

Sundram Fasteners (Zhejiang) Limited
CHINA

ANNUAL REPORT

**for the year ended
March 31, 2022**

Sundram Fasteners (Zhejiang) Limited

(Incorporated in People's Republic of China)

Balance Sheet as at March 31, 2022

	Note	As at March 31, 2022		As at March 31, 2021	
		RMB	₹	RMB	₹
ASSETS					
Non-current assets					
Property, plant and equipment	5	155,535,830	1,856,972,258	139,821,508	1,557,503,501
Capital work-in-progress	5	12,284,450	146,676,331	11,860,068	132,121,163
Investment property	6	4,423,667	52,818,569	4,725,111	52,637,716
Other Intangible assets	7 (a)	152,365	1,819,237	197,960	2,205,270
Right of Use of Assets	7 (b)	10,420,137	124,416,431	10,677,303	118,945,155
Other non-current assets	10	10,734,480	128,169,695	15,600,872	173,793,719
		193,550,929	2,310,872,521	182,882,822	2,037,206,524
Current assets					
Inventories	11	71,015,501	847,925,078	68,391,093	761,876,772
Financial assets:					
- Trade receivables	12	97,632,532	1,165,732,427	98,460,230	1,096,846,961
- Cash and cash equivalents	13	16,548,091	197,584,213	5,794,775	64,553,789
- Others	8	295,981	3,534,012	194,823	2,170,332
Assets for current tax (net)	9	3,902,921	46,600,873	3,413,947	38,031,370
Other current assets	10	867,100	10,353,179	618,137	6,886,055
		190,262,126	2,271,729,782	176,873,005	1,970,365,279
Total assets		383,813,055	4,582,602,303	359,755,827	4,007,571,803
EQUITY AND LIABILITIES					
Equity					
Equity Share capital	14	160,215,065	1,912,967,871	160,215,065	1,784,795,820
Other equity		13,382,313	159,659,247	32,358,989	360,371,035
Total equity		173,597,378	2,072,627,118	192,574,054	2,145,166,855
Liabilities					
Non-current liabilities					
Financial liabilities:					
- Borrowings	15	69,887,882	834,461,306	43,287,180	482,219,185
- Trade payables					
- Dues to others	17	989,842	11,818,713	101,875	1,134,892
		70,877,724	846,280,019	43,389,055	483,354,077
Current liabilities					
Financial liabilities:					
- Borrowings	15	79,000,000	943,260,000	31,000,000	345,340,000
- Trade payables					
- Dues to others	17	55,073,761	657,580,705	86,150,114	959,712,272
Other current liabilities	18	1,038,171	12,395,762	988,344	11,010,140
Current tax liabilities (net)	16	4,226,021	50,458,699	5,654,260	62,988,459
		139,337,953	1,663,695,166	123,792,718	1,379,050,871
Total liabilities		210,215,677	2,509,975,185	167,181,773	1,862,404,948
Total equity and liabilities		383,813,055	4,582,602,303	359,755,827	4,007,571,803

Notes 1 to 31 form an integral part of these financial statements

Sundram Fasteners (Zhejiang) Limited

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Statement of Profit and Loss for the Year ended March 31, 2022

	Note	Year ended March 31, 2022		Year ended March 31, 2021	
		RMB	₹	RMB	₹
Revenue from operations	19	308,997,834	3,590,554,834	273,000,625	2,994,816,858
Other income	21	8,645,698	100,479,688	5,618,181	61,631,446
Total Income		317,643,532	3,691,034,522	278,618,806	3,056,448,304
Expenses					
Cost of materials consumed	22	130,129,716	1,512,107,301	114,428,901	1,255,285,044
Changes in inventories of finished goods, stock-in-trade and work in progress	23	(5,537,630)	(64,347,259)	(13,877,743)	(152,238,846)
Employee benefit expense	24	62,978,353	731,808,465	48,725,865	534,522,737
Finance costs	25	6,160,249	71,582,092	2,517,747	27,619,689
Depreciation and amortization expense	26	17,851,537	207,434,858	15,657,066	171,758,020
Other expenses	27	94,960,440	1,103,440,310	87,819,762	963,382,792
Total expenses		306,542,664	3,562,025,767	255,271,598	2,800,329,436
Profit before tax		11,100,867	129,008,755	23,347,208	256,118,868
Tax expense					
Current tax	28	2,815,451	32,715,542	4,122,759	45,226,665
Profit for the year		8,285,416	96,293,213	19,224,449	210,892,203
Other comprehensive income					
i) Items that will be reclassified to profit or loss			(4,655,124)		(4,464,457)
Total comprehensive income for the year		8,285,416	91,638,089	19,224,449	206,427,746

(Comprising Profit and Other Comprehensive Income for the year)

Notes 1 to 31 form an integral part of these financial statements

Statements of Changes in Equity for the Year ended March 31, 2022

A. Equity Share Capital

Particulars	RMB	₹
Balance as at December 31, 2020	160,215,065	1,703,086,137
Changes in equity share capital during the year (Including restatement of opening balance)	-	81,709,683
Balance as at March 31, 2021	160,215,065	1,784,795,820
Changes in equity share capital during the year (Including restatement of opening balance)	-	128,172,051
Balance as at March 31, 2022	160,215,065	1,912,967,871

B. Other Equity

Particulars	Reserves and Surplus				Accumulated other comprehensive income		Deemed Equity		Total	
	Retained Earnings		Capital Reserve		Foreign currency translation reserve					
	RMB	₹	RMB	₹	RMB	₹	RMB	₹	RMB	₹
Balance as at March 31, 2020	42,086,556	444,977,253	33,898	360,340	-	2,402,863	1,729,813	18,387,915	43,850,267	466,128,371
Foreign currency translation difference on opening balance	-	23,866,979	-	17,288	-	-	-	882,205	-	24,766,472
Profit for the year	19,224,449	210,892,202	-	-	-	-	-	-	19,224,449	210,892,202
Other comprehensive income	-	-	-	-	-	(4,464,457)	-	-	-	(4,464,457)
Transferred from Retained earnings to Share capital	-	-	-	-	-	-	-	-	-	-
Dividends	(30,715,727)	(336,951,553)	-	-	-	-	-	-	(30,715,727)	(336,951,553)
Adjusted Profit	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	30,595,278	342,784,881	33,898	377,628	-	(2,061,594)	1,729,813	19,270,120	32,358,989	360,371,035

Particulars	Reserves and Surplus				Accumulated other comprehensive income		Deemed Equity		Total	
	Retained Earnings		Capital Reserve		Foreign currency translation reserve					
	RMB	₹	RMB	₹	RMB	₹	RMB	₹	RMB	₹
Balance as at March 31, 2021	30,595,278	342,784,881	33,898	377,628	-	(2,061,594)	1,729,813	19,270,120	32,358,989	360,371,035
Foreign currency translation difference on opening balance	-	22,522,739	-	27,114	-	-	-	1,383,847	-	23,933,701
Profit for the year	8,285,417	96,293,213	-	-	-	-	-	-	8,285,417	96,293,213
Other comprehensive income	-	-	-	-	-	(4,655,124)	-	-	-	(4,655,124)
Transferred from Retained earnings to Share capital	-	-	-	-	-	-	-	-	-	-
Dividends	(28,830,668)	(335,012,367)	-	-	-	-	-	-	(28,830,668)	(335,012,368)
Transfer to Deemed equity	-	-	-	-	-	-	1,568,575	18,728,790	1,568,575	18,728,790
Balance as at March 31, 2022	10,050,027	126,588,466	33,898	404,742	-	(6,716,718)	3,298,388	39,382,757	13,382,313	159,659,247

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Cash Flow Statement for the Year ended March 31, 2022

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	RMB	₹	RMB	₹
A. Cash flows from operating activities				
Profit before tax	11,100,868	129,008,755	23,347,208	256,118,867
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>				
Bad debts provision	990,278	11,507,034		
Depreciation and amortization	17,594,371	204,446,579	15,399,900	168,936,906
Depreciation on right of use assets	257,166	2,988,273	257,166	2,821,115
Foreign exchange (gain)/loss	721,417	8,382,865	(834,752)	(9,157,230)
Finance guarantee expenses	1,035,093	12,027,780	328,332	3,601,799
Interest expense (Net)	6,160,249	71,582,093	2,517,747	27,619,690
(Gain) / loss on sale of property and equipment	64,118	745,053	61,756	677,459
Interest received	(75,938)	(882,398)	(46,359)	(508,554)
Operating profit before working capital changes	37,847,622	439,806,034	41,030,998	450,110,052
Adjustments for:				
(Decrease)/ increase in Trade payables	(30,232,437)	(351,300,917)	32,494,272	356,462,191
(Decrease)/ increase in other current liabilities	49,827	578,991	(90,280)	(990,371)
(Increase)/ decrease in financial assets	(941,104)	(10,935,631)	(35,929,908)	(394,151,094)
Decrease/(Increase) in inventories	(2,624,408)	(30,495,620)	(21,607,550)	(237,034,825)
Decrease/(Increase) in long-term loans and advances	-	-		
Decrease in long-term provisions				
(Decrease)/increase in short-term provisions				
(Increase)/ decrease in other current assets	(488,937)	(5,681,444)	332,328	3,645,640
Cash from / (used) in operating activities	3,610,563	41,971,413	16,229,860	178,041,593
Direct taxes paid, net	(4,732,663)	(54,993,547)	(1,579,951)	(17,332,059)
Net cash from/ (used) in operating activities before extraordinary item	(1,122,100)	(13,022,134)	14,649,909	160,709,534
Net cash from / (used) in operating activities	(1,122,100)	(13,022,134)	14,649,909	160,709,534
B. Cash flow from investing activities				
Purchase of assets (including capital work-in-progress and capital advances)	(27,859,970)	(323,732,848)	(44,221,361)	(485,108,330)
Proceeds from sale of fixed assets	49,664	577,094	208,864	2,291,239
Interest received	75,938	882,398	46,359	508,554
Net cash from / (used) in investing activities	(27,734,368)	(322,273,356)	(43,966,138)	(482,308,537)
C. Cash flow from financing activities				
Proceeds from Long-term borrowings	26,600,703	309,100,152	18,856,410	206,854,818
Proceeds from Short-term borrowings	48,000,000	557,760,000	27,000,000	296,190,000
Dividend and dividend taxes paid	(28,830,668)	(335,012,367)	(30,715,727)	(336,951,520)
Foreign exchange gain / (loss)	-	-	834,752	9,157,230
Interest paid to banks and others	(6,160,249)	(71,582,093)	(2,517,747)	(27,619,690)
Net cash generated from financing activities	39,609,784	460,265,692	13,457,688	147,630,838
D. Net cash flows during the year	10,753,316	124,970,202	(15,858,541)	(173,968,165)
E. Foreign Currency Translation Reserve Impact on cash flows	-	8,060,222	-	8,347,210
F. Cash and cash equivalents at the beginning	5,794,775	64,553,789	21,653,316	230,174,744
G. Cash and cash equivalents at the end	16,548,091	197,584,213	5,794,775	64,553,789
Cash and cash equivalents comprise of:				
Cash on hand	26,246	313,378	27,224	303,278
Balances with banks in current accounts	16,521,845	197,270,835	5,767,551	64,250,511
Cash and cash equivalents as per note 20	16,548,091	197,584,213	5,794,775	64,553,789

This is the statement of cash flows referred to in our report of even date

Notes to Financial Statements for Year ended March 31, 2022**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**Overall considerations**

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

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.

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.

(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.

Notes to Financial Statements for Year ended March 31, 2022 (Contd.)**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:

Intangible assets

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

Leases**Operating leases**

All leases entered into are operating leases.

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.

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.

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

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Notes to Financial Statements for Year ended March 31, 2022 (Contd.)

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.

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.

Raw materials

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

Work in process and Finished Goods

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

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.

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%.

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.

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.

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

Notes to Financial Statements for Year ended March 31, 2022 (Contd.)

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.

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.

Accounting for effect of change in foreign exchange rates

The Assets and Liabilities as at 31st March 2022 has been translated from Renminbi to Indian Rupees by applying the year end interbank exchange rate of RMB 1 = ₹ 11.94 (31st March 2021: RMB 1 = 11.14). The incomes and expenses for the 12 months ended 31st March 2022 has been translated from Renminbi to Indian Rupees by applying Average interbank exchange rate RMB 1 = ₹ 11.62 (31st March 2021: RMB 1 = 10.97). 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.

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.

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.

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.

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.

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.

Notes to Financial Statements for the year ended March 31, 2022 (Contd.)
5 PROPERTY, PLANT AND EQUIPMENT

Gross block	Buildings		Plant and Equipment		Office Equipments		Vehicles		Total	
	RMB	₹	RMB	₹	RMB	₹	RMB	₹	RMB	₹
As at 31 March 2020	41,726,264	443,550,187	128,558,637	1,366,578,325	3,398,416	36,125,153	175,910	1,869,929	173,859,226	1,848,123,592
Additions	-	-	24,438,231	272,241,889	782,236	8,714,114	-	-	25,220,467	280,956,003
Disposal	-	-	(906,764)	(10,101,351)	-	-	-	-	(906,764)	(10,101,351)
Other Adjustments	-	21,280,395	-	65,564,905	-	1,733,192	-	89,714	-	88,668,206
As at 31 March 2021	41,726,264	464,830,582	152,090,104	1,694,283,768	4,180,652	46,572,459	175,910	1,959,643	198,172,929	2,207,646,450
Additions	-	-	32,780,233	391,395,985	161,947	1,933,646	-	-	32,942,180	393,329,631
Disposal	-	-	(123,568)	(1,475,641)	-	-	-	-	(123,568)	(1,475,641)
Other Adjustments	-	33,381,011	-	121,672,083	-	3,344,522	-	140,728	-	158,538,344
As at 31 Mar 2022	41,726,264	498,211,593	184,746,749	2,205,876,195	4,342,599	51,850,627	175,910	2,100,371	230,991,520	2,758,038,786
Accumulated depreciation/ amortisation										
As at 31 March 2020	5,426,227	57,680,781	37,464,624	398,248,961	1,030,154	10,950,522	133,056	1,414,379	44,054,061	468,294,643
For the year	1,720,047	18,868,930	12,572,171	137,916,721	641,289	7,034,925	-	-	14,933,507	163,820,576
Deduction on sale or discards	-	-	(636,147)	(6,978,536)	-	-	-	-	(636,147)	(6,978,536)
Other Adjustments	-	-	-	-	-	-	-	-	-	-
- Restating - Opening Balance	-	2,767,375	-	19,106,958	-	525,379	-	67,859	-	22,467,571
- Restating to Closing rate - CY Depreciation	-	292,407	-	2,137,269	-	109,019	-	-	-	2,538,695
As at 31 March 2021	7,146,274	79,609,493	49,400,648	550,431,373	1,671,443	18,619,845	133,056	1,482,238	58,351,421	650,142,949
For the year	1,724,218	20,035,416	14,786,520	171,819,364	648,098	7,530,902	-	-	17,158,837	199,385,682
Deduction on sale or discards	-	-	(54,568)	(634,069)	-	-	-	-	(54,568)	(634,069)
Other Adjustments	-	-	-	-	-	-	-	-	-	-
- Restating - Opening Balance	-	5,717,021	-	39,520,518	-	1,337,154	-	106,445	-	46,681,137
- Restating to Closing rate - CY Depreciation	-	551,750	-	4,731,686	-	207,391	-	-	-	5,490,828
As at Mar 31, 2022	8,870,493	105,913,680	64,132,600	765,868,873	2,319,541	27,695,292	133,056	1,588,683	75,455,690	901,066,528
Net block										
As at 31 March 2021	34,579,989	385,221,088	102,689,455	1,143,852,395	2,509,210	27,952,613	42,854	477,405	139,821,508	1,557,503,501
As at 31 Mar 2022	32,855,771	392,297,914	120,614,147	1,440,007,322	2,023,058	24,155,334	42,854	511,688	155,535,830	1,856,972,258
b) Capital Work-in-Progress										
As at Mar 31, 2021	-	-	11,860,068	132,121,163	-	-	-	-	11,860,068	132,121,163
As at Mar 31, 2022	-	-	12,284,450	146,676,331	-	-	-	-	12,284,450	146,676,331

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Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

6 Investment Property	Building		Total	
	RMB	₹	RMB	₹
Gross block				
As at March 31, 2020	6,609,131	70,255,063	6,609,131	70,255,063
Additions	-	-	-	-
Disposals	-	-	-	-
Other adjustments - Exchange differences	-	3,370,657	-	3,370,657
As at Mar 31, 2021	6,609,131	73,625,720	6,609,131	73,625,720
Additions	-	-	-	-
Disposals	-	-	-	-
Other adjustments - Exchange differences	-	5,287,305	-	5,287,305
As at Mar 31, 2022	6,609,131	78,913,025	6,609,131	78,913,025
Accumulated depreciation				
As at March 31, 2020	1,582,577	16,822,808	1,582,577	16,822,808
Depreciation for the period	301,443	3,306,835	301,443	3,306,835
- Exchange variation (Op. Bal restated)		807,115		807,115
- Restating to Closing Rate - CY Depn		51,246		51,246
As at Mar 31, 2021	1,884,020	20,988,004	1,884,020	20,988,004
Depreciation for the period	301,444	3,502,774	301,444	3,502,774
- Exchange variation (Op. Bal restated)		1,507,216		1,507,216
- Restating to Closing Rate - CY Depn		96,462		96,462
As at Mar 31, 2022	2,185,464	26,094,456	2,185,464	26,094,456
Net block				
As at Mar 31, 2021	4,725,111	52,637,716	4,725,111	52,637,716
As at Mar 31, 2022	4,423,667	52,818,569	4,423,667	52,818,569

Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

7 (a) Other Intangible assets

	Gross block	Intangible assets	
		Software	
		RMB	₹
As at March 31, 2020		1,003,590	10,668,164
Additions		-	-
Disposal		-	-
Other Adjustments			511,831
As at Mar 31, 2021		1,003,590	11,179,995
Additions		88,496	1,056,637
Disposal		-	-
Other Adjustments			802,872
As at Mar 31, 2022		1,092,086	13,039,504
Accumulated depreciation/ amortisation			
As at March 31, 2020		640,681	6,810,443
For the year		164,949	1,809,494
Impairment for the year		-	-
Deduction on sale or discards		-	-
Other Adjustments			
- Exchange variation (Op. Bal restated)		-	326,747
- Restating to Closing rate - CY Depreciation		-	28,041
As at Mar 31, 2021		805,630	8,974,725
For the year		134,091	1,558,129
Impairment for the year		-	-
Deduction on sale or discards		-	-
Other Adjustments			
- Exchange variation (Op. Bal restated)		-	644,504
- Restating to Closing rate - CY Depreciation		-	42,909
As at Mar 31, 2022		939,721	11,220,267
Net block			
As at Mar 31, 2021		197,960	2,205,270
As at Mar 31, 2022		152,365	1,819,237

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Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

7(b) Right of use assets

	Leasehold land		Total	
	RMB	₹	RMB	₹
Gross block				
As at March 31, 2020	11,255,927	119,650,507	11,255,927	119,650,507
Additions	-	-	-	-
Disposals	-	-	-	-
Other Adjustments	-	-	-	-
- Exchange variation (Op. Bal restated)	-	5,740,523	-	5,740,523
As at Mar 31, 2021	11,255,927	125,391,030	11,255,927	125,391,030
Additions	-	-	-	-
Disposals	-	-	-	-
Other Adjustments	-	-	-	-
- Exchange variation (Op. Bal restated)	-	9,004,742	-	9,004,742
As at Mar 31, 2022	11,255,927	134,395,772	11,255,927	134,395,772
Accumulated depreciation				
As at March 31, 2020	321,458	3,417,098	321,458	3,417,098
For the year ended	257,166	2,821,115	257,166	2,821,115
Disposals/ other adjustments	-	-	-	-
Other Adjustments	-	-	-	-
- Exchange variation (Op. Bal restated)	-	163,944	-	163,944
- Restating to Closing rate - CY Depreciation	-	43,718	-	43,718
As at Mar 31, 2021	578,624	6,445,875	578,624	6,445,875
For the year ended	257,166	2,988,273	257,166	2,988,273
Disposals/ other adjustments	-	-	-	-
Other Adjustments	-	-	-	-
- Exchange variation (Op. Bal restated)	-	462,900	-	462,900
- Restating to Closing rate - CY Depreciation	-	82,293	-	82,293
As at Mar 31, 2022	835,790	9,979,341	835,790	9,979,341
Net block				
As at Mar 31, 2021	10,677,303	118,945,155	10,677,303	118,945,155
As at Mar 31, 2022	10,420,137	124,416,431	10,420,137	124,416,431

Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

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

	As at March 31, 2022				As at March 31, 2021			
	Long-term		Short-term		Long-term		Short-term	
	RMB	₹	RMB	₹	RMB	₹	RMB	₹
Others			295,981	3,534,012	-	-	194,823	2,170,332
	-	-	295,981	3,534,012	-	-	194,823	2,170,332

As at Mar 31, 2022 As at March 31, 2021

9 Assets for current tax (net) - Current

Advance Income-tax (net of provision for taxation)	3,902,921	46,600,873	3,413,947	38,031,370
	3,902,921	46,600,873	3,413,947	38,031,370

10 Other assets

(Unsecured, considered good)

	As at March 31, 2022				As at March 31, 2021			
	Non current		Current		Non current		Current	
	RMB	₹	RMB	₹	RMB	₹	RMB	₹
Prepaid expenses	2,042,584	24,388,456	867,100	10,353,179	1,269,129	14,138,095	618,137	6,886,055
Capital advance	8,691,896	103,781,239	-	-	14,331,743	159,655,624	-	-
	10,734,480	128,169,695	867,100	10,353,179	15,600,872	173,793,719	618,137	6,886,055

11 Inventories - current

	As at March 31, 2022		As at March 31, 2021	
	RMB	₹	RMB	₹
Stores, Spares & Chemicals	2,309,806	27,579,080	2,124,381	23,665,605
Loose tools	2,079,124	24,824,746	2,261,556	25,193,734
Raw Materials and components	12,693,330	151,558,357	15,609,545	173,890,327
Work-in-process	18,390,628	219,584,099	17,315,386	192,893,397
Finished Goods	35,542,613	424,378,796	31,080,225	346,233,709
	71,015,501	847,925,078	68,391,093	761,876,772

Sundram Fasteners (Zhejiang) Limited

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Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

12 Trade receivables - current	As at Mar 31, 2022		As at March 31, 2021	
	RMB	₹	RMB	₹
(Unsecured, considered good unless otherwise stated)				
Trade receivables	9,85,52,532	1,17,67,17,227	98,460,230	1,096,846,961
	9,85,52,532	1,17,67,17,227	98,460,230	1,096,846,961
Doubtful				
Less : Provision for bad and doubtful debts	(9,20,000)	(1,09,84,800)	-	-
	97,632,532	1,165,732,427	98,460,230	1,096,846,961

12 a) Trade receivable Ageing schedule 2021-22

Particulars		Not due	Outstanding for following periods from due date of payment				Total as on 31.03.2022
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	
Undisputed Trade receivables							
(i) Considered good	RMB	46,319,719	47,631,109	1,270,767	579,539	340,349	96,141,483
	INR	553,057,445	568,715,438	15,172,962	6,919,692	4,063,769	1,147,929,306
(ii) Credit impaired	RMB				1,158,338	332,711	1,491,049
	INR				13,830,557	3,972,564	17,803,121
Total RMB		46,319,719	47,631,109	1,270,767	1,737,877	673,060	- 97,632,532
Total INR		553,057,445	568,715,438	15,172,962	20,750,249	8,036,333	- 1,165,732,427

Trade receivable Ageing schedule 2020-21

Particulars		Not due	Outstanding for following periods from due date of payment				Total as on 31.03.2021
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	
Undisputed Trade receivables							
(i) Considered good	RMB	45,952,001	49,151,834	981,881	2,079,766	294,748	98,460,230
	INR	511,905,290	547,551,427	10,938,159	23,168,589	3,283,496	1,096,846,961
(ii) Credit impaired	RMB						-
	INR						-
Total RMB		45,952,001	49,151,834	981,881	2,079,766	294,748	- 98,460,230
Total INR		511,905,290	547,551,427	10,938,159	23,168,589	3,283,496	- 1,096,846,961

13 Cash and bank balances - current

Cash and cash equivalents

Cash on hand	26,246	313,378	27,224	303,278
Balances with banks in current accounts	16,521,845	197,270,835	5,767,551	64,250,511
	16,548,091	197,584,213	5,794,775	64,553,789

Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

14 SHARE CAPITAL	As at March 31, 2022		As at March 31, 2021	
	RMB	₹	RMB	₹
Issued, subscribed and fully paid up				
Equity shares	160,215,065	1,912,967,871	160,215,065	1,784,795,820
	160,215,065	1,912,967,871	160,215,065	1,784,795,820

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

	Nos.	% holding	Nos.	% holding
Sundram International Limited, UK		100%		100%
Total No. of Shares of the company		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 March 31, 2020:

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

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 Group's capital management is to maximise the shareholder value.

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

	As at March 31, 2022		As at March 31, 2021	
	RMB	₹	RMB	₹
Borrowings	148,887,882	1,777,721,306	74,287,180	827,559,185
Cash and cash equivalents	(16,548,092)	(197,584,213)	(5,794,775)	(64,553,789)
Capital	A	132,339,790	68,492,405	763,005,396
Total equity		173,597,378	192,574,054	2,145,166,855
Overall financing	B	173,597,378	192,574,054	2,145,166,855
Gearing ratio	(A/B)	76.23%	35.57%	35.57%

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

Promoter name	As at March 31, 2022		As at March 31, 2021	
	% of total shares	% of change during the year	% of total shares	% of change during the year
Sundram International Limited, UK	100.0%	0%	100.0%	0%

	Year ended March 31, 2022		Year ended March 31, 2021	
	RMB	₹	RMB	₹

e) DIVIDENDS

Final dividend declared and paid (for March 31, 2022 / March 31, 2021)

Dividend	28,830,668	335,012,367	30,715,727	336,951,553
	28,830,668	335,012,367	30,715,727	336,951,553

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Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

15 Borrowings	As at March 31, 2022				As at March 31, 2021			
	Long-term		Short-term		Long-term		Short-term	
	RMB	₹	RMB	₹	RMB	₹	RMB	₹
Secured								
Term loan from banks (refer note below)	69,887,882	834,461,306	79,000,000	943,260,000	43,287,180	482,219,185	31,000,000	345,340,000
Working Capital Loans (Refer, note b below)								
	69,887,882	834,461,306	79,000,000	943,260,000	43,287,180	482,219,185	31,000,000	345,340,000
Less: Current maturities of long term borrowings	-	-	-	-	-	-	-	-
	69,887,882	834,461,306	79,000,000	943,260,000	43,287,180	482,219,185	31,000,000	345,340,000
b) Unsecured								
Term loan from banks								
Working Capital Loans								
	-	-	-	-	-	-	-	-
Total	69,887,882	834,461,306	79,000,000	943,260,000	43,287,180	482,219,185	31,000,000	345,340,000

a) Terms of interest, guarantee and repayment of long term loans

SFZL Term loan

(c) An outstanding term loan from a bank amounting to RMB 70 million equivalent to ₹ 83.45 (March 31, 2021: RMB 43.29 million equivalent to ₹ 48.22) is secured by land use right, factory buildings, plant and equipments relating to the business for which the loan has been taken. The interest rate is linked to Base Rate + agreed spread per annum.

SFZL Working capital loan

(f) The outstanding working capital facilities of RMB 79 million equivalent to ₹ 94.33 (March 31, 2021: RMB 31 million equivalent to ₹ 34.53). The loan is secured by land use right and factory buildings relating to the business for which the loan was taken. The interest rate is linked to base rate + agreed spread per annum.

16 Liabilities for current tax (net) - current	As at March 31, 2022		As at March 31, 2021	
	RMB	₹	RMB	₹
Provision for taxation (net of advance income tax)	4,226,021	50,458,699	5,654,260	62,988,459
	4,226,021	50,458,699	5,654,260	62,988,459

17 Trade payables	As at Mar 31, 2022				As at March 31, 2021			
	Long-term		Short-term		Long-term		Short-term	
	RMB	₹	RMB	₹	RMB	₹	RMB	₹
Dues to others	989,842	11,818,713	55,073,761	657,580,705	101,875	1,134,892	86,150,114	959,712,272
	989,842	11,818,713	55,073,761	657,580,705	101,875	1,134,892	86,150,114	959,712,272

17 a) Trade payable ageing schedule 2021-22

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 31.03.2022
Undisputed dues						
Others	RMB 36,141,033	18,403,568	1,185,212	(113,626)	447,416	56,063,603
	INR 431,523,940	219,738,605	14,151,433	(1,356,700)	5,342,141	669,399,418

Trade payable ageing schedule 2020-21

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 31.03.2021
Undisputed dues						
Others	RMB 58,101,945	27,670,065	181,737	260,941	37,301	86,251,989
	INR 647,255,670	308,244,520	2,024,548	2,906,888	415,538	960,847,164

18 Other current liabilities	As at March 31, 2022		As at March 31, 2021	
	RMB	₹	RMB	₹
Customer advances	153,698	1,835,151	8	88
Statutory dues	884,473	10,560,611	988,336	11,010,052
	1,038,171	12,395,762	988,344	11,010,140

Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

	Year ended March 31, 2022		Year ended March 31, 2021	
	RMB	₹	RMB	₹
19 REVENUE FROM OPERATIONS				
Sale of goods	304,373,167	3,536,816,202	268,116,789	2,941,241,179
Other operating revenue	4,624,667	53,738,632	4,883,836	53,575,679
Revenue from operations (Net)	308,997,834	3,590,554,834	273,000,625	2,994,816,858
20 OTHER OPERATING REVENUE				
Scrap Sales	4,573,943	53,149,221	3,889,321	42,665,857
Lease Income	50,724	589,411	994,514	10,909,822
	4,624,667	53,738,632	4,883,836	53,575,679
21 OTHER INCOME				
Interest Income	75,938	882,398	46,359	508,554
Net foreign exchange gain			834,752	9,157,230
Miscellaneous Income	8,569,760	99,597,290	4,737,070	51,965,662
Profit on Sale of Assets	-	-	-	-
	8,645,698	100,479,688	5,618,181	61,631,446
22 COST OF RAW MATERIALS AND COMPONENTS CONSUMED				
Opening stock of raw materials and components	15,609,545	173,890,327	9,526,246	101,263,993
Add: Exchange rate fluctuation on account of average rate transferred to currency translation reserve		7,492,581		3,238,924
Add : Purchases during the year	127,213,501	1,478,220,883	120,512,200	1,322,018,831
Less: Exchange rate fluctuation on account of average rate transferred to currency translation reserve		(4,061,864)		(2,653,623)
Less: Closing stock of raw materials and components	12,693,330	151,558,356	15,609,545	173,890,327
	130,129,716	1,512,107,301	114,428,901	1,255,285,044
23 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS				
A. Opening Stock				
Work-in-process	17,315,386	192,893,397	12,971,376	137,885,722
Finished goods	31,080,225	346,233,709	21,546,492	229,039,210
Less: Excise duty on finished goods				
Add / (Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve		23,229,893		11,736,075
	48,395,611	562,356,999	34,517,868	378,661,007
B. Closing Stock				
Work-in-process	18,390,628	219,584,099	17,315,386	192,893,397
Finished goods	35,542,613	424,378,796	31,080,225	346,233,709
Less: Excise duty on finished goods				
Add / (Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve		(17,258,637)		(8,227,253)
	53,933,241	626,704,258	48,395,611	530,899,851
Net decrease in inventories	(5,537,630)	(64,347,259)	(13,877,743)	(152,238,846)

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Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

	Year ended March 31, 2022		Year ended March 31, 2021	
	RMB	₹	RMB	₹
24 EMPLOYEE BENEFITS EXPENSE				
Salaries and wages	51,919,569	603,305,393	41,241,938	452,424,059
Contribution to provident and other funds	5,606,604	65,148,741	2,379,507	26,103,188
Staff welfare expenses	5,452,180	63,354,331	5,104,420	55,995,489
	62,978,353	731,808,465	48,725,865	534,522,737
25 FINANCE COSTS				
Interest expenses	6,077,698	70,622,847	2,277,734	24,986,745
Other borrowing costs	82,551	959,245	240,013	2,632,944
	6,160,249	71,582,092	2,517,747	27,619,689
26 DEPRECIATION AND AMORTIZATION EXPENSE				
Depreciation of tangible assets	17,460,280	202,888,456	15,234,951	167,127,411
Amortization of intangible assets	134,091	1,558,129	164,949	1,809,494
Depreciation on right of use assets	257,166	2,988,273	257,166	2,821,115
	17,851,537	207,434,858	15,657,066	171,758,020
27 OTHER EXPENSES				
Stores and tools consumed	29,000,894	336,990,384	26,902,685	295,122,459
Power & fuel	13,103,701	152,265,000	12,154,976	133,340,092
Rent	-	-	-	-
Rates & taxes [excluding taxes on Income]	2,421,230	28,134,696	2,266,179	24,859,983
Insurance	437,951	5,088,996	360,562	3,955,368
Repairs and maintenance				
- Building	395,805	4,599,257	920,036	10,092,798
- Plant & Equipment	1,653,261	19,210,898	1,690,703	18,547,012
- Other assets	505,745	5,876,760	647,642	7,104,633
Sub-contract expenses	29,710,637	345,237,600	21,098,904	231,454,975
Freight & Cartage Inward	472,693	5,492,692	1,102,461	12,093,998
Audit fee	95,823	1,113,469	296,701	3,254,809
Loss on sale of assets	64,118	745,053	61,756	677,459
Net Foreign exchange loss (net off gain)	721,417	8,382,865	376,328	4,128,317
Freight & Cartage Outward	4,389,698	51,008,294	4,675,947	51,295,139
Travel Expenses	1,082,897	12,583,260	965,601	10,592,640
Postage & Telecom Expenses	513,106	5,962,292	478,355	5,247,551
Printing and stationery	31,288	363,563	13,675	150,016
Consultancy	862,920	10,027,136	724,712	7,950,090
Bad debts	990,278	11,507,034	150,210	1,647,809
Financial Guarantee Expense	1,035,093	12,027,780	328,332	3,601,799
Miscellaneous expenses	7,471,885	86,823,281	12,603,997	138,265,845
	94,960,440	1,103,440,310	87,819,762	963,382,792

Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

	Year ended March 31, 2022		Year ended March 31, 2021	
	RMB	₹	RMB	₹
28 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	11,100,868	129,008,755	23,347,208	256,118,867
Accounting profit before income tax				
At China's statutory income tax rate of 25% (March 31, 2021: 25%)	2,775,217	32,252,189	5,836,802	64,029,717
Other adjustments	40,234	463,353	(1,714,043)	(18,803,051)
	2,815,451	32,715,542	4,122,759	45,226,665
Tax expense comprises of:				
Current income tax:				
Current income tax charge (net of Minimum alternate tax)	2,815,451	32,715,542	4,122,759	45,226,665
Income tax expense	2,815,451	32,715,542	4,122,759	45,226,665

29 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. T V Sundram Iyengar & Sons Private Limited, Madurai, India (upto February 3, 2022)

(B) Holding Company

1. Sundram International Limited, UK
2. Sundram Fasteners Limited

(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. Sunfast TVS Limited, Chennai,
5. TVS Engineering Limited, Chennai
6. TVS Next Limited, Chennai,
7. Cramlington Precision Forge Ltd., Northumberland, United Kingdom,
8. Sundram International Inc, Michigan, USA,
9. TVS Next Inc., Michigan, USA (Subsidiary of TVS Next Ltd.)

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Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

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

Nature of transaction	Ultimate Holding Company		Holding Company		Fellow Subsidiary Companies		Associate	
	RMB	₹	RMB	₹	RMB	₹	RMB	₹
Purchases								
Goods and Materials	-	-				-		
						-		
Sales								
Goods and Materials	-	-				-		
						-		
Interest Received			(13340)	(155011)		-		
						-		
Dividend Paid			(28,830,668)	(335,012,367)		-		
	-	-	(3,07,15,730)	(33,69,51,553)		-		
Outstanding Balances								
Outstanding loan(due to the company)			-	-				
Due to the Company	-	-				-		
						-		
Due by the Company	969	11,570				-		
						-		

(Previous year figures are in brackets)

Notes to Financial Statements for the year ended March 31, 2021 (Contd.)

30 DISCLOSURE ON FINANCIAL INSTRUMENT

	As at 31 March 2022						As at 31 March 2021					
	FVTPL		FVOCI		Amortised Cost		FVTPL		FVOCI		Amortised Cost	
	RMB	₹	RMB	₹	RMB	₹	RMB	₹	RMB	₹	RMB	₹
<u>Financial assets:</u>												
- Trade receivables	-	-	-	-	97,632,532	1,165,732,427	-	-	-	-	98,460,230	1,096,846,961
- Cash and cash equivalents	-	-	-	-	13,516,833	197,584,213	-	-	-	-	5,794,775	64,553,789
- Others	-	-	-	-	295,981	3,534,012	-	-	-	-	194,823	2,170,332
Total Financial Assets	-	-	-	-	111,445,346	1,366,850,652	-	-	-	-	104,449,828	1,163,571,082
Non-Current liabilities												
<u>Financial liabilities:</u>												
- Borrowings	-	-	-	-	69,887,882	834,461,306	-	-	-	-	43,287,180	482,219,185
- Trade payables	-	-	-	-	-	-	-	-	-	-	-	-
- Other payables	-	-	-	-	-	-	-	-	-	-	-	-
Dues to others	-	-	-	-	989,842	11,818,713	-	-	-	-	101,875	1,134,892
	-	-	-	-	70,877,724	846,280,019	-	-	-	-	43,389,055	483,354,077
Current liabilities												
<u>Financial liabilities:</u>												
- Borrowings	-	-	-	-	79,000,000	943,260,000	-	-	-	-	31,000,000	345,340,000
- Trade payables	-	-	-	-	-	-	-	-	-	-	-	-
Dues to others	-	-	-	-	5,50,73,761	65,75,80,705	-	-	-	-	8,61,50,114	96,08,47,164
- Other financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	13,40,73,761	1,60,08,40,705	-	-	-	-	11,71,50,114	1,30,61,87,164
Total Financial Liabilities	-	-	-	-	20,49,51,485	2,44,71,20,724	-	-	-	-	16,05,39,169	1,78,95,41,241

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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Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

31 Computation of Ratios

Ratios	Formula	Year ended March 31, 2022	Year ended March 31, 2021	% change	Reason for Change over 25%
Current Ratio	Current assets / current liabilities	1.37	1.43	(4%)	
Debt-Equity Ratio	Total debt / shareholder's equity	0.86	0.39	122%	Debt has increased compared to previous year while very marginal change to shareholders equity
Debt Service Coverage Ratio	EBITDA / (Interest + Principal)	0.98	6.49	(85%)	Profit has decreased compared to previous year, with respect to the debt, there were repayments of long term borrowings in the current year(according to the repayment schedule). There was also increase in borrowings for capital purchases and working capital.
Return on Equity Ratio	PAT / average shareholder's equity	0.05	0.10	(53%)	Operating expenses has increased compared to previous year.
Inventory turnover ratio	Sales / Average inventory	4.71	4.67	1%	
Trade Receivables turnover ratio	Net credit sales / Average TR	3.44	3.40	1%	
Trade payables turnover ratio	Net credit purchase / Average TP	3.14	3.45	(9%)	
Net capital turnover ratio	Net sales / working capital	5.82	4.97	17%	
Net profit ratio	PAT / Net sales	0.03	0.07	(62%)	Operating expenses has increased compared to previous year.
Return on Capital employed	EBIT / Capital employed	0.05	0.10	(45%)	Operating expenses has increased compared to previous year.