Sundram Bleistahl Limited

ANNUAL REPORT

for the year ended 31st March 2015

REPORT OF DIRECTORS TO THE SHAREHOLDERS

The Directors have pleasure in presenting the Eleventh Annual Report, together with the audited accounts for the year ended 31st March 2015.

| | ₹in | Thousands |
|--|-------------------|-----------|
| FINANCIAL RESULTS | 2014-15 | 2013-14 |
| Revenue from Operations | 257,518 | 242,829 |
| Gross Profit / (Loss) before interest & depreciation | 43,818 | 44,326 |
| Less: Interest | 1,383 | 4,409 |
| Less: Depreciation | 16,493 | 23,276 |
| Profit / (Loss) before tax | 25,942 | 16,641 |
| Add / (Less): Provision for Tax (including | | |
| Deferred Tax) | 6,568 | 6,717 |
| Profit / (Loss) after tax | 19,374 | 9,924 |
| Add / (Less): Balance brought forward | 47,700 | 37,776 |
| Add / (Less): Transfer of accumulated depreciation | | |
| on transitional provisions under Companies Act, 20 | 13 (212) | |
| Balance carried forward | 66,862 | 47,700 |

OPERATIONS

The Sales and other income during the year under review was at ₹ 257,518 (thousands) as against ₹ 242,829 (thousands) in the previous year. The operating Profit for the year was at ₹ 43,818 (thousands) as against ₹ 44,326 (thousands) in the previous year. The net profit was at ₹ 19,374 (thousands) as against ₹ 9,924 (thousands) in the previous year.

DIVIDEND

With a view to conserving financial resources, the Directors do not recommend any dividend for the year.

TRANSFER TO RESERVES

The Company does not propose to transfer any amount to reserves.

BOARD MEETINGS

During the year four Board meetings were held respectively on 19^{th} May, 2014, 22^{nd} August, 2014, 2^{nd} December, 2014 and 27^{th} March, 2015 (meeting held through video conference).

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that: -

- a) in the preparation of annual accounts, the applicable accounting standards had been followed.
- 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 31st March 2015.
- 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.
- they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

TThe company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

DIRECTORS

Sri R Dilipkumar, Director retires from the Board by rotation and being eligible, offers himself for re-appointment.

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

AUDIT COMMITTEE

The company is not required to have an Audit Committee as per Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board) Rules, 2014, which came into effect from 1st April 2014 and accordingly the existing audit committee was dissolved by the Board of Directors with effect from 20th May, 2014.

RELATED PARTY TRANSACTIONS

All related party transactions were entered at arms' length basis and in the ordinary course of business. The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 prepared in Form AOC-2 pursuant to Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is enclosed vide **Annexure - I** forming part of this report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure - II.**

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 this report.

CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy

The Company has initiated measures in the form of carrying out certain modifications in the process / equipments as well as the pattern of loading in Sintering Furnace which would bring about savings in consumption of power in future.

- (ii) The steps taken by the company for utilising alternate sources of energy -Nil
- (iii) The capital investments on energy conservation requirements Nil

TECHNOLOGY ABSORPTION

- (i) The efforts made towards technology adoption
 - With respect to absorption of foreign technology, company has been receiving technical inputs from Bleistahl Produktions GmbH and Co KG, Germany relating to continuous improvement in the process of manufacture and inspection of valve guides.
- (ii) The benefits like product improvement, cost reduction, product development or import substitution - Nil
- (iii) Imported Technology
 - a) Details of technology imported Nil
 - b) The year of import Nil
 - c) Whether the technology been fully absorbed Nil
 - d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof Nil
- (iv) The expenditure incurred on research and development Nil

FOREIGN EXCHANGE EARNINGS AND OUTGO

The total foreign exchange earned and used are as under:

| Foreign exchange earne | d (₹ in thousands) | 172,498 |
|------------------------|--------------------|---------|
| Foreign exchange used | (₹ in thousands) | 98,765 |

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL APPOINTED OR HAVE RESIGNED DURING THE YEAR

| Name Designation | | Date of appointment | Date of resignation | | |
|------------------|---------|------------------------------|----------------------------|--|--|
| Mr C Arjunan | Manager | 1 st January 2014 | 19 th May, 2014 | | |

It may be noted that in terms of section 203(1) of the Companies Act, 2013, the company is not required to have any whole-time key managerial personnel other than a Company Secretary.

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business of the Company during the financial year.

COMPANIES WHICH HAVE BECOME OR CEASED TO BE COMPANY'S SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

The Company does not have any subsidiary, joint venture or associate company.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013. Further the company had no deposits as on 31st March 2014.

REGULATORY / COURT ORDERS

During the year 2014-2015, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

INTERNAL FINANCIAL CONTROLS

The company has internal control procedures and sufficient internal control checks considering the size and nature of its business and the Board of directors are of the view that those controls are adequate with reference to the financial statements.

RISK MANAGEMENT

The Company is a captive supplier to Bleistahl Prodcuktions GmbH & Co.KG, Germany. The Company faces diverse risks in terms of downturn in German economic conditions, economy, input prices, interest rates, foreign exchange etc. The company manages its interest risks through a combination of loan products, tenor of financing and currency denomination. The foreign exchange risks are monitored, reviewed and hedged in accordance with the risk management policy laid down by the holding company (Sundram Fasteners Limited). All the aforesaid risks are managed through continuous review of business parameters on a regular basis by the management. Corrective actions and mitigation measures are taken as needed.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Section 135 is not applicable to the company as the company has not met the specified turnover or net worth or profit criteria and hence there is no requirement for the company to either have a CSR committee of the Board or to undertake CSR activities.

STATEMENT UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION) OF MANAGERIAL PERSONNEL) RULES, 2014

None of the employees was in receipt of remuneration in excess of the limit prescribed under Rule 5(2) of the Companies (Appointment and Remuneration) of Managerial Personnel) Rules, 2014.

AUDITORS

Pursuant to Section 139 of the Companies Act, 2013, M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, (Registration No. 004207S with the Institute of Chartered Accountants of India), were appointed as Auditors of the Company at the tenth annual general meeting (AGM) of the company for a consecutive period of 5 years commencing from the conclusion of the 10th AGM on 22nd September, 2014 till the conclusion of the 15th AGM relating to the financial year ending 31st March 2019. The Company has received a certificate from the statutory auditors to the effect that if ratification of their appointment, if made, would be in compliance with the requirements of the Companies Act, 2013 and the rules made thereunder. Accordingly, the Board of Directors propose to recommend ratification of their appointment as Auditors of the Second consecutive year at the ensuing 11th AGM.

DISCLOSURE UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has adopted the Anti-Sexual Harassment Policy laid down by the Holding Company (Sundram Fasteners Limited-SFL), which is in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) of SFL is entrusted to redress complaints regarding sexual harassment. No complaints were received during 2014-15.

ACKNOWLEDGMENT

Your Directors thank the holding company, Sundram Fasteners Limited for their support and Bleistahl Prodcuktions GmbH & Co. KG, Germany for their continued support. They also place on record their appreciation of all the employees of the Company for their contribution and dedicated service.

On behalf of the Board

Chennai May 11, 2015 R DILIP KUMAR Director

V G JAGANATHAN Director

Annexure - I

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 subsection (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 are on arms' length basis and in the ordinary course of business.

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

| a) | Name of the Related Party and nature of relationship | Sundram Fasteners Limited Holding Company | | | | | |
|----|--|--|-----------|-----------|--|--|--|
| b) | Nature of contracts / arrangements / transactions | Purchases of Raw Sales Materials | | Services | | | |
| | | ₹ 46,927 | ₹ 68,774 | ₹ 1,822 | | | |
| C) | Duration of the contracts / arrangements / transactions | 2014-2015 | 2014-2015 | 2014-2015 | | | |
| d) | Salient terms of the contracts or arrangements or transactions including the value, if any | At arms' length basis and in the ordinary course of business | | | | | |
| e) | Date of approval by the Board, if any | As the transactions fall under the third provisio to Section 188(1), Board approval is not applicable. | | | | | |
| f) | Amount paid as advances, if any | Nil | | | | | |

On behalf of the Board

Chennai May 11, 2015 R DILIP KUMAR Director V G JAGANATHAN Director

ANNEXURE - II

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31st March, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

| CIN | U29130TN2004PLC054482 |
|--|---|
| Registration Date | 15th October, 2004 |
| Name of the Company | Sundram Bleistahl Limited |
| Category / Sub-Category of the Company | Public Company / Limited by Shares |
| Address of the Registered Office and contact details | 98-A, Dr Radhakrishnan Salai Mylapore, Chennai – 600 004 Phone No.91-44-28478500 Fax No.91-44-28478510 Email: meenakshisundaram.s@sfl.co.in |
| Whether Listed Company | No |
| Name, Address and Contact details of the Registrar and Transfer Agent, if any. | Not Applicable |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

| S. No. | Name and description of main products / services | NIC Code of the Product / service | % of total turnover of the company |
|--------|--|-----------------------------------|------------------------------------|
| 1 | Valve guides / valve seats | Group – 293 | 92.80 |
| 2 | Other Sintered Parts | Class - 2930 | 7.20 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Name and address of the company | CIN / GLN | Holding / Subsidiary | % of votes held | Applicable Section |
|--|-----------------------|----------------------|-----------------|--------------------|
| Sundram Fasteners Limited 98-A, VII Floor, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004 | L35999TN1962PLC004943 | Holding Company | 76 | 2(46) |

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category wise shareholding

| No. of shares held at the end of the year | No. of sha | res held at th | e beginning | of the year | No. of shares held at the end of the year | | | | % change |
|--|------------|----------------|-------------|-------------------|---|----------|---------|-------------------|--------------------|
| No. of shares held at the end of the year | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | during the year |
| A. Promoters | | | | | | | | | |
| 1. Indian | | | | | | | | | |
| a) Individuals / HUF (Nominees of Bodies Corporate) | - | 5 | 5 | 0.00 | - | 5 | 5 | 0.00 | Nil |
| b) Central Govt. | - | - | - | - | - | - | - | - | - |
| c) Bodies Corporate | - | 5319995 | 5319995 | 76.00 | - | 5319995 | 5319995 | 76.00 | Nil |
| d) Banks / Fl | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| Sub-Total (A)(1) | - | 5320000 | 5320000 | 76.00 | - | 5320000 | 5320000 | 76.00 | Nil |
| Foreign | | | | | | | | | |
| a) NRIs – Individuals | - | - | - | - | - | - | - | - | - |
| b) Other individuals | - | - | - | - | - | - | - | - | - |
| c)Bodies Corporate | - | 1680000 | 1680000 | 24.00 | - | 1680000 | 1680000 | 24.00 | Nil |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| Sub-Total (A)(2) | - | 1680000 | 1680000 | 24.00 | - | 1680000 | 1680000 | 24.00 | Nil |
| Total shareholding $(A) = (A)(1) + (A)(2)$ | - | 7000000 | 7000000 | 100.00 | - | 7000000 | 7000000 | 100.00 | Nil |
| B. Public Shareholding | - | - | - | - | - | - | - | - | - |
| C. Shares held by Custodian for GDRs and ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total = A+B+C | - | 7000000 | 7000000 | 100.00 | - | 7000000 | 7000000 | 100.00 | Nil |

(ii) Shareholding of Promoters

| | | Shareholding at the beginning of the year | | | Shareh | | | |
|-----------|---------------------------------------|---|--|---|------------------|--|---|--------------------------------|
| S. No. | Shareholders' Name | No. of shares | % of total shares of the company | % of shares pledged / encumbered to total shares | No. of shares | % of total shares of the company | % of shares pledged / encumbered to total shares | % change during the year |
| 1 | Sundram Fasteners Ltd | 5319995 | 76.00 | 0.00 | 5319995 | 76.00 | 0.00 | Nil |
| 2 | Bleistahl Produktions GmbH and Co KG | 1680000 | 24.00 | 0.00 | 1680000 | 24.00 | 0.00 | Nil |
| 3 | Nominees of Sundram Fasteners Limited | 5 | 0.00 | 0.00 | 5 | 0.00 | 0.00 | Nil |
| | Total | 7000000 | 100.00 | 0.00 | 7000000 | 100.00 | 0.00 | Nil |

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

There have been no changes in the Promoters' shareholding during the year.

 (iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) Not Applicable.

(v) Shareholding of Directors and Key Managerial Personnel:

| S. | | | | olding at the ng of the year | Cumulative Shareholding during the year | |
|-----------|--|--|------------------|--|--|--|
| 5. No. | For Each of the Directors and KMP | Name of the Director / KMP | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 1 | At the beginning, during and end of the year | *V G Jaganathan, Director | 1 | 0.00 | 1 | 0.00 |
| 2 | At the beginning, during and end of the year | *R Dilipkumar, Director | 1 | 0.00 | 1 | 0.00 |
| 3 | At the beginning, during and end of the year | *S Meenakshisundaram, Company Secretary | 1 | 0.00 | 1 | 0.00 |

* Nominees of Sundram Fasteners Limited (Holding Company)

Note: There have been no changes in the shareholding of Directors and Key Managerial Personnel during the year.

V. INDEBTEDNESS

As at 31st March, 2015 - NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year 2014-2015, no remuneration was paid to Directors and Key Managerial Personnel.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

During the year 2014-2015, there were no penalties levied by the Regional Director on the company / directors / officers in default or any compounding of offences by the company / directors / officers in default or any punishment granted by any Court against the company / directors / officers in default.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNDRAM BLEISTAHL LIMITED, CHENNAI FOR THE YEAR ENDED 31ST MARCH, 2015

То

The Members of Sundram Bleistahl Limited, No.98-A, Dr. Radhakrishnan Salai, Mylapore, Chennai – 600004.

Report on the Financial Statements

We have audited the accompanying financial statements of SUNDRAM BLEISTAHL LIMITED, Chennai – 600004 ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates

made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

Chennai

May 11, 2015

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read together with the annexure to our report give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditors' 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:
 - The Company has no pending litigations on its financial position in its financial statements;
 - ii. The Company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.
 - iii. During the year, there was no requirement on the part of the company to transfer any amount to Investor Education and Protection Fund.

For SUNDARAM & SRINIVASAN Chartered Accountants Regn. No. 004207S M BALASUBRAMANIYAM Partner Membership No. F7945

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ANNEXURE TO INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNDRAM BLEISTAHL LIMITED, CHENNAI FOR THE YEAR ENDED 31^{sT} MARCH 2015

Annexure referred to in our report of even date on the accounts for the year ended $31^{\rm st}\,March\,2015$

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) Fixed assets are verified physically by the management in accordance with a regular programme at reasonable intervals. In our opinion the interval is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The inventory has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of such verification is adequate. It was represented to us that inventories with third parties are also verified from time to time.
 - (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion, the company has maintained proper records of inventory. The discrepancies between the physical stocks and the books were not material and have been properly dealt with in the books of account.
- (iii) (a) During the year, the company has not granted any loans, secured or unsecured to any company, firm or other party covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regard to purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, no continuing failure has been noticed in the internal control system.
- (v) The company has not accepted deposits within the meaning of sections 73 to 76 of the Companies Act, 2013, during the year.
- (vi) Pursuant to the rules made by the Central Government under section 148(1) of the Companies Act, 2013, the company is not required to maintain cost records.
- (vii) (a) According to the records provided to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues with the appropriate authorities.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears, as at 31st March 2015 for a period of more than six months from the date they became payable.
 - (c) During the year the company is not required to transfer any amount to Investor Educations and Protection Fund.
- (viii) The Company neither has accumulated losses as at the end of the financial year nor has incurred cash losses during the financial year and in the immediately preceding financial year.
- (ix) Based on our verification and according to the information and explanations given by the management, the company has not defaulted in repayment of dues to its bank.
- (x) The Company has not furnished any guarantees for loans taken by others from banks or financial institutions.
- (xi) The company has not availed any fresh term loan during the year.
- (xii) Based on the audit procedures adopted and information and explanations given to us by the management, no fraud on or by the company has been noticed or reported during the course of our audit.

| | For SUNDARAM & SRINIVASAN Chartered Accountants Regn. No 004207S |
|-------------------------|--|
| Chennai May 11, 2015 | M BALASUBRAMANIYAM Partner Membership No. F7945 |

BALANCE SHEET AS AT MARCH 31, 2015

| J | | | | Note No. | | As at March 31, 2013 | | As at rch 31, 2014 |
|----|----|------|--------------------------------|-------------|--------|-------------------------|--------|-----------------------|
| I | EÇ |)UIT | Y AND LIABILTIES | | | | | |
| | 1. | Sh | areholders' Funds | | | | | |
| | | a) | Share Capital | 1 | 70,000 | | 70,000 | |
| | | b) | Reserves & Surplus | 2 | 66,862 | 136,862 | 47,700 | 117,700 |
| | 2. | No | n-current Liabilities | | | | | |
| | | a) | Deferred Tax Liabilities (Net) | 4 | 1,680 | | 6,352 | |
| | | b) | Long-term Provisions | 7 | | 1,680 | | 6,352 |
| | 3. | Cu | rrent Liabilities | | | | | |
| | | a) | Short-term borrowings | 3 | - | | 29,000 | |
| | | b) | Trade payables | 5 | 24,352 | | 17,958 | |
| | | C) | Other Current Liabilities | 6 | 3,386 | | 3,552 | |
| | | d) | Short-term Provisions | 7 | 2,102 | 29,840 | 1,970 | 52,480 |
| | | | Total | | | 168,382 | | 176,532 |
| 11 | AS | SET | s | | | | | |
| | 1. | No | n-current Assets | | | | | |
| | a) | Fix | ed Assets | | | | | |
| | | | Tangible Assets | 8 | 63,444 | | 79,943 | |
| | b) | Lo | ng-term Loans and Advances | 9 | 1,743 | 65,187 | 994 | 80,937 |
| | 2. | Cu | rrent Assets | | | | | |
| | | a) | Inventories | 11 | 27,062 | | 17,884 | |
| | | b) | Trade Receivables | 12 | 43,179 | | 51,935 | |
| | | C) | Cash and cash equivalents | 13 | 20,659 | | 1,854 | |
| | | d) | Short-term Loans and Advances | 9 | 11,145 | | 22,174 | |
| | | e) | Other Current Assets | 10 | 1,150 | 103,195 | 1,748 | 95,595 |
| | | | Total | | | 168,382 | | 176,532 |
| | | | | | | | | |

| S MEENAKSHISUNDARAM Secretary | R DILIP KUMAR V G JAGANATHAN Directors | As per our report annexed For SUNDARAM & SRINIVASAN Chartered Accountants Regn. No. 004207S |
|----------------------------------|--|--|
| Chennai May 11, 2015 | | M BALASUBRAMANIYAM Partner Membership No. F7945 |

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015 CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

| | | Note | Year ended | ₹ Thousands Year ended |
|-------------|--|--|---|-----------------------------------|
| | | No. | March 31,2015 | March 31,2014 |
| I | Revenue from Operations | 14 | 267,512 | 249,097 |
| | Less : Excise Duty | | 9,994 | 6,268 |
| | | | 257,518 | 242,829 |
| II | Other Income | 15 | 2,291 | 3,947 |
| | Total Revenue (I + II) | | 259,809 | 246,776 |
| IV | Expenses : | | | |
| | Cost of Materials Consumed | 16 | 123,410 | 117,087 |
| | Changes in inventories of Fin | , | | |
| | Work-in-Process and Stock-in | -Trade 17 | (4,374) | 960 |
| | Employee Benefit Expense | 18 | 11,827 | 11,908 |
| | Finance Costs | 19 | 1,383 | 4,409 |
| | Depreciation, obsolesence an | | 1(10) | 22.270 |
| | expenses | 8 | 16,493 | 23,276 |
| | Other Expenses | 20 | 85,128 | 72,495 |
| | Total Expenses | | 233,867 | 230,135 |
| V | Profit before exceptional an items and tax (III-IV) | d extraordinary | 25,942 | 16,641 |
| VI | Exceptional Items | | 23,742 | 10,041 |
| VII | Profit before extraordinary i | toms and tax (1/1/1) | 25,942 | 16,641 |
| VIII | Extraordinary Items | tenis anu tax (v-vi) | 23,742 | 10,041 |
| IX | Profit before tax (VII-VIII) | | 25,942 | 16,641 |
| | | | | |
| Х | Tax Expense : | | 11.070 | 4 770 |
| | 1) Current Tax | | 11,076 | 4,770 |
| | 2) Deferred Tax | | (4,570) | 1,947 |
| | 3) Earlier years | | 62 | |
| XI | Profit/(Loss) for the period fi | om continuing operations | (IX-X) 19,374 | 9,924 |
| XII | Profit /(Loss) from discontinui | ng operations | - | - |
| XIII | Tax expense of discontinuing | operations | - | - |
| XIV | Profit / (Loss) from discontin | uing operations (after tax) | (XII-XIII) – | - |
| XV | Profit (Loss) for the period () | (I + XIV) | 19,374 | 9,924 |
| XVI | Earnings per equity share : | | | |
| | 1) Basic | | 2.77 | 1.42 |
| | 2) Diluted | | 2.77 | 1.42 |
| | No. of Shares | | 7,000,000 | 7,000,000 |
| | ENAKSHISUNDARAM etary | R DILIP KUMAR V G JAGANATHAN Directors | As per our report For SUNDARAM Chartered Accour Regn. No. 004203 | annexed & SRINIVASAN ntants |
| Chei May | nnai 11, 2015 | | M BALASUBRAM Partner Membership No. | ANIYAM |

| | | Yea | ar ended | | housands ear ended |
|--|--|-----------|------------------------------------|----------------------------|-------------------------|
| | | 31-3-2015 | | | 1-3-2014 |
| A. CASH FLOW FROM OP | ERATING | | | | |
| ACTIVITIES: | | | | | |
| Net Profit before Tax | | | 25,942 | | 16,641 |
| Adjustments For: | | | | | |
| Depreciation | | 16,493 | | 23,276 | |
| Interest Expense (Net |) | 545 | | 4,364 | |
| Operating Profit bef Extraordinary items Working Capital cha | & | | <u>17,038</u> 42,980 | | <u>27,640</u> 44,281 |
| Adjustments for Char Working Capital: | nges in | | | | |
| Trade and other rece | ivables | 11,952 | | (21,352) | |
| Inventories | | (9,178) | | 8,656 | |
| Trade and other paya | bles | 6,222 | 8,996 | 10,606 | (2,090) |
| Cash Generated from | Operations | | 51,976 | | 42,191 |
| Less : Direct Taxes Pa | aid (Net) | | 3,318 | | 1,628 |
| NET CASH FROM OPER Activities | ATING | | 48,658 | | 40,563 |
| B. CASH FLOW FROM INV ACTIVITIES: | /ESTING | | | | |
| Purchase of Fixed As | sets | | (308) | | - |
| NET CASH USED IN IN ACTIVITIES | VESTING | | (308) | | |
| C. CASH FLOW FROM FIN ACTIVITIES: | IANCING | | | | |
| Cash Credit from Bar | ık | | - | | (6,060) |
| Interest paid (Net) | | | (545) | | (4,364) |
| Rupee Packing Credi | t Loan repaid | | (54,000) | | (30,326) |
| Rupee Packing Credi | t Loan raised | | 25,000 | | 1,145 |
| NET CASH USED IN FIN ACTIVITIES | ANCING | | (29,545) | | (39,605) |
| NET INCREASE / (DECREA CASH AND CASH EQUIV | ALENTS (A+B+C) | | 18,805 | | 958 |
| CASH AND CASH EQUI Opening Balance | | | 1,854 | | 896 |
| CASH AND CASH EQUI Closing Balance | IVALEINTS - | | 20,659 | | 1,854 |
| Notes: CASH AND CASH EQUI a) Cash and Cheques or b) With Scheduled Bank | n hand | | 11 | | 4 |
| i) Current Accountii) Deposit Accounts | | | 5,648 15,000 | | 1,850 |
| Total | | | 20,659 | | 1,854 |
| S MEENAKSHISUNDARAM Secretary | R DILIP KUMAR V G JAGANATHAI Directors | N | For SUND Chartered Regn. No. | | NIVASAN |
| Chennai May 11, 2015 | | | Partner | IBRAMANIY. ip No. F7945 | |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

1

| | | | | I | As at March 31,201 | 5 Mar | As at rch 31, 2014 | |
|---|-----|-------|---|-----------|-----------------------|-----------|-----------------------|--|
| I | SH/ | ARE (| CAPITAL | | | | | |
| | a. | Aut | horised | | | | | |
| | | 1,2 | 5,00,000 Equity Shares of ₹ 10 each | | 125,000 | | 125,000 | |
| | b. | lssu | ied | | | | | |
| | | 70, | 00,000 Equity Shares of ₹10 each | | 70,000 | | 70,000 | |
| | c. | Sub | scribed and Paid-up | | | | | |
| | | 70, | 00,000 Equity Shares of ₹ 10 each fully paid-up | | 70,000 | | 70,000 | |
| | d. | Rec | onciliation of number of shares | | | | | |
| | | | | No. of | Value | No. of | Value | |
| | | Equ | ity Shares | Shares | ₹ 000s | Shares | ₹ 000s | |
| | | 1. | Balance at the beginning of the year | 7,000,000 | 70,000 | 7,000,000 | 70,000 | |
| | | 2. | Add : Shares issued during the year | - | - | - | - | |
| | | 3. | Bonus Shares issued during the year | - | - | - | - | |
| | | 4. | Balance as at the end of the year | 7,000,000 | 70,000 | 7,000,000 | 70,000 | |

₹ Thousands

e. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Na | me of the Shareholder | No. of Shares | Shares as % of Total No. of Shares | No. of Shares | Shares as % of Total No. of Shares |
|----|-------------------------------------|------------------|---|------------------|---|
| 1. | Sundram Fasteners Limited, Chennai | 5,320,000 | 76 | 5,320,000 | 76 |
| 2. | Bleistahl Produktions GmbH & Co KG, | | | | |
| | Germany | 1,680,000 | 24 | 1,680,000 | 24 |
| | Sub Total | 7,000,000 | 100 | 7,000,000 | 100 |
| 3. | Total No. of Shares of the Company | 7,000,000 | 100.00 | 7,000,000 | 100.00 |

f. Shares allotted as fully paid up by way of Bonus Shares (during 5 years immediately preceding March 31, 2015)

Equity shares allotted as fully paid up bonus shares by capitalization of capital redemption reserve Nil

g. Terms / rights attached to shares

The Company has only one class of equity shares having a face value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. As and when the Company declares dividend, it will be paid in Indian Rupees. 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.

| | | | As at 31-03-2015 | As at 31-03-2014 |
|---|-----|--|---------------------|---------------------|
| | h. | Shares held by holding company and subsidiary of holding company | | |
| | | 1. Sundram Fasteners Ltd., Chennai - Holding Company | 5,320,000 | 5,320,000 |
| | | 2. Shares held by subsidiary of Holding Company | Nil | Nil |
| 2 | RES | SERVES & SURPLUS | | |
| | a. | Surplus in Statement of Profit and Loss | | |
| | | 1. Balance as at the beginning of the year | 47,700 | 37,776 |
| | | 2. Add: Profit for the Year | 19,374 | 9,924 |
| | | 3. Balance available for appropriation (1 + 2) | 67,074 | 47,700 |
| | | 4. Less: Differential Depreciation charged to retained earning as per Schedule II of Companies Act 2013 314 | | |
| | | Defferred Tax reversal consequent to above (102) | 212 | |
| | | 5. Total Reserves and Surplus (3-4) | 66,862 | 47,700 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 3. BORROWINGS ₹ Thousands Long-term / Non-current Short-term / Current As at As at As at a. Secured 31-3-2015 31-3-2014 31-3-2015 31-3-2014 Term Loans i. ii. Working Capital Loans Cash Credit from Bank -Rupee Packing Credit Loan from Bank Secured by hypothecation of current assets of the Company viz., stocks of raw materials, work-in-process, finished goods and receivables (A) b. Unsecured Loan from Holding Company (B Total (A + B) 4. DEFERRED TAX LIABILITY / (ASSETS) a. Deferred Tax Liability: On Depreciation : As per last Balance Sheet 6.352 9.587 Less : For the current year (transferred from Statement of Profit & Loss) (4,554) (3,235) Tax effect on differtial depreciation as per Companies Act, 2013 (transferred to retained earnings) (102)Sub Total 1,696 6.352 b. Deferred Tax Asset : On Provision for Leave Salary & Gratuity i. As per last Balance Sheet (292) For the current year (transferred from Statement of Profit & Loss) 292 ii. Unabsorbed Depreciation & Business Losses As per last Balance Sheet (4.890)For the current year (transferred from Statement of Profit & Loss) 4 8 9 0 iii. Others As per last Balance Sheet

As at

29.000

29,000

29.000

29,000

1,799

1.970

5. TRADE PAYABLES

For the current year (transferred from Statement of Profit & Loss)

Net Deferred Tax Liability / (Asset) (a+b)

|), IK | ADE INTROLES | | | | |
|----------|--|---|-----------------------|---------------------------------|----------------------------|
| | ndry Creditors for Goods Purchased / Services ailed | | | 24,352 | 17,958 |
| 710 | aneu | | | 24,332 | 17,900 |
| | Total | | - | 24,352 | 17,958 |
| Tra | ade Payables include : | | | | |
| a) | Total outstanding Dues of Micro, Small & Medium Enterprises (MSMEs) ** | - | - | - | - |
| b) | Total outstanding Dues of Creditors other than MSMEs | | | 24,352 | 17,958 |
| | | - | - | 24,352 | 17,958 |
| 6 01 | regular in making payments of dues to such enterpi provision therefore towards belated payments does r | | | | |
| 1. | 1 17 | | question or | payments or | interest or |
| | THER LIABILTIES | | Jucstion of | | |
| 2 | THER LIABILTIES Statutory Dues | | - | 541 | 684 |
| 2. | FIER LIABILTIES Statutory Dues Unclaimed Wages & Salaries | | - - | 541 34 | 684 149 |
| 3. | H ER LIABILTIES Statutory Dues Unclaimed Wages & Salaries Non-Statutory dues | | - - - | 541 34 2,787 | 684 149 2,347 |
| | HER LIABILTIES Statutory Dues Unclaimed Wages & Salaries Non-Statutory dues Customer Advances | | - - - | 541 34 2,787 <u>24</u> | 684 149 2,347 372 |
| 3. | H ER LIABILTIES Statutory Dues Unclaimed Wages & Salaries Non-Statutory dues | | - - - - | 541 34 2,787 | 684 149 2,347 |
| 3. 4. | HER LIABILTIES Statutory Dues Unclaimed Wages & Salaries Non-Statutory dues Customer Advances | | - - - - | 541 34 2,787 <u>24</u> | 684 149 2,347 372 |
| 3. 4. | HER LIABILTIES Statutory Dues Unclaimed Wages & Salaries Non-Statutory dues Customer Advances Total | | - - - - - | 541 34 2,787 <u>24</u> | 684 149 2,347 372 |

(16)

(16)

1.680

Sub Total

| | 8 | NON-CURRENT | ASSETS - | FIXED | ASSETS |
|--|---|-------------|----------|-------|--------|
|--|---|-------------|----------|-------|--------|

₹ Thousands Tangible Assets Particulars Land -Buildings Plant and Furniture & Office Vehicles Total Free Hold Equipment Equipment fixtures A Cost of Assets As at 1-4-2014 4,971 37,737 187,210 630 498 21 231,067 Additions 78 220 10 308 _ _ Sales / Discards _ _ _ _ _ _ _ Other Adjustments _ -_ _ Transfer (35) 104 (69) _ _ _ Borrowing Costs As at 31-3-2015 4,971 37,815 187,395 734 439 21 231,375 B Depreciation / Amortization As at 1-4-2014 10,186 140,315 330 283 10 151,124 _ Charges for the year 16,493 1,171 15,173 140 7 2 _ Differential Depreciation to give effect as per requirement of Companies Act, 2013 183 314 129 2 _ _ _ 473 167,931 -11,357 155,617 472 12 Deduction on sale or discards _ -_ _ _ --Transfer 99 (31) (68) As at 31-3-2015 11,357 155,586 571 405 12 167,931 -С Written Down Value As at 31-3-2015 26,458 63,444 4,971 31,809 163 34 9 As at 31-3-2014 4,971 27,551 46,895 300 215 11 79,943

| NC | TES TO FINANCIAL STATEMENTS FOR THE YEAR EN | DED 31ST MA | ARCH, 2015 | 1 | Thousands |
|-----|--|-------------|-------------|-----------|-----------|
| 9. | LOANS AND ADVANCES (UNSECURED, CONSIDER | ED | Non-current | | Current |
| | GOOD UNLESS STATED OTHERWISE) | As at | As at | As at | As at |
| | | 31-3-2015 | 31-3-2014 | 31-3-2015 | 31-3-2014 |
| | A. Security Deposits | 1,743 | 994 | - | - |
| | (A) | 1,743 | 994 | - | _ |
| | B. Other Loans and Advances | | | | |
| | Balance with Excise Authorities | - | - | 607 | 176 |
| | Advance Income-tax (net of provision for taxation) | - | - | 1,700 | 1,701 |
| | Prepaid Expenses | - | - | 471 | 671 |
| | Advances for supply of Raw Materials | - | - | 549 | 4,566 |
| | Advances recoverable in Cash or in kind | - | - | 86 | 1,416 |
| | Minimum Alternate Tax Credit Entitlement | - | - | 7,732 | 13,644 |
| | (B) | - | | 11,145 | 22,174 |
| | Total (A + B) | 1,743 | 994 | 11,145 | 22,174 |
| 10. | OTHER ASSETS (UNSECURED, CONSIDERED GOOD UNLESS STATED OTHERWISE) |) | | | |
| | a Claims receivable | - | - | 1,146 | 1,748 |
| | b Interest receivable | | | 4 | |
| | Total | | | 1,150 | 1,748 |
| 11. | INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE) | | | | |
| | a. Stores & Spares* | - | - | 1,981 | 7,107 |
| | b. Raw Materials and Components* | - | - | 16,590 | 6,660 |
| | c. Work-in-Process - Valve guides* | - | - | 6,322 | 2,600 |
| | d. Finished Goods* | - | - | 554 | 1,517 |
| | e. Finished Goods in Transit* | | | 1,615 | 2,169 |
| | Total | | | 27,062 | 17,884 |
| | * Certified by Manager. | | | | |

| NO | TES TO FINANCIAL STATEMENTS FOR THE YEAR ENI | DED 31ST M | ARCH, 2015 | 1 | Thousands |
|-----|---|------------|-------------|-------------------|-------------------|
| 12. | TRADE RECEIVABLES (UNSECURED, CONSIDERED O | GOOD | Non-current | | Current |
| | UNLESS STATED OTHERWISE) | As at | As at | As at | As at |
| | | 31-3-2015 | 31-3-2014 | 31-3-2015 | 31-3-2014 |
| | A. Outstanding for a period exceeding 6 months | | | | |
| | from the date they are due for payment | | | | |
| | Unsecured, Considered Good | - | - | 1,859 | 1,972 |
| | Doubtful | | | 48 | |
| | | | | 1,907 | 1,972 |
| | Less : Provision for bad and doubtful debts | - | - | 48 | - |
| | (A) | | | 1,859 | 1,972 |
| | B. Unsecured, Considered Good - Others | | | 41,320 | 49,963 |
| | (B) | | | 41,320 | 49,963 |
| | Total (A+B) | | | 43,179 | 51,935 |
| 13. | CASH AND BANK BALANCES | | | | |
| | Cash and Cash Equivalents | | | | |
| | a. Balances with Bank | | | | |
| | Current Account | - | - | 5,648 | 1,850 |
| | ii) Deposit Accounts-maturity less than 3 months | - | - | 15,000 | - |
| | b. Cash on hand | | | 11 | 4 |
| | Total | | | 20,659 | 1,854 |
| | | | | | Thousands |
| | | | | ear ended | Year ended |
| | REVENUE FROM OPERATION | | | 31-3-2015 | 31-3-2014 |
| 14. | | | | | |
| | a. Sales of Products (Refer Note 14A) Domestic | | | 94,276 | EE 601 |
| | Export | | | 94,276 172,498 | 55,621 192,555 |
| | Export | Sul | b Total | 266,774 | 248.176 |
| | b. Other Operating Revenues (Refer Note 14B) | Jui | UTUIAI | 738 | 921 |
| | b. Oner operating revenues (reter hote 14b) | Sul | b Total | 267.512 | 249.097 |
| | Less : Excise Duty | Jui | 0 . Jul | 9,994 | 6.268 |
| | Loo Linois Bay | | Total | 257,518 | 242,829 |

| NOT | ES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST | MARCH, 20 | 15 Year ended | ₹ Thousands Year ended |
|------|--|-------------|------------------|---------------------------|
| | | | 31-3-2015 | 31-3-2014 |
| 14A. | DETAILS OF PRODUCTS SOLD | | | |
| | Powder metal parts | | 266,774 | 248,176 |
| | | Total | 266,774 | 248,176 |
| 14B. | OTHER OPERATING REVENUE | | | |
| | Scrap Sales | | 738 | 921 |
| | | Total | 738 | 921 |
| 15. | OTHER INCOME | | | |
| | Interest Income | | 838 | 45 |
| | Net Foreign Exchange gain (Net of Loss) | | - | 3,001 |
| | Miscellaneous Income | Total | 1,453 | <u>901</u> 3,947 |
| | | | 2,291 | |
| 16. | RAW MATERIALS INCLUDING PACKING MATERIALS CONS | SUMED | ((() | 7.1.4 |
| | Opening Stock of Raw Material Add : Purchase of Materials | | 6,660 133,340 | 7,144 116,603 |
| | | Sub Total | 140,000 | 123,747 |
| | Less : Closing Stock of Raw Material | | 16,590 | 6,660 |
| | , | Total | 123,410 | 117,087 |
| | Consumption of Raw Materials under Broad Head | | | |
| | Metal Powder | | 123,410 | 117,087 |
| | Consump | tion Total | 123,410 | 117,087 |
| 17. | CHANGES IN INVENTORIES OF FINISHED GOODS, WORK | -IN-PROCESS | | |
| | AND STOCK-IN-TRADE Opening Stock : | | | |
| | Work-in-Process - Valve guides | | 2,600 | 2.849 |
| | Finished Goods - Valve guides | | 1,517 | 2,228 |
| | 0 | | 4,117 | 5,077 |
| | Less : Closing Stock | | | |
| | Work-in-Process - Valve guides | | 6,322 | 2,600 |
| | Finished Goods - Valve guides | | 2,169 | 1,517 |
| | Changes in Ir | wentories | 8,491 (4,374) | 4,117 960 |
| 10 | , i i i i i i i i i i i i i i i i i i i | IVEIII011E5 | (+,5/+) | |
| 18. | EMPLOYEE BENEFIT EXPENSES Salaries, Wages, Bonus and Allowances | | 9,597 | 9,426 |
| | Provident and Other Funds | | 1,016 | 1,171 |
| | Welfare Expenses | | 1,214 | 1,311 |
| | | Total | 11,827 | 11,908 |
| 19. | FINANCE COST | | | |
| | a) Interest Expenses | | 1,383 | 3,249 |
| | b) Applicable net gain/loss on foreign currency transactions an | ıd | | 1 1(0 |
| | translation including borrowing cost | Total | 1,383 | 1,160 4,409 |
| 20. | OTHER EXPENSES | TUIdI | 1,303 | 4,405 |
| 20. | a) Stores and Tools consumed | | 29,639 | 27,494 |
| | b) Power & Fuel | | 18,132 | 18,549 |
| | c) Rent | | 202 | 731 |
| | d) Rates & Taxes | | 590 | 480 |
| | e) Insurance | | 193 | 226 |
| | f) Repairs & Maintenance - Building | | 1,147 | 1,182 |
| | g) Repairs & Maintenance - Plant & Equipment h) Miscellaneous Expenses (refer note no.21) | | 4,726 30,499 | 7,027 16,806 |
| | in miscellarious expenses (relef note not21) | Total | 85,128 | 72,495 |
| 21. | MISCELLANEOUS EXPENSES | | | |
| | a) Sub-contract expenses | | 12,679 | 7,604 |
| | b) Repairs & Maintenance - Other assets | | 866 | 494 |
| | c) Remuneration to Auditors (Refer Note 22) | | 382 | 490 |
| | d) Net Foreign exchange loss (net off gain) | | 3,874 | - |
| | e) Export Expenses f) Sundry Expenses (Linder this head there is no expenditure with the second second | hich | 9,339 | 4,369 |
| | f) Sundry Expenses [Under this head there is no expenditure w is in excess of 1% of revenue from operations or ₹ 1 lakhs | muu | | |
| | whichever is higher] | | 3,359 | 3,849 |
| | | Total | 30,499 | 16,806 |
| | | | | |

| | | - | | | | | DCIL 0045 | | * TI I |
|-----|----------------------------|------------|--|---------------|----------|--------------------------|--------------|---------------------|---------------------------|
| NU | 1510 | FINANG | CIAL STATEMENT | STUK THE 1 | EAK EN | DED 3151 MA | ' | ear ended | ₹ Thousands Year ended |
| | | | | | | | | 31-3-2015 | 31-3-2014 |
| 22. | | | ON TO AUDITOR | RS CONSIST | OF | | | 200 | 200 |
| | a) As A | | Matters | | | | | 200 70 | 200 55 |
| | | | y Law Matters | | | | | 35 | 35 |
| | | Other Se | | | | | | 25 | 165 |
| | e) Reir | mbursem | ient of expenses | | | | | 17 | 25 |
| | | | iance Certificate f | ee | | | | 10 | 10 |
| | g) Seci | retarial A | udit fee | | | | | 25 | |
| | | | | | | | Total | 382 | 490 |
| 23. | | | IMPORTS | | | | | 00 800 | 02.224 |
| | | v Materia | | | | | | 83,592 401 | 83,331 97 |
| | | | s & Spare Parts ools, Gauges etc. | | | | | 3,771 | 2.848 |
| | d) Oth | | oois, dauges eie. | / | | | | 1,009 | 676 |
| | ., | | | | | | Total | 88,773 | 86,952 |
| 24. | EARNI | NGS IN | FOREIGN EXCH/ | ANGE | | | - | | |
| | FOB va | alue of e | xports | | | | | 172,498 | 192,555 |
| | | | | | | | Total | 172,498 | 192,555 |
| 25. | | | IN FOREIGN CU | RRENCY | | | | | |
| | a) Trav | | | | | | | 125 | - |
| | | ort Exper | | . Ir - | | | | 9,339 | 4,369 |
| | с) кер | iairs & M | aintenance - Plan | t and Equipm | iet | | - Total | <u>528</u> 9.992 | 4,369 |
| | | | | | | Year ei | | Year (| |
| | | | | | | 31-03-2 | | 31-03 | |
| | | | | | | Value ₹ | % to total | Value ₹ | % to total |
| 26 | | | | DICENOUS | D.1.1/ | Thousands | consn. | Thousands | consn. |
| 26. | MATER | RIALS CO | PORTED AND IN DNSUMED AND NSUMPTION: | | | | | | |
| | | | als, Components | & Finished G | oods | | | | |
| | 1) | Import | · · | | | | | | |
| | | Metal P | owder | | | 83,592 | 68 | 83,331 | 71 |
| | | | | | | 83,592 | 68 | 83,331 | 71 |
| | 2) | Indige | | | | | | | |
| | | Metal P | owder | | | 39,818 | 32 | 33,756 | 29 |
| | | | | | Total | <u>39,818</u> 123,410 | 100 | 33,756 | 100 |
| | B) Sna | res & To | ols : | | TUIdi | 123,410 | 100 | | |
| | a) | Importe | | | | 5,181 | 17 | 3,621 | 13 |
| | b) | Indigen | OUS | | | 24,458 | 83 | 23,873 | 87 |
| | | | | | Total | 29,639 | 100 | 27,494 | 100 |
| 27. | Figures | for the p | revious year have l | been re-group | ed, wher | ever necessary | to conform t | o current year | classification. |
| 28 | SIG | NIFIC | ANT ACCO | UNTING | | CIES | | | |
| _0 | 1. | Ассо | unting polic nstitute of C | ies / com | plianc | e of Acco | | andards i | issued by |
| | | | | | | | | | |
| | | (1) | AS - 1 - 116 | CIOSIIPA A | | ninting Pa | | | |
| | | (1) | AS - 1 : Disc In the prepa | | | 0 | | the Com | pany has |

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The Significant accounting policies are set out hereunder:

(2) AS - 2 : Valuation of Inventories

Inventories are valued at lower of cost or net realisable value. Raw materials, Stores & Tools are valued at cost of purchase and includes all expenses incurred in bringing the materials to their present location and condition. Work-in-process and finished goods include cost of direct materials and cost of conversion. Cost is determined on a weighted average basis.

(3) AS - 3 : Cash Flow Statements

Cash Flow statement is prepared under indirect method and the same has been attached to the balance sheet and Statement of Profit and Loss.

NOTES ON FINANCIAL STATEMENTS (Contd.)

(4) AS - 4 : Contingencies and events occuring after balance sheet date

There are no events occurring after the balance sheet date that require adjustment or disclosure.

- (5) AS 5 : Net profit or loss for the period, prior period items and changes in accounting policies
 - (i) Net profit for the period :

All items of income and expense in the period are included in the determination of net profit for the period, unless specifically mentioned elsewhere in the financial statements or is required by an Accounting Standard.

(ii) Prior period items : Miscellaneous Expenses

| | | ₹ Thousands |
|--|------|-------------|
| Year e | nded | Year ended |
| 31-03-2 | 2015 | 31-03-2014 |
| a) Repairs and Maintenance - | | |
| Electricals | - | 8 |
| b) Salaries & Bonus | - | 53 |
| c) Consumption Tools | - | 214 |
| d) Consumption Mechanical Spares | - | 2 |
| e) Clearing and Forwarding Charges | 70 | - |
| f) Sub Contract Charges | 2 | - |
| g) Freight Outward | 39 | - |
| h) Courier Charges | 1 | - |
| | | |

(iii) Accounting policies

There are no changes in the accounting policies of the Company from that of the previous year.

(6) AS - 6 : Depreciation Accounting

Depreciation is provided on Straight Line Method based on the useful life definded in the Schedule II of the Companies Act, 2013. Differential depreciation charged to retained earnings in respect of assets whose life has been exhausted as per requirements of Companies Act, 2013.

(7) AS - 9 : Revenue recognition

The revenue and expenditure are accounted on a going concern basis.

Income of the company is derived from Sale of Manufactured Components and includes excise duty and is net of sales returns. In case of export of goods, the sale is recognised on the basis of LET export date. In the case of domestic sales, sale is recognised only when the goods were inwarded by the customer.

Interest incomes/expenses are recognised using the time proportion method based on the rates implicit in the transaction.

(8) AS - 10 : Accounting for fixed assets

The gross blocks of fixed assets are shown at the cost of acquisition, which includes taxes, duties (net of excise duty credit availed) and other identifiable direct expenses incurred upto the date the asset is put to use.

(9) AS - 11 : Effects of changes in foreign exchange rates

All loans in foreign currency and outstanding at the close of the year are expressed in Indian currency at the appropriate rates prevailing on the date of the balance sheet.

Transactions on account of import of raw materials and other inputs are accounted based on the actual liability incurred if the

NOTES ON FINANCIAL STATEMENTS (Contd.)

transactions are settled within the financial year. Such transactions not settled during the accounting year are accounted on the rates prevailing on close of the accounting year.

Export sale realisations are accounted at actuals and those not realised within the accounting year are stated at rates prevailing on close of the accounting year.

Net exchange difference is recognised in Statement of Profit and Loss [gain / (loss)]

| | ₹ Thousands | |
|---|---------------------|-------|
| | As at 31-03-2015 | |
| On Account of restatement of Export receivables On Account of restatement of | (309) | (555) |
| Import payables | 57 | (288) |

(10) AS - 15 : Employee Benefits

Contribution to Provident fund is in the nature of defined contribution plan and the same is made to Government. Gratuity liability under the Payment of Gratuity Act is based on actuarial valuation carried out at the close of the year.

(11) AS - 16 : Borrowing cost

Interest on borrowings to finance fixed assets are capitalised only if the borrowing costs are directly attributable to the acquisition of fixed assets that take a substantial period of time to get ready for its intended use. Other interest and borrowing costs are charged to revenue.

Borrowing cost capitalised during the period - NIL.

(12) AS - 17 : Segment reporting

The Company operates in single segment.

(13) AS - 18 : Related party disclosure

Related Parties :

(I) Where Control exists :

(A) Holding Company

Sundram Fasteners Limited, Chennai - Holding Company

(B) Fellow Subsidiary Companies

Sundram Fasteners Investments Ltd., Chennai Upasana Engineering Ltd., Chennai Sundram Non-Conventional Energy Systems Ltd, Chennai

TVS Infotech Ltd, Chennai

Cramlington Precision Forge Ltd., Northumberland, United Kingdom

Sundram RBI Sdn. Bhd., Kualalumpur, Malaysia Sundram Fasteners (Zhejiang) Ltd., Peoples Republic of China

Peiner Umformtechnik GmbH, Peine, Germany PUT Grundstucks GmbH, Peine Germany TVS Peiner Services GmbH, Peine Germany Sundram International Inc, Michigan, USA TVS International Inc, Michigan, USA

(C) Key Management Personnel

Mr. S. Ravishankar (upto 13th September, 2013), Manager Mr. C. Arjunan (from 1st January, 2014 to 19th May, 2014), Manager ₹ Thousands

NOTES ON FINANCIAL STATEMENTS (Contd.)

| 0.11 | Not test 2 of the test (contai) | As at / Year ended 31-3-2015 | As at / Year ended 31-3-2014 |
|------|---|------------------------------------|------------------------------------|
| | Transactions with related parties | 0102010 | 5152011 |
| | (A) Purchase of Goods: | | |
| | Holding Company | 46,927 | 35,603 |
| | Fellow Subsidiaries | - | - |
| | (B) Sale of Goods: – Holding Company | 68,774 | 48,708 |
| | (C) Services received: | | |
| | -Holding Company | 1,822 | 258 |
| | (D) Finance* | | |
| | Holding Company – Unsecured Loans received fro Holding Company (Net of Repayments) | m _ | (30,326) |
| | Interest cost on unsecured Loans received from Holding Company * Finance includes loans | - | 1,367 |
| | (E) Management contracts, including deputation of employees | | |
| | – Remuneration to Key | | |
| | Management Personnel | - | 1,144 |
| | (F) Outstanding balances | | |
| | Due to the company | | |
| | Holding Company - (Sale Transactions) | 9,372 | 4,973 |
| | - Fellow Subsidaries | - | - |
| | Payable by the company | | |
| | Holding company (Purchase | | |
| | Transactions) | 3,782 | 5,679 |
| | Holding company - Unsecured loan | d _ | - |
| (14) | AS - 19 : Leases | N.A. | N.A. |
| (15) | AS - 20 : Earnings per share | | |
| (, | Basic earnings per share are disclosed in Statement of Profit and Loss. There is no diluted earnings per share as there are no | | ₹ 1.42 |
| | dilutive potential equity shares. | | |
| | Weighted average number of shares | 70,00,000 | 70,00,000 |
| | Face Value per share (fully paid up) | ₹10 | ₹10 |
| (16) | AS - 22 : Accounting for Taxes on Incom Tax expense comprises of current and deferred tax. Current income tax is measu at the amount expected to be paid to the authorities in accordance with the Indian Income-tax Act, 1961. Deferred Income to reflect the impact of current year timing differences between taxable income and encounting income for the unear and encount | ured tax | |

accounting income for the year and reversal of timing differences of earlier years.

| NOTES ON I | INANCIAL STATEMENTS (Contd.) ₹ Thousands As at / As at / Year ended Year ended 31-3-2015 31-3-2015 | |
|------------|---|--|
| | MAT credit is recognised as an asset only – when and to the extent there is convincing evidence that company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the institute of Chartered Accountants of India, the said asset is created by way of credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal income tax during the specified period. During the year ₹ 5,861 thousands has been utilised from the MAT credit balance. | |
| (17) | AS - 29 : Provisions, Contingent Liabilities and Contingent Assets | |
| | (i) Contingent Liabilities - Bank Guarantee 1,500 1,500 (ii) Liabilities disputed and not provided for : | |
| | (a) Income - tax - under appeal – – (iii) Estimated amount of contracts remaining | |
| | to be executed on capital account and not provided for – – | |
| (18) | AS - 30 : Financial Instruments: Recognition & Measurement: a) AS 30 was issued by the Institute of Chartered Accountants of India (ICAI) in 2007, but has not yet been notified by the Government. | |
| | b) ICAI has clarified that to the extent of accounting treatments covered by any one of the existing notified accounting standards (for eg. AS 11, AS 13 etc.,) the existing accounting standards would continue to prevail over AS 30. | |
| | c) Since the company follows the accounting treatment specified in the AS 30 through the accounting treatment under existing accounting standards i.e. AS 11 & AS 13 etc. AS 30 is not | |

accounting standards i.e., AS 11 & AS 13 etc., AS 30 is not followed.

| S MEENAKSHISUNDARAM Secretary | R DILIP KUMAR V G JAGANATHAN Directors | As per our report annexed For SUNDARAM & SRINIVASAN Chartered Accountants Regn. No. 004207S |
|----------------------------------|--|--|
| Chennai May 11, 2015 | | M BALASUBRAMANIYAM Partner Membership No. F7945 |