

Sundram Fasteners (Zhejiang) Limited
CHINA

ANNUAL REPORT

**for the year ended
March 31, 2024**

Sundram Fasteners (Zhejiang) Limited

(Incorporated in People's Republic of China)

Independent Practitioners' Report

To the Board of Directors of Sundram Fasteners (Zhejiang) Limited, China.

Report on the Special Purpose Fit-For-Consolidation Financial Statements

Opinion

We have examined the accompanying special purpose fit-for-consolidation financial statements of **Sundram Fasteners (Zhejiang) Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the special purpose fit-for-consolidation 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 special purpose fit-for-consolidation 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, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our procedures in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. Our responsibilities are further described in the 'Practitioner's Responsibilities for the Examination of the Special Purpose Fit-For-Consolidation 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 examination of the special purpose fit-for-consolidation 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the special purpose fit-for-consolidation financial statements.

Management's Responsibility for the Special Purpose Fit-For-Consolidation Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these special purpose fit-for-consolidation financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows

and changes in equity 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose fit-for-consolidation financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose fit-for-consolidation financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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.

Practitioner's Responsibilities for the Examination of the Special Purpose Fit-For-Consolidation Financial Statements

Our responsibility is to express an opinion on the accompanying special purpose fit-for-consolidation financial statements of the Company based on our procedures as mentioned below.

The financial statements of the Company for the year ended March 31, 2024, prepared under Accounting standards for business enterprises applicable in People's Republic of China, have been audited by M/s Zhejiang ZhonglianXing CPAs Co, Ltd on which M/s Zhejiang ZhonglianXing CPAs Co, Ltd have issued an unmodified audit opinion vide report dated April 17, 2024. We have relied on the said audited financial statements of the Company and the unmodified audit opinion issued by M/s Zhejiang ZhonglianXing CPAs Co, Ltd on April 17, 2024 on the said audited financial statements. We have not conducted any audit and have performed the following procedures:

- i) Obtained and read the audited financial statements of the Company prepared under Accounting standards for business enterprises applicable in People's Republic of China and audit report issued by M/s Zhejiang ZhonglianXing CPAs Co, Ltd dated April 17, 2024;
- ii) Examined the translated audited financial statements prepared under Renminbi (RMB), the functional currency of the Company to Indian National Rupee (INR) as per procedures stipulated by the group accounting policy of Sundaram Fasteners Limited;

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- iii) Examined the compliance of the special purpose fit-for-consolidation financial statements with the group accounting policies of Sundaram Fasteners Limited.

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.

Other Matter

The accompanying special purpose fit-for-consolidation financial statements of the Company has been prepared for purposes of providing information to Sundram Fasteners Limited to enable it to prepare its consolidated financial statements. As a result, the special purpose fit-for-consolidation financial statements of the Company may not be suitable for another purpose.

for Ragavender & Associates

Chartered Accountants

Firm Registration No- 013681S

Ragavender S

Partner

Membership No. 228344

UDIN: 24228344BKCRQE4717

Place: Chennai

Date: May 18, 2024

Balance Sheet as at March 31, 2024

Particulars	Note	As at March 31, 2024		As at March 31, 2023	
		RMB	₹	RMB	₹
ASSETS					
Non-current assets					
Property, plant and equipment	5	170,415,681	1,95,64,67,066	150,565,929	1,79,92,62,860
Capital work-in-progress	5	966,814	1,10,99,026	9,518,798	11,37,49,630
Intangible assets	6 (a)	17,208	1,97,554	46,707	5,58,147
Right of Use of Assets	6 (b)	9,905,805	11,37,18,636	10,162,971	12,14,47,495
Other non-current assets	9	9,693,252	11,12,78,526	3,514,641	4,19,99,961
		190,998,760	2,19,27,60,808	173,809,046	2,07,70,18,093
Current assets					
Inventories	10	82,582,878	94,80,51,436	74,592,025	89,13,74,703
<u>Financial assets:</u>					
- Trade receivables	11	123,970,745	1,42,31,84,149	116,418,534	1,39,12,01,484
- Cash and cash equivalents	12	8,586,432	9,85,72,235	20,342,379	24,30,91,429
- Other financial assets	7	103,025	11,82,731	151,992	18,16,305
Assets for current tax (net)	8	4,224,154	4,84,93,285	4,224,154	5,04,78,637
Other current assets	9	7,555,214	8,67,33,856	7,145,005	8,53,82,806
		227,022,448	2,60,62,17,692	222,874,089	2,66,33,45,364
Total assets		418,021,208	4,79,89,78,500	396,683,135	4,74,03,63,457
EQUITY AND LIABILITIES					
Equity					
Equity Share capital	13	160,215,065	1,83,92,68,942	160,215,065	1,91,45,70,027
Other equity		31,187,715	35,81,30,006	17,056,044	20,38,19,710
Total equity		191,402,780	2,19,73,98,948	177,271,109	2,11,83,89,737
Liabilities					
Non-current liabilities					
<u>Financial liabilities:</u>					
- Borrowings	14	60,000,000	68,88,00,000	59,948,975	71,63,90,251
		60,000,000	68,88,00,000	59,948,975	71,63,90,251
Current liabilities					
<u>Financial liabilities:</u>					
- Borrowings	14	77,000,000	88,39,60,000	82,000,000	97,99,00,000
- Trade payables	16	60,963,443	69,98,60,329	56,443,272	67,44,97,097
- Other financial liabilities	17	15,927,313	18,28,45,549	12,320,015	14,72,24,188
Other current liabilities	18	7,155,357	8,21,43,498	4,041,189	4,82,92,210
Current tax liabilities (net)	15	5,572,315	6,39,70,176	4,658,575	5,56,69,974
		166,618,428	1,91,27,79,552	159,463,051	1,90,55,83,469
Total liabilities		226,618,428	2,60,15,79,552	219,412,026	2,62,19,73,720
Total equity and liabilities		418,021,208	4,79,89,78,500	396,683,135	4,74,03,63,457

Notes 1 to 30 form an integral part of these financial statements

This is the balance sheet referred to in our report of even date

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Statement of Profit and Loss for the Year ended March 31, 2024

Particulars	Note	Year ended March 31, 2024		Year ended March 31, 2023	
		RMB	₹	RMB	₹
Revenue from operations	19	316,161,364	3,64,53,40,523	285,471,093	3,34,28,66,499
Other income	20	3,536,526	4,07,76,143	1,249,284	1,46,29,124
Total Income		319,697,890	3,68,61,16,666	286,720,377	3,35,74,95,623
Expenses					
Cost of materials consumed	21	110,466,930	1,27,36,83,714	117,186,838	1,37,22,57,874
Changes in inventories of finished goods, stock-in-trade and work in progress	22	(11,620,494)	(13,39,84,309)	(3,349,100)	(3,92,17,957)
Employee benefit expense	23	66,353,322	76,50,53,799	55,790,829	65,33,10,610
Finance costs	24	5,295,071	6,10,52,173	6,119,027	7,16,53,797
Depreciation and amortization expense	25	19,816,823	22,84,87,977	18,454,074	21,60,97,214
Other expenses	26	108,141,891	1,24,68,76,008	88,353,453	1,03,46,18,933
Total expenses		298,453,543	3,44,11,69,362	282,555,121	3,30,87,20,471
Profit before exceptional items and tax		21,244,347	24,49,47,304	4,165,256	4,87,75,152
Exceptional item					
Profit before tax		21,244,347	24,49,47,304	4,165,256	4,87,75,152
Tax expense					
Current tax (25% on the above)	27	3,944,367	4,54,78,555	491,525	57,55,758
Profit for the period		17,299,980	19,94,68,749	3,673,731	4,30,19,394
Other comprehensive income					
i) Items that will be reclassified to profit or loss		-	(14,94,911)	-	75,98,393
Total comprehensive income for the year		17,299,980	19,79,73,838	3,673,731	5,06,17,787

(Comprising Profit and Other Comprehensive Income for the year)

Notes 1 to 30 form an integral part of these financial statements

This is the statement of profit and loss referred to in our report of even date

Statements of Changes in Equity for the Year ended March 31, 2024

A. Equity Share Capital

Particulars	RMB		₹	
Balance as at April 1, 2022	160,215,065		1,91,29,67,871	
Changes in equity share capital during the period (Restatement of opening balance)			(8,97,20,431)	
Balance as at March 31, 2023	160,215,065		1,82,32,47,440	
Changes in equity share capital during the period (Restatement of opening balance)			1,60,21,502	
Balance as at March 31, 2024	160,215,065		1,83,92,68,942	

B. Other Equity

Particulars	Reserves and Surplus						Accumulated other comprehensive income		Deemed Equity		Total	
	Retained Earnings		Surplus Reserve		Capital Reserve		Foreign currency translation reserve					
	RMB	₹	RMB	₹	RMB	₹	RMB	₹	RMB	₹	RMB	₹
Balance as at April 1, 2022	874,688	1,70,34,918	9,175,339	10,95,53,548	33,898	4,04,742	-	(67,16,718)	3,298,388	39,382,757	1,33,82,313	15,96,59,247
Foreign currency translation on opening balance	-	(65,82,396)		91,753	-	339	-	-	-	32,980	-	(64,57,324)
Profit for the year	3,673,731	4,30,19,394			-	-	-	-	-	-	36,73,731	4,30,19,394
Other comprehensive income	-	-			-	-	-	75,98,393	-	-	-	75,98,393
Transferred from Retained earnings to Surplus Reserve	(551,334)	(65,88,441)	551,334	65,88,441	-	-	-	-	-	-	-	-
Dividends	-	-			-	-	-	-	-	-	-	-
Transfer to Deemed equity	-	-			-	-	-	-	-	-	-	-
Balance as at March 31, 2023	3,997,085	4,68,83,475	9,726,673	11,62,33,742	33,898	4,05,081	-	8,81,675	3,298,388	39,415,737	1,70,56,044	20,38,19,710

Particulars	Reserves and Surplus						Accumulated other comprehensive income		Deemed Equity		Total	
	Retained Earnings		Surplus Reserve		Capital Reserve		Foreign currency translation reserve					
	RMB	₹	RMB	₹	RMB	₹	RMB	₹	RMB	₹	RMB	₹
Balance as at April 1, 2023	3,997,085	4,68,83,475	9,726,673	11,62,33,742	33,898	4,05,081	-	8,81,675	3,298,388	3,94,15,737	17,056,044	20,38,19,710
Foreign currency translation on opening balance	-	(9,96,939)		(45,71,536)	-	(15,932)	-	-	-	(15,50,243)	-	(71,34,650)
Profit for the year	17,299,980	19,94,68,749			-	-	-	-	-	-	17,299,980	19,94,68,749
Other comprehensive income	(34,279)	(3,93,529)			-	-	-	(14,94,911)	-	-	(34,279)	(18,88,440)
Transferred from Retained earnings to Surplus Reserve			(839,558)	(96,80,106)	-	-	-	-	-	-	(839,558)	(96,80,106)
Dividends			(2,294,472)	(2,64,55,257)	-	-	-	-	-	-	(2,294,472)	(2,64,55,257)
Transfer to Deemed equity	-	-			-	-	-	-	-	-	-	-
Balance as at March 31, 2024	21,262,786	24,49,61,756	6,592,643	7,55,26,843	33,898	3,89,149	-	(6,13,236)	3,298,388	3,78,65,494	31,187,715	35,81,30,006

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Statement of Cash Flows for the Year ended March 31, 2024

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	RMB	₹	RMB	₹
A. Cash flows from operating activities				
Profit before tax	21,244,347	24,49,47,323	4,165,256	4,87,75,152
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>				
Provision for Bad Debts	(196,926)	(22,70,562)	1,491,049	1,74,60,184
Depreciation and amortization	19,559,657	22,55,22,843	18,196,908	21,30,85,796
Depreciation on right of use assets	257,166	29,65,129	257,166	30,11,418
Foreign exchange (gain)/loss	(1,115,097)	(1,28,57,071)	(880,962)	(1,03,16,066)
Finance guarantee expenses	545,721	62,92,163	544,230	63,72,932
Interest Expense	5,295,071	6,10,52,173	6,077,412	7,11,66,491
(Gain) / loss on sale of property and equipment	386,332	44,54,408	64,250	7,52,368
Interest received	(24,849)	(2,86,506)	(32,892)	(3,85,168)
Others, net	(34,279)	(3,95,243)		
Operating profit before working capital changes	45,917,143	52,94,24,657	29,882,417	34,99,23,107
Adjustments for:				
(Decrease)/ increase in Trade payables	3,974,450	4,58,25,409	10,177,622	11,91,79,954
(Decrease)/ increase in Other financial liabilities	3,607,298	4,15,92,149	3,930,841	4,60,30,148
(Decrease)/ increase in other current liabilities	3,114,168	3,59,06,357	801,479	93,85,319
Decrease/(Increase) in financial assets	(6,191,220)	(7,13,84,770)	(20,660,879)	(24,19,38,893)
Decrease/(Increase) in other non-current assets	(6,178,611)	(7,12,39,382)	8,252,339	9,66,34,890
Decrease/(Increase) in inventories	-8,830,411	(10,18,14,640)	(3,576,524)	(4,18,81,096)
Decrease/(Increase) in other current assets	(410,209)	(47,29,711)	(4,906,081)	(5,74,50,209)
Cash from / (used) in operating activities	35,002,608	40,35,80,069	23,901,214	27,98,83,220
Direct taxes paid, net	(3,030,627)	(3,49,43,132)	(380,205)	(44,52,201)
Net cash from / (used) in operating activities before extraordinary item	31,971,981	36,86,36,937	23,521,009	27,54,31,019
Extraordinary items	-	-	-	-
Net cash from / (used) in operating activities	31,971,981	36,86,36,937	23,521,009	27,54,31,019
B. Cash flow from investing activities				
Purchase of Property, Plant and Equipments (including capital work-in-progress and capital advances)	(30,827,926)	(35,54,45,990)	(7,182,276)	(8,41,04,452)
Proceeds from sale of Property, Plant and Equipments	(386,332)	(44,54,407)	153,496	17,97,438
Interest received	24,849	2,86,506	32,892	3,85,168
Net cash from / (used) in investing activities	(31,189,409)	(35,96,13,891)	(6,995,888)	(8,19,21,846)
C. Cash flow from financing activities				
Proceeds from Long-term borrowings				
Repayment of Long-term borrowings	51,025	5,88,317	(9,938,907)	(11,63,84,601)
Proceeds from Short-term borrowings	(5,000,000)	(5,76,50,000)	3,000,000	3,51,30,000
Dividend and dividend taxes paid	(2,294,472)	(2,64,55,257)	-	-
Interest paid to banks and others	(5,295,071)	(6,10,52,173)	(5,791,927)	(6,78,23,465)
Net cash generated from financing activities	(12,538,518)	(14,45,69,113)	(12,730,834)	(14,90,78,066)
D. Net cash flows during the year	(11,755,946)	(13,55,46,068)	3,794,287	4,44,31,107
E. Foreign Currency Translation Reserve Impact on cash flows	-	(89,73,126)	-	10,76,109
F. Cash and cash equivalents at the beginning	20,342,379	24,30,91,429	16,548,092	19,75,84,213
G. Cash and cash equivalents at the end	8,586,432	9,85,72,235	20,342,379	24,30,91,429
Cash and cash equivalents comprise of:				
Cash on hand	-	-	28,958	3,46,048
Balances with banks in current accounts	8,586,432	9,85,72,235	20,313,421	24,27,45,381
Cash and cash equivalents as per note No. 12	8,586,432	9,85,72,235	20,342,379	24,30,91,429

Notes to Financial Statements for Year ended March 31, 2024**1 Corporate Information**

Sundram Fasteners (Zhejiang) Limited (“SFZL” or “the Company”) was incorporated in People’s Republic of China.

The registered office of the Company is situated at No 1 Sundram Road, Wuyuan Town, Haiyan County, Jiaxing City, Zhejiang Province, China 314 300.

SFZL is in the business of manufacture and sale of high-tensile automobile fasteners and engine components.

2 Basis of Preparation

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

The financial statements prepared in accordance with the Accounting Standards for Business Enterprises and Accounting System for Business Enterprises promulgated by the Central Government of the People’s Republic of China and as audited by their auditors has been the basis of the translation and presentation.

Carrying value of Plant Property and Equipment, Investment Property under the Previous GAAP has been considered as the deemed cost for the purpose of transition to Ind AS.

3 Summary of accounting policies**3.1 Overall considerations**

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

3.2 Foreign operations

In the Company’s financial statements, all assets, liabilities and transactions in RMB are translated into INR. The functional currency (RMB) of the Company has remained unchanged during the reporting period.

Assets and liabilities have been translated into INR at the closing rate as at the reporting date. Income and expenses have been translated into INR at the average rate over the reporting period. Exchange differences are charged or credited to Other Comprehensive Income (OCI) and recognized in the currency translation reserve under equity.

3.3 Revenue**(i) Sale of products**

Income of the Company is derived from sale of products and is net of any sales returns, rebates, discounts and trade discounts. Revenue is recognized when the Company has transferred to the buyer the significant risks and rewards of ownership, which normally takes place upon delivery of goods to customers. Revenue from sale of power is

Notes to Financial Statements for Year ended March 31, 2024 (Contd.)

recognised at a point of time in accordance with the terms of contracts with customers all the five conditions mentioned in Ind AS -115 are satisfied.

(ii) Rental Income

The Company also earns rental income from operating leases of its investment properties. Rental income is recognised in accordance with terms of lease.

(iii) Interest income

Interest income is recognized on a time proportion basis taking into account deposit balances and effective yield. Interest income is included in other income in the statement of profit and loss.

3.4 Property, plant and equipment

As there is no change in the functional currency as at the date of transition, the Company has elected to adopt the carrying value of Property, Plant and equipment under the Previous GAAP as the deemed cost for the purpose of transition to Ind AS. Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation.

Buildings and other equipment

Buildings and other equipment (comprising plant, fittings and furniture, vehicles etc.) are initially recognized at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be of use for company’s business purposes. Buildings and other equipment are subsequently measured at cost less accumulated depreciation.

Depreciation is recognized on a straight-line basis, over the useful life of the buildings and other equipments. In respect of these assets, the useful life is detailed below:

Description	Range of Useful lives in years
Buildings	25 years
Plant and Equipment	10 years
Office equipments	5 years
Vehicles	5 years

3.5 Intangible assets

Intangible assets include Software which are amortized evenly for 10 years.

3.6 Leases**(a) Operating leases**

All leases entered into are operating leases.

(b) Assets taken on lease

Where the Company is a lessee, payments on operating lease agreements are recognized as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

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Notes to Financial Statements for Year ended March 31, 2024 (Contd.)

3.7 Investment property

Investment properties are recognised initially at cost. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation.

The Company has depreciated assets based on Straight line method.

3.8 Financial instruments

Recognition, initial measurement and derecognition

Financial assets (other than trade receivables) and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Trade receivables are recognised at their transaction value as the same do not contain significant financing component.

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased in the normal course of business. They are recognised at their transaction value as the same do not contain significant financing component.

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 the financial asset and the contractual cash flow characteristics of the financial asset at:

- Amortised cost
- Fair Value Through Other Comprehensive Income (FVTOCI) or
- Fair Value Through Profit or Loss (FVTPL)

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

3.9 Inventories

Inventories are valued at lower of cost or net realizable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale. Cost is ascertained on weighted average basis.

(a) Raw materials

The cost of raw materials includes the purchase cost and taxes such as tariff.

(b) Work in process and Finished Goods

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

Notes to Financial Statements for Year ended March 31, 2024 (Contd.)

(c) Stores and spares

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

3.10 Income taxes

Tax expense is recognized in the statement of profit or loss not recognized in other comprehensive income or directly in equity.

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. The applicable enterprise income tax rate is 25%.

3.11 Cash and cash equivalents

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

3.12 Equity, reserves and dividend payments

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

Retained earnings includes all current and previous period retained profits.

All transactions with owners are recorded separately within equity.

Dividend paid to equity shareholders is deducted directly from equity component.

3.13 Cash flow statement

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

3.14 Borrowing costs

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

Notes to Financial Statements for Year ended March 31, 2024 (Contd.)**3.15 Accounting for effect of change in foreign exchange rates**

The Assets and Liabilities as at 31st March 2024 has been translated from Renminbi to Indian Rupees by applying the year end interbank exchange rate of RMB 1 = ₹ 11.48 (31st March 2023: RMB 1 = ₹ 11.95). The incomes and expenses for the 12 months ended 31st March 2024 has been translated from Renminbi to Indian Rupees by applying Average interbank exchange rate RMB 1 = ₹ 11.53 (31st March 2023: RMB 1 = ₹ 11.71). Exchange differences arising out of the translation have been dealt with in accordance with Ind AS 21

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

4. Significant management judgment in applying accounting policies and estimation of uncertainty

While preparing the financial statements, management has made a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

4.1 Significant management judgment

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Notes to Financial Statements for Year ended March 31, 2024 (Contd.)**4.2 Estimation of uncertainty**

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

4.3 Useful lives of depreciable assets

Management has reviewed its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of assets including I.T assets.

4.4 Inventories

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

4.5 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.

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Notes to Financial Statements for the year ended March 31, 2024 (Contd.)
5 Property, Plant and Equipment

Gross block	Tangible assets											
	Buildings		Plant and Equipment		Office Equipments		Vehicles		Total			
	RMB	₹	RMB	₹	RMB	₹	RMB	₹	RMB	₹		
As at 1st April 2022	41,726,264	49,82,11,593	184,746,749	2,20,58,76,195	4,342,599	5,18,50,627	175,910	21,00,371	230,991,522	2,75,80,38,786		
Additions	-	-	8,782,728	10,49,53,601	132,699	15,85,754	-	-	8,915,428	10,65,39,354		
Disposal	-	-	(1,992,412)	(2,38,09,327)	(185,043)	(22,11,261)	-	-	(2,177,455)	(2,60,20,588)		
Other Adjustments	-	4,17,263	-	18,47,467	-	43,426	-	1,759	-	23,09,915		
Transfer from investment property	6,609,131	7,89,79,116	-	-	-	-	-	-	6,609,131	7,89,79,117		
As at 31 Mar 2023	48,335,395	57,76,07,972	191,537,065	2,28,88,67,936	4,290,256	5,12,68,546	175,910	21,02,130	244,338,626	2,91,98,46,584		
As at 31 Mar 2023	48,335,395	57,76,07,972	191,537,065	2,28,88,67,936	4,290,256	5,12,68,546	175,910	21,02,130	244,338,626	2,91,98,46,584		
Additions	-	-	38,784,836	44,52,49,922	681,151	78,19,617	344,248	39,51,965	39,810,235	45,70,21,502		
Disposal	-	-	(2,050,943)	(2,35,44,823)	(25,793)	(2,96,104)	(254,492)	(29,21,568)	(2,331,228)	(2,67,62,495)		
Other Adjustments	-	(2,27,17,636)	-	(9,00,22,420)	-	(20,16,420)	-	(82,678)	-	(11,48,39,155)		
Transfer from investment property	-	-	-	-	-	-	-	-	-	-		
As at 31 Mar 2024	48,335,395	55,48,90,336	228,270,958	2,62,05,50,615	4,945,614	5,67,75,639	265,666	30,49,849	281,817,633	3,23,52,66,436		
Accumulated depreciation/ amortisation												
As at 1st April 2022	8,870,492	10,59,13,660	64,132,603	76,58,68,873	2,319,541	2,76,95,292	133,056	15,88,683	75,455,692	90,10,66,528		
For the year	1,724,218	2,01,90,584	15,454,511	18,09,72,333	611,076	71,55,708	-	-	17,789,806	20,83,18,625		
Deduction on sale or discards	-	-	(1,793,171)	(2,14,28,418)	(166,538)	(19,90,135)	-	-	(1,969,709)	(2,34,18,553)		
Other Adjustments	-	-	-	-	-	-	-	-	-	-		
- Restating - Opening Balance	-	88,705	-	5,15,731	-	23,221	-	1,341	-	6,28,998		
- Restating to Closing rate - CY Depreciation	-	4,13,812	-	37,09,083	-	1,46,660	-	-	-	42,69,553		
Transfer from investment property	2,486,908	2,97,18,572	-	-	-	-	-	-	2,486,908	2,97,18,573		
As at Mar 31, 2023	13,081,618	15,63,25,354	77,793,943	92,96,37,602	2,764,079	3,30,30,746	133,056	15,90,024	93,772,697	1,12,05,83,724		
As at Mar 31, 2023	13,081,618	15,63,25,354	77,793,943	92,96,37,602	2,764,079	3,30,30,746	133,056	15,90,024	93,772,697	1,12,05,83,724		
For the year	2,029,832	2,34,03,959	16,946,428	19,53,92,310	535,841	61,78,248	18,059	2,08,221	19,530,159	22,51,82,738		
Deduction on sale or discards	-	-	(1,649,829)	(1,90,22,533)	(22,031)	(2,54,016)	(229,043)	(26,40,869)	(1,900,904)	(2,19,17,418)		
Other Adjustments	-	-	-	-	-	-	-	-	-	-		
- Restating - Opening Balance	-	(61,48,380)	-	(3,65,63,132)	-	(12,99,117)	-	(62,537)	-	(4,40,73,166)		
- Restating to Closing rate - CY Depreciation	-	(1,01,492)	-	(8,47,321)	-	(26,792)	-	(903)	-	(9,76,508)		
Transfer from investment property	-	-	-	-	-	-	-	-	-	-		
As at Mar 31, 2024	15,111,450	17,34,79,441	93,090,542	1,06,85,96,926	3,277,889	3,76,29,069	(77,928)	(9,06,064)	111,401,952	1,27,87,99,370		
Net block												
As at 31 March 2023	35,253,777	42,12,82,618	113,743,122	1,35,92,30,334	1,526,177	1,82,37,800	42,854	5,12,106	150,565,929	1,79,92,62,860		
As at 31 March 2024	33,223,945	38,14,10,895	135,180,416	1,55,19,53,689	1,667,725	1,91,46,570	343,594	39,55,913	170,415,681	1,95,64,67,066		

Notes to Financial Statements for the year ended March 31, 2024 (Contd.)

5 Property, Plant and Equipment

Capital work-in-progress(CWIP)	Buildings		Plant and Equipment		Furniture and fixtures		Total	
	RMB	₹	RMB	₹	RMB	₹	RMB	₹
Gross block								
As at 1 st April 2022	-	-	12,284,450	14,66,76,331	-	-	12,284,450	14,66,76,331
Additions	-	-	488,779	58,40,905	-	-	488,779	58,40,905
Capitalised during the year	-	-	(3,254,431)	(3,87,67,606)	-	-	(3,254,431)	(3,87,67,606)
As at March 2023	-	-	9,518,798	11,37,49,630	-	-	9,518,798	11,37,49,630
Additions	-	-	26,760,218	31,97,84,612	-	-	26,760,218	31,97,84,612
Capitalised during the year	-	-	(35,312,202)	(42,24,35,216)	-	-	(35,312,202)	(42,24,35,216)
As at March 2024	-	-	966,814	1,10,99,026	-	-	966,814	1,10,99,026
b) Capital Work-in-Progress								
As at March 31, 2022	-	-	12,284,450	14,66,76,331	-	-	12,284,450	14,66,76,331
As at March 31, 2023	-	-	9,518,798	11,37,49,630	-	-	9,518,798	11,37,49,630
As at March 31, 2024	-	-	966,814	1,10,99,026	-	-	966,814	1,10,99,026

CWIP ageing for the year ended 31 March 2024						
CWIP	Less than 1 year		1-2 years	2-3 years	More than 3 years	Total
	RMB	₹				
Projects in progress RMB	966,814	-	-	-	-	966,814
Projects temporarily suspended RMB	1,10,99,026	-	-	-	-	1,10,99,026
	-	-	-	-	-	-
	-	-	-	-	-	-

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Notes to Financial Statements for the year ended March 31, 2024 (Contd.)

6 (a) Intangible assets

Gross block	Intangible assets Software	
	RMB	₹
As at 1st April 2022	1,092,086	1,30,39,504
Additions	-	-
Disposal	-	-
Other Adjustments	-	10,921
As at March 31, 2023	1,092,086	1,30,50,425
Additions	-	-
Disposal	-	-
Other Adjustments	-	(5,13,281)
As at March 31, 2024	1,092,086	1,25,37,144

Accumulated depreciation / amortisation

As at 1st April 2022	939,721	1,12,20,267
For the year	105,658	12,37,256
Impairment for the year		
Deduction on sale or discards		
Other Adjustments		
- Exchange variation (Op. Bal restated)		9,397
- Restating to Closing rate - CY Depreciation		25,358
As at March 31, 2023	1,045,379	1,24,92,278
For the year	29,499	3,40,118
Impairment for the year		
Deduction on sale or discards		
Other Adjustments		
- Exchange variation (Op. Bal restated)		(4,91,331)
- Restating to Closing rate - CY Depreciation		(1,475)
As at March 31, 2024	1,074,878	1,23,39,590

Net block

As at March 31,2023	46,707	5,58,147
As at March 31,2024	17,208	1,97,554

Notes to Financial Statements for the year ended March 31, 2024 (Contd.)

6 (b) Right of use assets

Particulars	Leasehold land		Total	
	RMB	₹	RMB	₹
Gross block				
As at 1st April 2022	11,255,927	13,43,95,772	11,255,927	13,43,95,772
Additions	-	-	-	-
Disposals	-	-	-	-
Other Adjustments	-	-	-	-
- Exchange variation (Op. Bal restated)	-	1,12,559	-	1,12,559
As at March 31, 2023	11,255,927	13,45,08,331	11,255,927	13,45,08,331
Additions			-	-
Disposals			-	-
Other Adjustments			-	-
- Exchange variation (Op. Bal restated)		(52,90,286)	-	(52,90,286)
As at March 31, 2024	11,255,927	12,92,18,045	11,255,927	12,92,18,045
Accumulated depreciation				
As at 1st April 2022	835,790	99,79,341	835,790	99,79,341
For the year ended	257,166	30,11,418	257,166	30,11,418
Disposals/ other adjustments	-	-	-	-
Other Adjustments	-	-	-	-
- Exchange variation (Op. Bal restated)	-	8,357	-	8,357
- Restating to Closing rate - CY Depreciation	-	61,720	-	61,720
As at March 31, 2023	1,092,956	1,30,60,836	1,092,956	1,30,60,836
For the year ended	257,166	29,65,128	257,166	29,65,128
Disposals/ other adjustments			-	-
Other Adjustments			-	-
- Exchange variation (Op. Bal restated)		(5,13,697)	-	(5,13,697)
- Restating to Closing rate - CY Depreciation		(12,858)	-	(12,858)
As at March 31, 2024	1,350,122	1,54,99,409	1,350,122	1,54,99,409
Net block				
As at March 31, 2023	10,162,971	12,14,47,495	10,162,971	12,14,47,495
As at March 31, 2024	9,905,805	11,37,18,636	9,905,805	11,37,18,636

7 Other financial assets (Unsecured considered good unless otherwise stated)

	As at March 31, 2024				As at March 31, 2023			
	Non current		Current		Non current		Current	
	RMB	₹	RMB	₹	RMB	₹	RMB	₹
Security deposits			-	-			18,690	223,346
Electricity deposits			-	-			-	-
Interest receivable			-	-			-	-
Other Receivables			103,025	11,82,731			133,302	15,92,959
			103,025	11,82,731			151,992	18,16,305

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Notes to Financial Statements for the year ended March 31, 2024 (Contd.)

8 Assets for current tax (net)	Current		Current	
	As at March 31, 2024		As at March 31, 2023	
	RMB	₹	RMB	₹
Advance Income-tax (net of provision for taxation)	4,224,154	4,84,93,285	4,224,154	5,04,78,637
	4,224,154	4,84,93,285	4,224,154	5,04,78,637

9 Other assets (Unsecured, considered good)	As at March 31, 2024				As at March 31, 2023			
	Non current		Current		Non current		Current	
	RMB	₹	RMB	₹	RMB	₹	RMB	₹
Prepaid expenses	720,979	82,76,835	405,991	46,60,782	2,482,141	2,96,61,586	1,001,474	1,19,67,613
Capital & other advances	8,972,273	10,30,01,691	-	-	1,032,500	1,23,38,375	-	-
Balance with statutory/government authorities	-	-	7,149,223	8,20,73,074	-	-	1,916,054	2,28,96,843
Advance to suppliers	-	-	-	-	-	-	4,227,477	5,05,18,350
	9,693,252	11,12,78,526	7,555,214	8,67,33,856	3,514,641	4,19,99,961	7,145,005	8,53,82,806

10 Inventories	Current		Current	
	As at March 31, 2024		As at March 31, 2023	
	RMB	₹	RMB	₹
Raw Materials and components	8,734,823	10,02,75,763	13,627,820	16,28,52,454
Work-in-process	27,991,373	32,13,40,964	23,769,068	28,40,40,362
Finished Goods	40,911,462	46,96,63,589	33,513,273	40,04,83,607
Stores, Spares & Chemicals	3,026,207	3,47,40,855	1,746,215	2,08,67,267
Loose tools	1,919,013	2,20,30,265	1,935,649	2,31,31,013
	82,582,878	94,80,51,436	74,592,025	89,13,74,703

* There have been no circumstances or events that led to the reversal or a write down of inventories.

Notes to Financial Statements for the year ended March 31, 2024 (Contd.)

11 Trade receivables	Current		Current	
	As at March 31, 2024		As at March 31, 2023	
	RMB	₹	RMB	₹
(Unsecured, considered good unless otherwise stated)				
Trade receivables	124,167,671	1,42,54,44,865	118,829,583	1,42,00,13,520
	124,167,671	1,42,54,44,865	118,829,583	1,42,00,13,520
Less : Provision for bad and doubtful debts	(196,926)	(22,60,716)	(2,411,049)	(2,88,12,036)
	123,970,745	1,42,31,84,149	116,418,534	1,39,12,01,484

a) Trade receivable Ageing schedule 2023-24

Particulars		Outstanding for following periods from due date of payment						Total as on 31.03.2024
		Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables								
(i) Considered good	RMB	-	114,593,906	4,247,442	2,559,644	569,753	241,878	122,212,623
	₹	-	1,31,55,38,045	4,87,60,632	2,93,84,710	65,40,762	27,76,757	1,40,30,00,907
(ii) Credit impaired	RMB	-	-	-	-	-	1,955,048	1,955,048
	₹	-	-	-	-	-	2,24,43,958	2,24,43,958
Total	RMB	-	114,593,906	4,247,442	2,559,644	569,753	2,196,926	124,167,671
Total	₹	-	1,31,55,38,045	4,87,60,632	2,93,84,710	65,40,762	2,52,20,716	1,42,54,44,865
Less: Provision for bad and doubtful debts	RMB						-	(196,926)
	₹							(22,60,716)
Total	RMB							123,970,745
Total	₹							1,42,31,84,149

b) Trade receivable Ageing schedule 2022-23

Particulars		Outstanding for following periods from due date of payment						Total as on 31.03.2023
		Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables								
(i) Considered good	RMB	61,894,778	46,621,161	6,511,058	1,524,536	255,201	11,800	116,818,534
	₹	73,96,42,607	55,71,22,869	7,78,07,143	1,82,18,208	30,49,652	1,41,010	1,39,59,81,489
(ii) Credit impaired	RMB	-	-	-	-	153,489	1,857,560	2,011,049
	₹	-	-	-	-	18,34,188	2,21,97,843	2,40,32,031
Total	RMB	61,894,778	46,621,161	6,511,058	1,524,536	408,690	1,869,360	118,829,583
Total	₹	73,96,42,607	55,71,22,869	7,78,07,143	1,82,18,208	48,83,840	2,23,38,853	1,42,00,13,520
Less: Provision for bad and doubtful debts	RMB							2,411,049
	₹							2,88,12,036
Total	RMB							116,418,534
Total	₹							1,39,12,01,484

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Notes to Financial Statements for the year ended March 31, 2024 (Contd.)

	Current		Current	
	As at March 31, 2024		As at March 31, 2023	
	RMB	₹	RMB	₹
12 Cash and cash equivalents				
Cash on hand	-	-	28,958	3,46,048
Cheques on hand	-	-	-	-
Balances with banks	8,586,432	9,85,72,235	20,313,421	24,27,45,381
	8,586,432	9,85,72,235	20,342,379	24,30,91,429

	As at March 31, 2024		As at March 31, 2023	
	RMB	₹	RMB	₹
13 Share Capital				
REGISTERED CAPITAL				
USD 25.79 Million				
Issued, subscribed and fully paid up				
Paid-up Capital USD 21.79 Million	160,215,065	1,83,92,68,942	160,215,065	1,91,45,70,027
	160,215,065	1,83,92,68,942	160,215,065	1,91,45,70,027

a) Shareholders holding more than 5% of the aggregate shares in the Company

	Paid-up Capital USD	% holding	Paid-up Capital USD	% holding
Sundram International Limited, UK	21.79 Million	100%	21.79 Million	100%
		100%		100%

b) Bonus Shares/ Buy Back/ Shares for consideration other than cash issued during the period of five years immediately preceding the financial year ended 31 March 2024:

- Aggregate number of equity shares allotted as fully paid up pursuant to contracts without payment being received in cash : Nil
- Aggregate number of equity shares allotted as fully paid up by way of Bonus Shares : Nil
- Aggregate number of equity shares bought back : Nil

c) Capital Management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the 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. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Notes to Financial Statements for the year ended March 31, 2024 (Contd.)

	As at 31 March 2024		As at 31 March 2023	
	RMB	₹	RMB	₹
Borrowings	137,000,000	1,57,27,60,000	141,948,975	1,69,62,90,251
Cash and cash equivalents	(8,586,432)	(9,85,72,235)	(20,342,379)	(24,30,91,429)
Capital (A)	128,413,568	1,47,41,87,765	121,606,596	1,45,31,98,822
Total equity	191,402,780	2,19,73,98,948	177,271,109	2,11,83,89,737
Overall financing (B)	191,402,780	2,19,73,98,948	177,271,109	2,11,83,89,737
Gearing ratio (A/B)	67%	67%	69%	69%

d) Shares held by promoter at the end of the year

	As on 31-03-2024		As on 31-03-2023	
	% of total shares	% Change	% of total shares	% Change
Sundram International Limited, UK	100%	-	100%	-

e) Dividends

Final dividend declared and paid

	Year ended 31 March 2024		Year ended 31 March 2023	
	RMB	₹	RMB	₹
Dividend	(3,134,030)	(3,61,35,363)	(28,830,668)	(33,50,12,367)
	(3,134,030)	(3,61,35,363)	(28,830,668)	(33,50,12,367)

14 Borrowings	As at March 31, 2024				As at Mar 31, 2023			
	Non-Current		Current		Non-Current		Current	
	RMB	₹	RMB	₹	RMB	₹	RMB	₹
a) Secured (refer note below)								
Term loan from banks	60,000,000	68,88,00,000	77,000,000	88,39,60,000	59,948,975	71,63,90,251	82,000,000	97,99,00,000
Working Capital Loans	-	-	-	-	-	-	-	-
Total	60,000,000	68,88,00,000	77,000,000	88,39,60,000	59,948,975	71,63,90,251	82,000,000	97,99,00,000
b) Unsecured	-	-	-	-	-	-	-	-
Total	60,000,000	68,88,00,000	77,000,000	88,39,60,000	59,948,975	71,63,90,251	82,000,000	97,99,00,000

c) Terms of interest, guarantee and repayment of long term & short term loans

I. SFZL Term loan

An outstanding term loan from a bank amounting to RMB 137.00 million (being 60 million non-current and 77 million current) equivalent to Rs.1573 million (March 31, 2023: RMB 142 million being 59.9 million non-current and 82.0 million current equivalent to Rs.1696 million) is secured by land use right, factory buildings relating to the business for which the loan has been taken. The interest rate is linked to Base Rate + agreed spread per annum.

d) Reconciliation of cash flow from financing activities

	As at March 31, 2024		As at March 31, 2023	
	RMB	₹	RMB	₹
Cash and cash equivalents	8,586,432	9,85,72,235	20,342,379	24,30,91,429
Current Borrowings	77,000,000	88,39,60,000	82,000,000	97,99,00,000
Non-current borrowings	60,000,000	68,88,00,000	59,859,135	71,59,15,258
Net debt	128,413,568	1,47,41,87,765	121,516,756	1,45,27,23,829

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Notes to Financial Statements for the year ended March 31, 2024 (Contd.)

Particulars	Other assets		Liabilities from financing activities			
	Cash and cash equivalents		Current borrowings		Non-current borrowings	
	RMB	₹	RMB	₹	RMB	₹
Net debt as at April 1, 2023	20,342,379	24,30,91,429	82,000,000	97,99,00,000	59,859,135	71,59,15,258
Net cash flows from financing activities	(11,755,947)	(14,45,19,194)	-	-	-	-
Proceeds from / (Repayment of) borrowings	-	-	(5,000,000)	(9,59,40,000)	140,865	16,17,127
Foreign exchange adjustments	-	-	-	-	-	(2,87,32,385)
Net debt as at March 31, 2024	8,586,432	9,85,72,235	77,000,000	88,39,60,000	60,000,000	68,88,00,000
Net debt as at April 1, 2022	(16,548,092)	(19,75,84,213)	79,000,000	94,32,60,000	69,887,882	83,44,61,306
Net cash flows from financing activities	368,900,471	44,06,75,642	-	-	-	-
Proceeds from borrowings	-	-	3,000,000	3,66,40,000	(10,028,747)	(11,85,46,048)
Foreign exchange adjustments	-	-	-	-	-	-
Net debt as at March 31, 2023	(20,342,379)	(24,30,91,429)	82,000,000	97,99,00,000	59,859,135	71,59,15,258

15 Liabilities for current tax (net)	Current		Current	
	As at March 31, 2024		As at Mar 31, 2023	
	RMB	₹	RMB	₹
Provision for taxation (net of advance income tax)	5,572,315	6,39,70,176	4,658,575	5,56,69,974
	5,572,315	6,39,70,176	4,658,575	5,56,69,974

16 Trade payables

	As at March 31, 2024				As at March 31, 2023			
	Non-Current		Current		Non-Current		Current	
	RMB	₹	RMB	₹	RMB	₹	RMB	₹
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	60,963,443	69,98,60,329	-	-	56,443,272	67,44,97,097
	-	-	60,963,443	69,98,60,329	-	-	56,443,272	67,44,97,097

16 a) Trade payable ageing schedule 2023-24

Particulars		Outstanding for following periods from due date of payment					
		Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total as on 31.03.2024
Undisputed dues							
Others	RMB	59,393,871	43,207	-	376,464	1,149,901	60,963,443
	₹	68,18,41,644	4,96,019	-	43,21,804	1,32,00,862	69,98,60,329

Notes to Financial Statements for the year ended March 31, 2024 (Contd.)

16 a) Trade payable ageing schedule 2022-23

Particulars		Outstanding for following periods from due date of payment					Total as on 31.03.2023
		Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
Others	RMB	24,151,865	30,776,833	367,684	1,115,016	31,874	56,443,272
	₹	28,86,14,783	36,77,83,160	43,93,817	1,33,24,443	3,80,894	67,44,97,097

	As at March 31, 2024				As at Mar 31, 2023			
	Non-Current		Current		Non-Current		Current	
	RMB	₹	RMB	₹	RMB	₹	RMB	₹
17 Other financial liabilities								
Dues to others			10,385,770	11,92,28,638			8,389,174	10,02,50,629
Payable to employees	-	-	5,339,083	6,12,92,668	-	-	3,645,356	4,35,62,010
Interest Payable	-	-	202,460	23,24,243	-	-	285,485	34,11,549
	-	-	15,927,313	18,28,45,549	-	-	12,320,015	14,72,24,188

	As at March 31, 2024				As at March 31, 2023			
	Current				Current			
	RMB	₹	RMB	₹	RMB	₹	RMB	₹
18 Other current liabilities								
Customer advances			121,559	13,95,502			48,187	5,75,836
Statutory dues			7,033,798	8,07,47,996			3,993,002	4,77,16,374
			7,155,357	8,21,43,498			4,041,189	4,82,92,210

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Notes to Financial Statements for the year ended March 31, 2024 (Contd.)

	Year ended March 31, 2024		Year ended March 31, 2023	
	RMB	₹	RMB	₹
19 Revenue from operations				
Sale of goods				
i) Domestic	219,866,463	2,53,50,60,325	216,002,741	2,52,93,92,107
ii) Exports	88,889,868	1,02,49,00,173	61,683,389	72,23,12,480
Other operating revenue	7,405,033	8,53,80,025	7,784,963	9,11,61,912
Revenue from operations (Gross)	316,161,364	3,64,53,40,523	285,471,093	3,34,28,66,499
Note :Other Operating Revenue				
Scrap Sales	2,619,558	3,02,03,502	3,101,995	3,63,24,361
Others (Recovery of Tool costs)	4,785,475	5,51,76,523	4,682,968	5,48,37,551
	7,405,033	8,53,80,025	7,784,963	9,11,61,912
20 Other income				
Interest Income	24,849	2,86,506	32,892	3,85,168
Net foreign exchange gain (Net of Loss)	1,115,097	1,28,57,071	880,962	1,03,16,066
Miscellaneous Income	2,396,580	2,76,32,566	335,430	39,27,890
Profit on Sale of Assets	-	-	-	-
	3,536,526	4,07,76,143	1,249,284	1,46,29,124
21 Cost of raw materials and components consumed				
Opening stock of raw materials and components	13,627,820	16,28,52,454	12,693,330	15,15,58,356
Add: Exchange rate fluctuation on account of average rate transferred to currency translation reserve		(57,23,685)		(29,19,466)
Add : Purchases during the year	105,573,933	1,21,72,67,449	118,121,328	1,38,32,00,761
Less: Exchange rate fluctuation on account of average rate transferred to currency translation reserve		4,36,741		(32,70,677)
Less: Closing stock of raw materials and components	8,734,823	10,02,75,763	13,627,820	16,28,52,454
	110,466,930	1,27,36,83,714	117,186,838	1,37,22,57,874

Notes to Financial Statements for the year ended March 31, 2024 (Contd.)

	Year ended March 31, 2024		Year ended March 31, 2023	
	RMB	₹	RMB	₹
22 Changes in inventories of finished goods and work-in-progress				
A) Opening Stock:				
Work-in-process	23,769,068	28,40,40,362	18,390,628	21,95,84,099
Finished goods	33,513,273	40,04,83,607	35,542,613	42,43,78,796
Less: Excise duty on finished goods				
Add / (Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve		(2,40,58,583)		(1,24,04,645)
	57,282,341	66,04,65,386	53,933,241	63,15,58,250
B) Closing Stock:				
Work-in-process	27,991,373	32,13,40,964	23,769,068	28,40,40,362
Finished goods	40,911,462	46,96,63,589	33,513,273	40,04,83,607
Less: Excise duty on finished goods				
Add / (Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve		34,45,142		(1,37,47,762)
	68,902,835	79,44,49,695	57,282,341	67,07,76,207
Net decrease in inventories	(11,620,494)	(13,39,84,309)	(3,349,100)	(3,92,17,957)
23 Employee benefits expense				
Salaries and wages	54,378,925	62,69,89,003	44,330,014	51,91,04,469
Contribution to provident and other funds	5,856,807	6,75,28,988	6,167,611	7,22,22,722
Staff welfare expenses	6,117,590	7,05,35,808	5,293,204	6,19,83,419
	66,353,322	76,50,53,799	55,790,829	65,33,10,610
24 Finance costs				
Interest expenses - others	5,233,292	6,03,39,862	6,077,412	7,11,66,491
Other borrowing costs	61,779	7,12,311	41,615	4,87,306
	5,295,071	6,10,52,173	6,119,027	7,16,53,797
25 Depreciation and amortization expense				
Depreciation of tangible assets	19,530,159	22,51,82,737	18,091,250	21,18,48,540
Amortization of intangible assets	29,498	3,40,112	105,658	12,37,256
Depreciation on right of use assets	257,166	29,65,128	257,166	30,11,418
	19,816,823	22,84,87,977	18,454,074	21,60,97,214

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Notes to Financial Statements for the year ended March 31, 2024 (Contd.)

	Year ended March 31, 2024		Year ended March 31, 2023	
	RMB	₹	RMB	₹
26 Other expenses				
Stores and tools consumed	26,961,563	31,08,66,824	22,445,054	26,28,31,581
Power & fuel	15,059,600	17,36,37,187	13,141,315	15,38,84,803
Rent	-	-	-	-
Rates & taxes [excluding taxes on Income]	2,882,303	3,32,32,956	2,374,244	2,78,02,394
Insurance	517,614	59,68,093	466,608	54,63,984
Repairs and maintenance				
- Building	198,718	22,91,214	259,911	30,43,558
- Plant & Equipment	2,102,388	2,42,40,530	1,321,272	1,54,72,092
- Other assets	565,713	65,22,672	313,866	36,75,376
Sub-contract expenses	34,500,041	39,77,85,475	29,148,598	34,13,30,082
Freight & Cartage Inward	280,007	32,28,485	611,787	71,64,021
Audit fee	121,747	14,03,740	100,000	11,71,000
Loss on sale of assets	386,332	44,54,408	64,250	7,52,368
Net Foreign exchange loss(net off gain)	-	-	-	-
Freight & Cartage Outward	3,243,955	3,74,02,805	3,535,785	4,14,04,037
Travel Expenses	2,010,690	2,31,83,251	1,784,053	2,08,91,261
Postage & Telecom Expenses	561,812	64,77,689	559,621	65,53,168
Printing and stationery	-	-	1,439	16,846
Consultancy	1,507,274	1,73,78,871	1,016,910	1,19,08,014
Bad debts	-	-	1,491,049	1,74,60,184
Financial Guarantee Expense	545,721	62,92,163	544,230	63,72,932
Miscellaneous expenses	16,696,413	19,25,09,645	9,173,461	10,74,21,232
	108,141,891	1,24,68,76,008	88,353,453	1,03,46,18,933
27 Income Tax				
The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of Sundram Fasteners (Zhejiang) Limited at 25% and the reported tax expense in profit or loss are as follows:				
Profit or loss section				
Accounting profit before tax	21,244,347	24,49,47,304	4,165,256	4,87,75,152
Accounting profit before income tax				
At China's statutory income tax rate of 25% (31 December 2023: 25%)	5,311,087	6,12,36,826	1,041,314	1,21,93,788
Other adjustments	(1,366,720)	(1,57,58,271)	(549,789)	(64,38,030)
	3,944,367	4,54,78,555	491,525	57,55,758
Tax expense comprises of:				
Current income tax:				
Current income tax charge (net of Minum alternate tax)	3,944,367	4,54,78,555	491,525	57,55,758
Adjustments in respect of current income tax of previous year				
Deferred tax:				
Relating to origination and reversal of temporary differences				
Income tax expense	3,944,367	4,54,78,555	491,525	57,55,758

Notes to Financial Statements for the year ended March 31, 2024 (Contd.)

28 Computation of Ratios

A.	Ratios	Formula	Year ended March 31, 2024	Year ended March 31, 2023	Variance
	Current Ratio	Current assets / current liabilities	1.36	1.40	(2.51%)
	Debt-Equity Ratio	Total debt / shareholder's equity	0.72	0.80	(10.62%)
	Debt Service Coverage Ratio	EBITDA / (Interest + Principal)	0.57	0.32	76.73%
	Return on Equity Ratio	PAT / average shareholder's equity	9%	2%	7.19%
	Inventory turnover ratio	Sales / Average inventory	3.87	3.74	3.52%
	Trade Receivables turnover ratio	Net credit sales / Average TR	2.53	2.54	(0.54%)
	Trade payables turnover ratio	Net credit purchase / Average TP	1.77	1.93	(8.28%)
	Net capital turnover ratio	Net sales / working capital	5.13	4.29	19.64%
	Net profit ratio	PAT / Net sales	5.60%	1.32%	4.28%
	Return on Capital employed	EBIT / Capital employed	8.12%	3.16%	4.96%

B. Explanation for any change in the ratio by more than 25% as compared to the ratio of preceding year:

* The reason for changes in the above ratios are due to repayment of long term borrowings and decrease in revenue from operations.

29 Disclosure on Financial Instrument

	As at 31 March 2024						As at 31 March 2023					
	FVTPL		FVOCI		Amortised Cost		FVTPL		FVOCI		Amortised Cost	
	RMB	₹	RMB	₹	RMB	₹	RMB	₹	RMB	₹	RMB	₹
Financial assets:												
- Trade receivables	-	-	-	-	123,970,745	1,42,31,84,149	-	-	-	-	116,418,534	1,39,12,01,484
- Cash and cash equivalents	-	-	-	-	8,586,432	9,85,72,235	-	-	-	-	20,342,379	24,30,91,429
- Others	-	-	-	-	103,025	11,82,731	-	-	-	-	151,992	18,16,305
Total Financial Assets	-	-	-	-	132,660,202	1,52,29,39,115	-	-	-	-	136,912,905	1,63,61,09,218
Non-Current liabilities												
Financial liabilities:												
- Borrowings	-	-	-	-	60,000,000	68,88,00,000	-	-	-	-	59,948,975	71,63,90,251
- Trade payables	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	60,000,000	68,88,00,000	-	-	-	-	59,948,975	71,63,90,251
Current liabilities												
Financial liabilities:												
- Borrowings	-	-	-	-	77,000,000	88,39,60,000	-	-	-	-	82,000,000	97,99,00,000
- Trade payables	-	-	-	-	60,963,443	69,98,60,329	-	-	-	-	56,443,272	67,44,97,097
- Payable to employees	-	-	-	-	5,339,083	6,12,92,668	-	-	-	-	3,645,356	4,35,62,010
- Other financial liabilities	-	-	-	-	10,588,230	12,15,52,881	-	-	-	-	8,674,659	10,36,62,178
	-	-	-	-	153,890,756	1,76,66,65,878	-	-	-	-	150,763,287	1,80,16,21,285
Total Financial Liabilities	-	-	-	-	213,890,756	2,45,54,65,878	-	-	-	-	210,712,262	2,51,80,11,536

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

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Accounting classification and fair value

Particulars Note	March 31, 2024		March 31, 2023	
	Carrying amount		Carrying amount	
	RMB	₹	RMB	₹
Financial assets				
Investments				
Loans #				
Security deposits #			18,690	2,23,346
Derivative assets				
Advances recoverable #				
Other financial assets #	103,025	11,82,731	133,302	15,92,959
Trade receivables (including unbilled revenues) #	123,970,745	1,42,31,84,149	116,418,534	1,39,12,01,484
Cash and cash equivalents #			28,958	3,46,048
Bank balance other than cash and cash equivalents #	8,586,432	9,85,72,235	20,313,421	24,27,45,381
Total financial assets	132,660,202	1,52,29,39,115	136,912,905	1,63,61,09,218
Financial liabilities				
Borrowings (including current maturities of term loans from banks)#	60,000,000	68,88,00,000	59,948,975	71,63,90,251
Lease liabilities #				
Trade payables #	60,963,443	69,98,60,329	56,443,272	67,44,97,097
Derivative liabilities				
Interest accrued but not due on borrowings #	202,460	23,24,243	285,485	34,11,549
Liability towards supplier bills discounted #	77,000,000	88,39,60,000	82,000,000	97,99,00,000
Unclaimed dividend #				
Employee benefits payable #	5,339,083	6,12,92,668	3,645,356	4,35,62,010
Other payables #	10,385,770	11,92,28,638	8,389,174	10,02,50,629
Total financial liabilities	213,890,756	2,45,54,65,878	210,712,262	2,51,80,11,536

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.

Notes to Financial Statements for the year ended March 31, 2024 (Contd.)

30 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. Sundram Fasteners Limited, Chennai, India

(B) Holding Company

Sundram International Limited, UK

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

(A) Fellow Subsidiaries

1. Sundram Fasteners Investments Ltd., Chennai,
2. TVS Upasana Ltd., Chennai,
3. Sundram Non-Conventional Energy Systems Ltd., Chennai,
4. TVS Next Limited, Chennai,
5. Cramlington Precision Forge Ltd., Northumberland, United Kingdom,
6. Sundram International Inc, Michigan, USA,
7. TVS Next Inc., Michigan, USA

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

Nature of transaction	Ultimate Holding Company Sundram Fasteners Limited		Holding Company		Fellow Subsidiary Companies	
	RMB	₹	RMB	₹	RMB	₹
Purchases						
Goods and Materials	-	-	-	-	-	-
	-	-	-	-	-	-
Sales						
Goods and Materials	2,141,582	2,46,92,440	-	-	-	-
	(1,151,752)	(1,34,87,012)	-	-	-	-
Dividend Paid	-	-	(3,134,029.72)	(3,61,35,632.67)	-	-
	-	-	(28,830,668.00)	(33,50,12,367.00)	-	-
Interest Received	-	-	-	-	-	-
	-	-	(13,340)	(1,55,011)	-	-
Due to the Company	424,384	48,71,924	-	-	-	-
	348,983	41,70,344	-	-	-	-
Due by the Company	-	-	-	-	-	-
	-	-	-	-	-	-

(Previous year figures are in brackets)

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Notes to Financial Statements for the year ended March 31, 2024 (Contd.)

1 Financial instruments - fair values and risk management

Financial risk management

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

- Market risk
- Credit risk
- Liquidity risk

a) Market risk

i) Foreign currency risk

	Short term exposure				Long-term exposure			
	USD	RMB	EUR and others	Total	USD	RMB	EUR and others	Total
Financial assets	-	-	-	-	-	-	-	-
Financial liabilities	-	-	-	-	-	-	-	-
March 31, 2024	-	-	-	-	-	-	-	-
Financial assets	-	-	-	-	-	-	-	-
Financial liabilities	-	-	-	-	-	-	-	-
March 31, 2023	-	-	-	-	-	-	-	-

ii) Interest rate risk

Interest rate exposure

Particulars	Floating rate instruments		Fixed rate instruments		Total	
	RMB	₹	RMB	₹	RMB	₹
Financial assets	-	-	-	-	-	-
Financial liabilities	(137,202,460)	(1,57,50,84,243)	-	-	(137,202,460)	(1,57,50,84,243)
As at March 31, 2024	(137,202,460)	(1,57,50,84,243)	-	-	(137,202,460)	(1,57,50,84,243)
Financial assets	-	-	18,690	2,23,346	18,690	2,23,346
Financial liabilities	(142,234,460)	(1,69,97,01,800)	-	-	(142,234,460)	(1,69,97,01,800)
As at March 31, 2023	(142,234,460)	(1,69,97,01,800)	18,690	2,23,346	(142,215,770)	(1,69,94,78,454)

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, 2024 and March 31, 2023. 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, 2024	As at March 31, 2023
Increase	+1%	15,750,842	16,997,018
Decrease	-1%	(15,750,842)	(16,997,018)

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.

iii) Equity price risk

The company invests in listed and unlisted equity instruments. All investments in equity portfolio are reviewed and approved by the board of directors.

Notes to Financial Statements for the year ended March 31, 2024 (Contd.)

As at
March 31, 2024 As at
March 31, 2023

At the reporting date, the exposure to listed equity securities at fair value

b) Credit risk

The carrying amount of financial assets represents the maximum credit exposure.

Particulars	Reference	Carrying amount			
		As at March 31, 2024		As at March 31, 2023	
		RMB	₹	RMB	₹
Trade receivables	(i)	123,970,745	1,42,31,84,149	116,418,534	1,39,12,01,484
Cash and cash equivalents		8,586,432	9,85,72,235	20,342,379	24,30,91,429
Other Receivables		103,025	11,82,731	151,992	18,16,305
Total		132,660,202	1,52,29,39,115	136,912,905	1,63,61,09,218

(i) Trade receivables (including unbilled revenue)

The maximum exposure to credit risk for trade receivables (including unbilled revenue) are as follows:

	As at March 31, 2024		As at March 31, 2023	
	RMB	₹	RMB	₹
Not more than 180 days	114,593,906	1,31,55,38,045	108,515,939	1,29,67,65,476
More than 180 days	9,573,765	10,99,06,820	10,313,644	12,32,48,044
Sub-total	124,167,671	1,42,54,44,865	118,829,583	1,42,00,13,520
Less: Loss allowance in accordance with expected credit loss model	(196,926)	(22,60,715)	(2,411,049)	(2,88,12,035)
Total	123,970,745	1,42,31,84,150	116,418,534	1,39,12,01,485

The composition of trade receivable and unbilled revenue balances are as follows:-

in INR

Particulars	Year ended March 31, 2024				Year ended March 31, 2023			
	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit imaired	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit imaired
Not due	0.00%	-	-	-	0.00%	73,96,42,607	-	-
0 to 6 months	0.00%	1,31,55,38,045	-	-	0.00%	55,71,22,869	-	-
6 months to one year	0.00%	4,87,60,632	-	-	0.00%	7,78,07,143	-	-
More than one year	3.70%	6,11,46,188	22,60,716	-	63.41%	4,54,40,901	2,88,12,036	-
Sub-total	0.16%	1,42,54,44,865	22,60,716	-	2.03%	1,42,00,13,520	2,88,12,036	-
Add: Unbilled dues		-	-	-		-	-	-
Add: Disputed trade receivables		-	-	-		-	-	-
Total trade receivables		1,42,54,44,865	22,60,716	-		1,42,00,13,520	2,88,12,036	-

Note:

1. There are no rebates, discounts, commission, etc., adjusted against the revenue as per contracted price
2. Invoices are issued according to contractual terms which is specific to each customers which is usually payable within 45 to 120 days

Sundram Fasteners (Zhejiang) Limited

(Incorporated in People's Republic of China)

Notes to Financial Statements for the year ended March 31, 2024 (Contd.)

c) Liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

in INR

	As at March 31, 2024			As at March 31, 2023		
	Carrying amount	Less than 180 days	More than 180 days	Carrying amount	Less than 180 days	More than 180 days
Borrowings and interest thereon	1,57,50,84,243	69,98,60,329	87,52,23,914	1,69,97,01,800	98,33,11,549	71,63,90,251
Trade payables	69,98,60,329	68,23,37,663	1,75,22,666	67,44,97,096	65,63,97,941	1,80,99,155
Employee benefits payable	6,12,92,668	6,12,92,668	-	4,35,62,010	4,35,62,010	-
Other payables	11,92,28,638	11,92,28,638	-	10,02,50,630	10,02,50,630	-
Total	2,45,54,65,878	1,56,27,19,298	89,27,46,580	2,51,80,11,536	1,78,35,22,130	73,44,89,406

Note: An outstanding term loan from a bank amounting to RMB 137 million, being equivalent to ₹ 157.28 (March 31, 2023: RMB 142 million, being equivalent to ₹169.60) is secured by land use right, factory buildings, plant and equipments relating to the business for which the loan has been taken and repayable over next 2 years. The interest rate is linked to Base Rate + agreed spread per annum.

2 Contingencies and commitments

	As at March 31, 2024	As at March 31, 2023
a) Contingent liabilities	-	-
b) Contingent assets	-	-
c) Capital Commitments	-	-

3 Segment Reporting

	As at March 31, 2024
a. Net sales to external customers by geographic area by location of customers	
India	-
United States of America	49,53,25,383
United Kingdom	3,35,865
China	3,14,96,79,275
Rest of the World	-
Total	3,64,53,40,523
b. Non-current assets (Property, plant and equipment, intangible assets, other non-current assets and goodwill) by geographic areas	
China	2,19,27,60,804
c. Trade receivable by geographic areas	
India	3,27,22,763
United States of America	3,70,16,493
United Kingdom	-
China	1,11,66,99,248
Rest of the World	23,67,45,646
Total	1,42,31,84,150

4 The Company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan.