198.20**	**-**	**198.20**
As at March 31, 2023	**689.03**	**17.00**	**706.03**
INR loans	272.81	87.00	359.81
USD loans	189.50	-	189.50
GBP and other loans	204.70	-	204.70
As at March 31, 2022	667.01	87.00	754.01

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

35 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, 2023 and March 31, 2022. 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, 2023	As at March 31,2022
Increase	**+1%**	**(6.89)**	(6.67)
Decrease	**-1%**	**6.89**	6.67

The Group does not expect any change in interest rates on fixed rate borrowings and accordingly have not presented any sensitivities on such borrowings. The Group does not expect any significant impact of changes in the market interest rates on account of COVID-19.

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 ₹ 24.52 (March 31, 2022: ₹ 22.30).

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, 2023	As at March 31, 2022
Trade receivables (including unbilled revenue)	(i)	**1,144.57**	1,010.41
Investments	(ii)	**102.30**	76.93
Loans	(iii)	**1.73**	1.81
Cash and cash equivalents	(iv)	**57.53**	36.47
Bank balances other than cash and cash equivalents	(iv)	**29.45**	34.84
Security deposits	(v)	**39.61**	29.46
Derivative assets	(v)	**-**	0.35
Advances recoverable	(v)	**0.08**	0.11
Other financial assets	(v)	**3.15**	5.32
Total		**1,378.42**	1,195.70

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

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

(i) Trade receivables (including unbilled revenue)

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 Group 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 including considerations for the likelihood of increased credit risk and consequential default on account of the emerging situations due to COVID-19. Further, the Group also makes an allowance for doubtful debts on a case to case basis.

The maximum exposure to credit risk for trade receivables (including unbilled revenue) are as follows:

	As at March 31, 2023	As at March 31, 2022
Not more than 180 days	**1,122.94**	990.96
More than 180 days	**26.25**	26.17
Sub-total	**1,149.19**	1,017.13
Less: Loss allowance in accordance with expected credit loss model	**(4.62)**	(6.72)
Total	**1,144.57**	1,010.41

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 approval of Board of Directors. This primarily include investments in equity instruments of various listed entities, power generation companies, compulsorily convertible preference shares and other trade investments. The Group does not expect significant credit risks arising from these investments after considering impact of COVID-19 pandemic.

(iii) Loans

The balance is primarily constituted by loans given to its employees. The Group does not expect any loss from non-performance by these employees.

	As at March 31, 2023	As at March 31, 2022
Loans to employees	**1.72**	1.81
Net carrying amount	**1.72**	1.81

(iv) Cash and cash equivalents and bank balances other than cash and cash equivalents

The Group has its cash and bank balances deposited with credit worthy 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.

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

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

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.

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, 2023			As at March 31, 2022		
	Carrying amount	Less than 180 days	More than 180 days	Carrying amount	Less than 180 days	More than 180 days
Borrowings (including current maturities of long term borrowings)*	**706.03**	**565.18**	**140.85**	754.01	551.69	202.32
Lease liabilities	**24.26**	**2.69**	**21.57**	17.67	3.01	14.66
Trade payables	**541.14**	**536.26**	**4.88**	573.37	551.16	22.21
Interest accrued but not due on borrowings	**2.20**	**2.20**	**-**	1.39	0.81	0.58
Liability towards supplier bills discounted	**13.77**	**13.77**	**-**	9.93	9.93	-
Unclaimed dividend	**4.24**	**0.46**	**3.78**	4.55	0.45	4.10
Employee benefits payable	**41.51**	**41.03**	**0.48**	39.40	31.28	8.12
Other payables	**21.23**	**12.10**	**9.13**	19.70	12.82	6.88
Total	**1,354.38**	**1,173.69**	**180.69**	1,420.02	1,161.15	258.87

* 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)

36 Contingencies and commitments

a) Contingent liabilities

	As at March 31, 2023	As at March 31, 2022
- Claims against the Group not acknowledged as debt		
Legal claims:		
- Sales tax / Entry tax - under appeal	**12.71**	13.04
- Excise duty / Customs duty / Service tax - under appeal	**7.52**	4.49
- Income-tax - under appeal	**2.02**	1.96
- Others	**1.00**	1.00
	23.25	20.49

(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 Group challenging the same and pending before Tribunal. Based on legal advice, considering that the PF authorities have not commenced any proceedings claiming contribution on allowances for prior or subsequent periods and considering interpretative challenges surrounding the retrospective application of the judgement and absence of reliable measurement of provisions relating to earlier periods, this matter has been disclosed by the Group as a contingent liability.

(ii) In addition to the above, the Group from time to time is also engaged in proceedings pending with various authorities in the ordinary course of business. Judgement is required in assessing the range of possible outcomes for some of these matters, which could change substantially over time as each of the matters progresses depending on experience on actual assessment proceedings by the respective authorities and other judicial precedents. Based on its internal assessment supported by external legal counsel views, as considered necessary, the Group believes that it will be able to sustain its positions if challenged by the authorities and accordingly no additional provision / disclosures are required for these matters.

Management is of the view that above matters will not have any material adverse effect on the Group financial position and results of operations.

	As at March 31, 2023	As at March 31, 2022
- Guarantees excluding financial guarantees		
- On letters of guarantee	**140.41**	0.16
- Other money for which the Group is contingently liable		
- On letters of credit	**13.27**	3.01
- 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	**106.45**	50.16

37 A Related party disclosures

Related Parties :

(I) Where control exists:

(A) Ultimate holding company

(1) TVS Sundram Fasteners Private Limited, Chennai, India (from February 4, 2022)

(2) TV Sundram Iyengar & Sons Private Limited, Madurai, India (upto February 3, 2022)

(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

(5) Mr R Dilip Kumar*

(6) Mr Vinod Krishnan# and

(7) Mr R Krishnan $

(B) Non-executive directors

(1) Mr S Mahalingam

(2) Mr Heramb R Hajarnavis

(3) Mr B Muthuraman

(4) Ms Preethi Krishna

(5) Dr. Nirmala Lakhsman and

(6) Mr R Srinivasan (upto 21.09.2021)

(C) Relatives of KMP

(1) Ms Usha Krishna

(2) Ms Preethi Krishna and

(3) Mr K Ramesh

(D) Others

Post Employement benefit plan

(1) Sundram Fasteners Limited Gratuity Fund

(2) Sundram Fasteners Limited Senior Staff Superannuation Fund and

(3) Sundram Fasteners Limited Staff Provident Fund (Employees)

Enterprises over which KMP are able to exercise significant influence

(1) Krishna Educational Society

(2) Suresh Krishna HUF

* Key Managerial Personnel as per Companies Act, 2013

\# Key Managerial Personnel of TVS Next Limited

$ Key Managerial Personnel of TVS Upasana Limited

37 Related party disclosures (Contd.)

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

(1) Southern Roadways Private Limited, Madurai, India (upto January 6, 2022)

(2) The Associated Auto Parts Private Limited, Mumbai, India (upto February 3, 2022)

(3) Sundaram-Clayton Limited, Chennai, India (upto February 3, 2022)

(4) Madurai Trans Carrier Limited, Chennai, India (upto February 3, 2022)

(5) TVS Electronics Limited, Chennai, India (upto February 3, 2022)

(6) TVS Motor Company Limited, Chennai, India (upto February 3, 2022)

(7) Lucas TVS Limited, Chennai, India (upto February 3, 2022)

(8) TVS Training and Services Limited, Chennai, India (upto February 3, 2022)

(9) Lucas Indian Services Limited, Mumbai, India (upto February 3, 2022)

(10) India Motor Parts & Accessories Limited, Chennai, India (upto February 3, 2022)

(11) Delphi TVS Technologies Limited, Chennai, India (upto February 3, 2022)

(12) Wheels India Limited, Chennai, India (upto February 3, 2022)

(13) Brakes India Private Limited, Chennai, India (upto February 3, 2022)

(14) TVS Supply Chain Solutions Limited, Madurai, India (upto February 3, 2022)

(15) India Nippon Electricals Limited, Chennai, India (upto February 3, 2022)

(16) TVS Automobile Solutions Private Limited, Madurai, India (upto February 3, 2022)

(17) TVS Argomm Private Limited, Madurai, India (upto February 3, 2022)

(18) Sundaram Industries Private Limited, Madurai, India (upto February 3, 2022)

(19) Ki Mobility Solutions Private Limited, Madurai, India (upto February 3, 2022)

(20) Sundaram Brake Linings Limited, Chennai, India (upto February 3, 2022) and

(21) TVS Educational Society, Chennai, India (upto February 3, 2022)

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

37 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	Others	Subsidiaries / joint ventures / associates of ultimate holding company
Purchases					
Goods and materials (including reimbursement of expenses)	-	-	-	-	
	-	-	-	-	(2.22)
Shares	-	-	-	-	-
	-	-	-	-	-
Fixed assets	-	-	-	-	-
	(1.09)	-	-	-	-
Sales					
Goods and materials	123.50	-	-	-	1.41
	(88.90)	-	-	-	(152.25)
Services					
Rendered*	-	-	-	-	-
	-	-	-	-	0.00
Received	-	-	-	-	-
	(0.06)	-	-	(3.42)	(9.73)
Finance					
Dividend received*	-	-	-	-	-
	-	-	-	-	(0.00)
Dividend paid	56.60	0.08	0.04	0.06	1.76
	(85.26)	(0.13)	(0.08)	-	(17.97)
Others					
Leasing inward or outward / hire purchase arrangements	0.06	1.11	0.05	0.01	0.01
	(0.03)	(1.14)	(0.06)	-	(0.01)
Management contracts, including deputation of employees and sitting fees	-	17.89	0.03	-	-
	-	(16.69)	(0.03)	-	-
Freight and cartage	-	-	-	-	-
	-	-	-	-	(0.04)
Post employee benefit contribution	-	-	-	11.72	-
	-	-	-	(8.10)	-
Donations	-	-	-	3.50	-
	-	-	-	(2.14)	-
Reimbursement of expenses	3.96	-	-	-	-
	-	-	-	-	-
Outstanding balances					
Due to the Group	18.73	-	-	-	0.09
	(23.28)	-	-	-	(0.07)
Due by the Group	-	-	-	-	-
	-	-	-	-	-

(Previous year figures are in brackets)

* Amount less than ₹ 0.01

37 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. (refer note 41)

B Particulars of loans, guarantees and investments under Section 186 of the Companies Act, 2013 during the financial year ended March 31, 2023

Name of the body corporate	Nature of transaction	Amount of transaction	Purpose for which the loan / security / acquisition of shares / guarantee utilised by recipient
Sundaram Overnight Fund - Direct Growth Scheme of Sundaram Asset Management Co Limited, Chennai	Investment in mutual funds	1,332.50	Treasury investments
First Energy TN 1 Private Limited, Pune	Investment in equity shares	2.76	Investment in equity shares for purchase of power under group captive basis

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

38 a) Group information

Information about subsidiaries

The Group's subsidiaries as at March 31, 2023 and March 31, 2022 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, 2023	March 31, 2022	**March 31, 2023**	March 31, 2022
Subsidiary companies						
TVS Upasana Limited, Chennai, India	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%
TVS Next Limited, Chennai, India	Software services	India	**67.65%**	67.65%	**32.35%**	32.35%
TVS Next Inc. USA (wholly owned subsidiary of TVS Next Limited, chennai)	Software services	The United States of America	**67.65%**	67.65%	**32.35%**	32.35%
Sundram Fasteners Investments Limited, Chennai, India	Financial services	India	**100.00%**	100.00%	**0.00%**	0.00%
Sundram Non-Conventional Energy Systems Limited, Chennai, India	Generation of power using other non-conventional sources	India	**52.94%**	52.94%	**47.06%**	47.06%
Sunfast TVS Limited, Chennai, India	Manufacture of parts for aerospace and defence	India	**100.00%**	100.00%	**0.00%**	0.00%
TVS Engineering Limited, Chennai, India	Manufacture of parts for aerospace and defence	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	The United Kingdom	**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	The 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%
Sundram International Inc, Michigan, USA	Supply of special fasteners to General Motors, USA	The United States of America	**100.00%**	100.00%	**0.00%**	0.00%

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

38 b) Additional information, as required under Schedule III to the Companies Act, 2013 of entities consolidated as subsidiaries, joint ventures and associates

Sl. No.	Name of the entity in the Group	Net assets 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, 2023	95.88%	2,909.03	92.82%	464.40	96.54%	16.48	92.94%	480.88
	Balance as at March 31, 2022	96.55%	2,545.27	88.23%	407.46	47.95%	11.75	86.20%	419.21
	Indian subsidiaries								
2	Sundram Fasteners Investments Limited, Chennai								
	Balance as at March 31, 2023	0.22%	6.72	0.05%	0.27	-	-	0.05%	0.27
	Balance as at March 31, 2022	0.26%	6.81	0.07%	0.30	0.11%	0.03	0.07%	0.33
3	TVS Upasana Limited, Chennai								
	Balance as at March 31, 2023	3.66%	111.01	2.41%	12.05	0.26%	0.04	2.34%	12.10
	Balance as at March 31, 2022	3.75%	98.82	1.24%	5.75	(0.66%)	(0.16)	1.15%	5.58
4	Sundram Non-Conventional Energy Systems Limited, Chennai								
	Balance as at March 31, 2023	0.13%	3.97	0.72%	3.59	-	-	0.69%	3.59
	Balance as at March 31, 2022	0.16%	4.13	0.43%	2.00	-	-	0.41%	2.00
5	TVS Next Limited, Chennai								
	Balance as at March 31, 2023	1.52%	46.08	2.18%	10.91	1.82%	0.31	2.31%	11.21
	Balance as at March 31, 2022	1.40%	36.88	2.72%	12.56	0.38%	0.09	2.80%	12.65
6	Sunfast TVS Limited, Chennai *								
	Balance as at March 31, 2023	0.00%	0.02	0.01%	0.04	-	-	0.01%	0.04
	Balance as at March 31, 2022	(0.00%)	(0.02)	(0.00%)	(0.01)	-	-	(0.00%)	(0.01)
7	TVS Engineering Limited, Chennai								
	Balance as at March 31, 2023	(0.01%)	(0.38)	(0.14%)	(0.70)	-	-	(0.14%)	(0.70)
	Balance as at March 31, 2022	0.01%	0.32	(0.21%)	(0.99)	-	-	(0.20%)	(0.99)
	Foreign subsidiaries								
8	Sundram Fasteners (Zhejiang) Limited, China								
	Balance as at March 31, 2023	6.97%	211.84	0.86%	4.30	4.48%	0.76	0.98%	5.07
	Balance as at March 31, 2022	7.85%	207.26	2.09%	9.63	(1.88%)	(0.46)	1.89%	9.17
9	Cramlington Precision Forge Limited, United Kingdom								
	Balance as at March 31, 2023	(0.48%)	(14.49)	0.74%	3.69	0.07%	0.01	0.72%	3.70
	Balance as at March 31, 2022	(0.68%)	(17.98)	(2.00%)	(9.25)	1.44%	0.35	(1.83%)	(8.90)
10	Sundram International Inc., USA *								
	Balance as at March 31, 2023	(0.00%)	(0.08)	-	-	0.00%	0.00	0.00%	0.00
	Balance as at March 31, 2022	(0.00%)	(0.07)	-	-	(0.00%)	(0.00)	(0.00%)	(0.00)
11	TVS Next Inc. USA								
	Balance as at March 31, 2023	0.16%	4.88	0.27%	1.35	0.12%	0.02	0.27%	1.37
	Balance as at March 31, 2022	0.12%	3.23	0.07%	0.33	0.00%	0.00	0.07%	0.33
12	Sundram International Limited, United Kingdom								
	Balance as at March 31, 2023	7.67%	232.60	(5.44%)	(27.20)	3.65%	0.62	(5.13%)	(26.56)
	Balance as at March 31, 2022	9.64%	254.22	6.75%	31.19	(3.15%)	(0.77)	6.26%	30.43
13	**Non-controlling interests in all subsidiaries**								
	Balance as at March 31, 2023	0.61%	18.36	1.13%	5.66	1.15%	0.20	1.13%	5.86
	Balance as at March 31, 2022	0.57%	14.92	1.11%	5.11	0.29%	0.07	1.06%	5.18
14	**Sub total**								
	Balance as at March 31, 2023	116.33%	3,529.57	95.61%	478.36	108.06%	18.45	96.02%	496.81
	Balance as at March 31, 2022	119.63%	3,153.79	100.49%	464.08	44.50%	10.91	97.67%	474.99
15	**Less : Effect of inter company adjustments / eliminations**								
	Balance as at March 31, 2023	(16.33%)	(495.50)	(4.39%)	(21.99)	8.06%	1.38	(3.98%)	(20.61)
	Balance as at March 31, 2022	(19.63%)	(517.59)	0.49%	2.25	(55.50%)	(13.60)	(2.33%)	(11.35)
16	**Total**								
	Balance as at March 31, 2023	100.00%	3,034.07	100.00%	500.35	100.00%	17.07	100.00%	517.42
	Balance as at March 31, 2022	100.00%	2,636.20	100.00%	461.83	100.00%	24.51	100.00%	486.34

* Amount less than ₹ 0.01.

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

39 Leases

The Group has taken various premises including godowns, offices, flats, machinery and other assets under lease for which the lease agreements are generally cancellable in nature and are renewable by mutual consent on agreed upon terms.

i) Right-of-use assets

Refer note 5 (d) for detailed break-up of right-of-use assets and depreciation thereon.

ii) Lease liabilities

Maturity analysis of lease receivables - contractual undiscounted cash flows	**As at March 31, 2023**	As at March 31, 2022
Not later than one year	**6.75**	6.36
Later than one year and not later than five years	**13.00**	8.35
More than five years	**7.59**	9.74
Total undiscounted lease liabilities	**27.35**	**24.45**
Lease liabilities		
Current	**5.43**	5.19
Non-current	**18.83**	12.48

iii) Amounts recognised in profit or loss	**Year ended March 31, 2023**	Year ended March 31, 2022
Interest expense on lease liabilities	**1.85**	2.18
Amortisation of right-of-use assets (refer note 5(d))	**6.83**	8.72
Expenses relating to short-term leases	**2.97**	6.74
iv) Amounts recognized in the statement of cash flows		
Total cash outflow towards lease payments (excluding short-term leases)	**7.32**	9.83

40 Segment Reporting

The Group is primarily engaged in manufacture and sale of bolts and nuts, 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 has only one reportable segment. Other businesses do not meet the quantitative thresholds and hence have not been separately disclosed.

Information concerning principal geographic areas is as follows	**Year ended March 31, 2023**	Year ended March 31, 2022
Net sales to external customers by geographic area by location of customers		
a) India	**3,662.64**	3,014.56
b) United States of America	**1,262.15**	1,160.93
c) United Kingdom	**36.86**	51.48
d) China	**303.40**	344.33
e) Rest of the World	**397.70**	330.76
Total	**5,662.75**	**4,902.06**

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

40 Segment Reporting (Contd.)

	As at March 31, 2023	As at March 31, 2022
Non-current assets (Property, plant and equipment, intangible assets, other non-current assets and goodwill) by geographic areas		
a) India	**1,933.60**	1,868.46
b) United Kingdom	**29.68**	31.01
c) China	**207.64**	230.44
d) Rest of the World	**0.03**	0.05
Total	**2,170.95**	**2,129.98**

41 Transfer pricing

Management believes that the Group'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 financial statements, particularly on amount of tax expense and that of provision for taxation.

42 Events after the reporting period

The Board of Directors of the Company has declared interim dividend in its meeting held on May 04, 2023 as disclosed under note 14B(b).

The notes from 1 to 42 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 04, 2023

ARATHI KRISHNA
Managing Director
(DIN: 00517456)

R DILIP KUMAR
Chief Financial Officer
(DIN: 00240372)

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

SURESH KRISHNA
Chairman
(DIN: 00046919)

ARUNDATHI KRISHNA
Joint Managing Director
(DIN: 00270935)

G ANAND BABU
Manager - Finance & Company Secretary
(ACS Membership No: A19848)

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				
	Name of the Subsidiary	TVS Upasana Limited	Sundram Non-Conventional Energy Systems Limited	Sundram Fasteners Investments Limited	Sunfast TVS Limited	TVS Engineering Limited	TVS Next Limited	Cramlington Precision Forge Limited	TVS Next Inc	Sundram Fasteners (Zhejiang) Limited	Sundram International Inc	Sundram International Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2022 to 31/03/2023	01/04/2022 to 31/03/2023	01/04/2022 to 31/03/2023	01/04/2022 to 31/03/2023	01/04/2022 to 31/03/2023	01/04/2022 to 31/03/2023	01/04/2022 to 31/03/2023	01/04/2022 to 31/03/2023	01/04/2022 to 31/03/2023	01/04/2022 to 31/03/2023	01/04/2022 to 31/03/2023
2	Reporting currency	INR	INR	INR	INR	INR	INR	GBP	USD	RMB	USD	GBP
3	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	0.50	2.49	0.01	2.00	29.66	14.23	3.03	191.46	1.50	0.04
5	Reserves & surplus	99.11	3.47	4.23	0.01	(2.38)	16.42	(28.72)	1.86	20.38	(1.58)	232.57
6	Total assets	221.66	4.07	6.73	0.55	7.08	58.04	83.61	13.71	471.75	0.00*	241.45
7	Total liabilities	110.65	0.10	0.01	0.53	7.45	11.96	98.10	8.82	259.91	0.08	8.85
8	Investments	4.98	-	3.79	-	-	1.69	-	-	-	-	232.99
9	Turnover	168.70	2.81	0.00*	0.77	3.47	80.70	174.54	64.18	334.29	-	0.21**
10	Profit / (loss) before taxation	15.81	3.32	0.23	0.05	(0.68)	15.29	3.69	1.71	4.88	-	(27.20)
11	Provision for taxation	3.75	(0.28)	(0.04)	0.01*	0.02	4.38	-	0.36	0.58	-	-
12	Profit / (loss) after taxation	12.05	3.59	0.27	0.04	(0.70)	10.92	3.69	1.35	4.30	-	(27.20)
13	Proposed dividend	-	-	-	-	-	-	-	-	-	-	-
14	% of shareholding	100.00%	52.94%	100.00%	100.00%	100.00%	67.65%	100.00%	67.65%	100.00%	100.00%	100.00%

* Amount less than ₹ 0.01

** Other income

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	82.17	101.65	11.95

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)

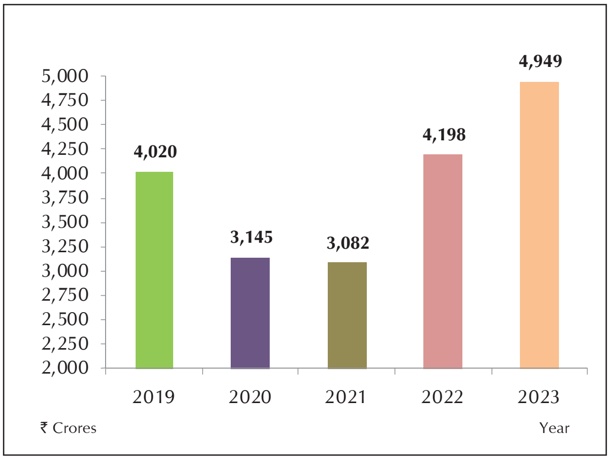
SURESH KRISHNA
Chairman
(DIN: 00046919)

G ANAND BABU
Manager - Finance & Company Secretary
(ACS Membership No: A19848)

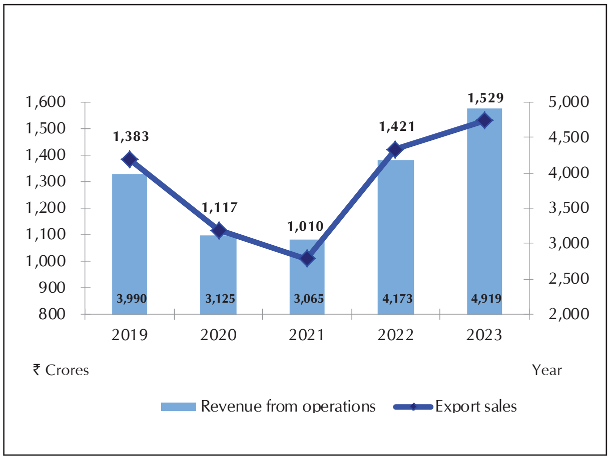
R DILIP KUMAR
Chief Financial Officer
(DIN: 00240372)

Place : Chennai
Date : May 04, 2023

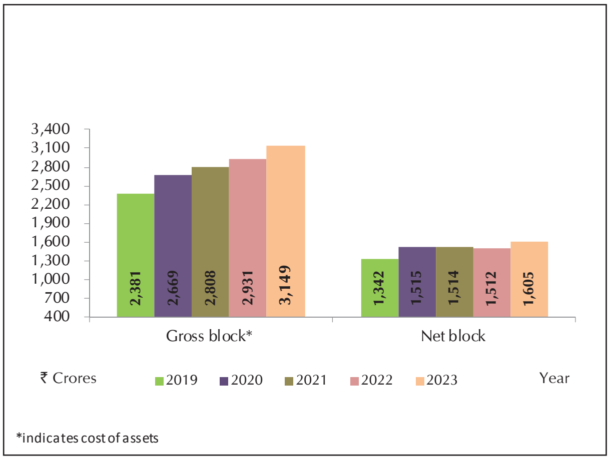
Total Revenue*



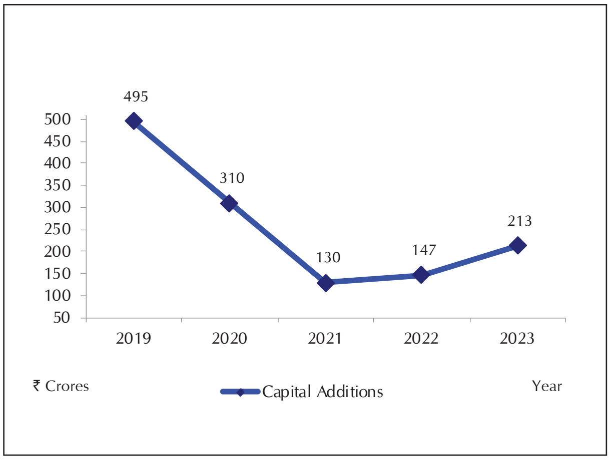
Export sales and revenues from operations*



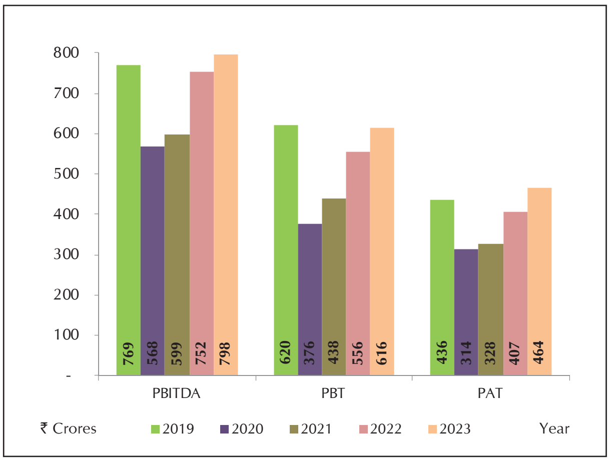
Gross and net block of property, plant and equipment



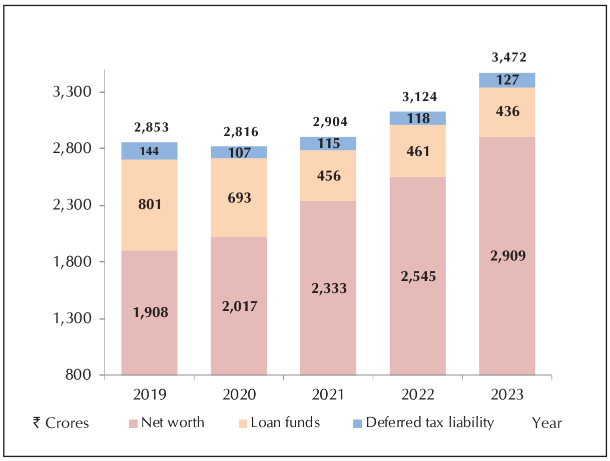
Capital expenditure



Profits



Funds employed



* Revenue from operations and Total revenue are net of excise duty.