



Sundram Fasteners Limited

Email: investorshelpdesk@sfl.co.in

REGISTERED & CORPORATE OFFICE
98-A, VII FLOOR
DR. RADHAKRISHNAN SALAI,
MYLAPORE, CHENNAI - 600 004, INDIA
TELEPHONE : +91 - 44 - 28478500
PAN : AAACS8779D
CIN : L35999TN1962PLC004943
WEBSITE : www.sundram.com

June 6, 2025

National Stock Exchange of India Limited

Scrip Symbol - SUNDRMFAST

Exchange Plaza, 5th Floor,
Plot No. C/1, G Block, Bandra-Kurla Complex
Bandra (East)
Mumbai - 400 051

By NEAPS

BSE Limited

Scrip Code - 500403

Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai - 400 001

By Listing Centre

Dear Sir / Madam,

Compliance under Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the following: -

- Notice to the Shareholders to convene the 62nd Annual General Meeting (AGM) scheduled on **Monday, June 30, 2025, at 10:00 a.m. IST** through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM'); and
- The Annual Report for the Financial Year 2024-25 including the Business Responsibility and Sustainability Report for the Financial Year 2024-25.

The Notice of 62nd AGM and the Annual Report for the year ended March 31, 2025, are also available on the website of our Company, www.sundram.com.

Please take the above information on record.

Thanking you,

Yours truly,

For SUNDRAM FASTENERS LIMITED

GOPALAKRISHNAN
ANAND BABU
HNAN
ANAND BABU

Digitally signed by GOPALAKRISHNAN
ANAND BABU
DN: c=IN, o=Personal,
postalCode=600088, st=Tamil Nadu,
serialNumber=D811B3C7C8B3CB3A3
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cn=GOPALAKRISHNAN ANAND BABU
Date: 2025.06.06 09:29:07 +05'30'

G Anand Babu

Senior Manager - Finance & Company Secretary



Sundram Fasteners Limited

ANNUAL REPORT

**for the year ended
March 31, 2025**

Sundram Fasteners Limited

BOARD OF DIRECTORS

Sri SURESH KRISHNA

Chairman and Non-Executive Director

Ms ARATHI KRISHNA

Managing Director

Ms ARUNDATHI KRISHNA

Joint Managing Director

Ms PREETHI KRISHNA

Non-Executive Non-Independent Director

Independent Directors

Sri B MUTHURAMAN (upto September 25, 2024)

Sri HERAMB R HAJARNAVIS

Sri S MAHALINGAM

Dr NIRMALA LAKSHMAN

Sri R VIJAYARAGHAVAN (from September 26, 2024)

CHIEF FINANCIAL OFFICER

Sri R Dilip Kumar

COMPANY SECRETARY

Sri G Anand Babu

REGISTERED OFFICE

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

CORPORATE IDENTITY NUMBER

L35999TN1962PLC004943

FACTORIES (In India)

Tamil Nadu: Padi, Hosur, Aviyur, Mittamandagapet,
Velappanchavadi, Gummidipoondi,
SEZ - Mahindra World City

Puducherry: Korkadu

Telangana: Bonthapally

Andhra Pradesh: SEZ - Sri City

Uttarakhand: Rudrapur

FACTORIES (In India - through subsidiaries)

Tamil Nadu : Vallam Vadagal, Sriperumbudur
Hosur

FACTORIES (Outside India - through subsidiaries)

Sundram Fasteners (Zhejiang) Limited, China
Cramlington Precision Forge Limited, United Kingdom

BANKERS

ICICI Bank Limited

Standard Chartered Bank

HDFC Bank Limited

The Hongkong and Shanghai Banking Corporation Limited

STATUTORY AUDITORS

M/s B S R & CO. LLP

Chartered Accountants,

KRM Tower, 1st & 2nd Floors,

No. 1, Harrington Road,

Chetpet, Chennai 600 031.

SECRETARIAL AUDITORS

M/s SRIRAM KRISHNAMURTHY & CO.,

(formerly known as M/s S KRISHNAMURTHY & CO.,)

Company Secretaries,

T-1, "Shobana", 3rd Floor,

17, Nandanam Main Road,

Nandanam Extension,

Chennai - 600 035.

COST AUDITOR

Sri P RAJU IYER,

17, (Old No. 8), Hasthinapuram Main Road,

Nehru Nagar, Chromepet,

Chennai - 600 044.

REGISTRAR & SHARE TRANSFER AGENT

Integrated Registry Management Services Private Limited

Kences Towers, 2nd Floor,

No. 1, Ramakrishna Street,

North Usman Road, T Nagar,

Chennai 600 017

Telephone: +91-44-28140801-803

Fax : +91-44-28142479

E-Mail : einward@integratedindia.in

WEBSITE

www.sundram.com

REDRESSAL OF INVESTOR COMPLAINTS

E-mail: investorshelpdesk@sfl.co.in

Telephone: +91-44-28478500 Extn. 213

Sundram Fasteners Limited

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FINANCIAL HIGHLIGHTS

₹ in crores

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Operating results										
Revenue from operations	2,601	2,947	3,420	3,990	3,125	3,065	4,173	4,922	4,906	5,210
Total revenue	2,635	2,960	3,449	4,020	3,145	3,082	4,198	4,951	4,953	5,231
EBITDA	419	553	650	769	568	599	752	797	825	864
Interest	61	36	32	39	44	14	13	25	18	20
EBDT	358	517	618	730	524	585	739	773	807	844
Depreciation	92	90	98	110	137	147	153	157	168	176
EBIT	327	463	552	659	432	452	599	640	657	688
Profit before tax	221	425	520	620	376	438	556	615	639	681
Tax	7	109	152	184	62	110	149	152	159	164
Profit after tax	214	316	368	436	** 314	328	407	464	480	517
Financial position										
Net fixed assets	865	967	1,066	1,431	1,658	1,669	1,658	1,701	1,868	2,060
Investments	309	320	359	350	310	337	323	345	376	373
Net current assets	490	720	846	1,072	848	898	1,144	1,424	1,545	1,948
Share capital	21	21	21	21	21	21	21	21	21	21
Reserves and surplus	1,017	1,292	1,568	1,887	1,996	2,312	2,524	2,886	3,258	3,625
Net worth	1,038	1,313	1,589	1,908	2,017	2,333	2,545	2,907	3,279	3,646
Loan funds	572	626	562	801	693	456	461	436	376	597
Deferred tax liability	54	68	120	144	107	115	118	127	135	139
Total capital employed	1,664	2,007	2,271	2,853	2,830	2,914	3,130	3,478	3,797	4,387
Performance parameters - %										
EBITDA to revenue from operations	16.1	18.8	19.1	19.3	18.2	19.5	18.0	16.2	16.8	16.6
EBIT to revenue from operations	12.6	15.7	16.3	16.5	13.8	14.7	14.4	13.0	13.4	13.2
PBT to revenue from operations	8.5	14.4	15.3	15.5	12.0	14.3	13.3	12.5	13.0	13.1
EBIT / average capital employed	19.5	25.2	25.8	25.7	15.2	15.7	19.8	19.4	18.1	16.8
PAT / average net worth	22.6	26.9	25.4	24.9	16.0	15.1	16.7	17.0	15.5	14.9
Debt-Equity Ratio	0.55	0.48	0.35	0.42	0.34	0.20	0.18	0.15	0.11	0.16
EPS - ₹	10.18	15.01	17.49	20.76	14.95	15.62	19.39	22.07	22.83	24.60
Dividend per share - ₹ *	2.15	4.50	4.60	5.10	4.15	4.70	6.45	8.63	6.85	7.20
Dividend payout ratio	21.11	29.92	26.26	24.57	27.77	30.09	33.26	39.10	30.00	29.14
Book value per share - ₹	49.40	62.50	75.67	90.83	95.99	111.04	121.13	134.60	151.69	169.12
Market value per share - ₹	170.80	386.00	551.30	566.45	292.50	800.45	899.80	978.00	1,093.60	913.15

* Represents dividend declared for the relevant financial year

** Includes deferred tax favourable impact of ₹ 31.60 Crores

Notice of the 62nd Annual General Meeting to the Members

NOTICE is hereby given that the **Sixty Second** Annual General Meeting of the Members of the Company will be held on **Monday, June 30, 2025** at 10.00 a.m. IST (Indian Standard Time) through Video Conference ('VC')/Other Audio Visual Means ('OAVM') to transact the following business:

ORDINARY BUSINESS

To consider and if thought fit, to pass the following items of business, as **Ordinary Resolutions**:

1. To adopt the Audited Financial Statement for the year ended March 31, 2025 along with the Report of the Board of Directors and Auditor's thereon.

"RESOLVED THAT the Audited financial statement including the consolidated financial statement for the year ended March 31, 2025 together with the Auditor's Report thereon and the Report of the Board of Directors for the financial year ended on that date be and are hereby approved and adopted."

2. To appoint Ms Preethi Krishna (DIN: 02037253), who retires by rotation, as a Director of the Company and being eligible offers herself for re-appointment.

"RESOLVED THAT Ms Preethi Krishna (DIN: 02037253), who retires by rotation and being eligible for re-appointment is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS

To consider and if thought fit, to pass the following items of business, as **Ordinary Resolutions**:

3. To appoint M/s. Sriram Krishnamurthy & Co. (formerly known as M/s S Krishnamurthy & Co.), Practicing Company Secretaries, Chennai as Secretarial Auditors of the Company.

"RESOLVED THAT pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and upon recommendation of the Audit Committee and the Board of Directors, the consent of the Shareholders be and is hereby accorded for the appointment of M/s. Sriram Krishnamurthy & Co. (formerly known as S Krishnamurthy & Co.), Practicing Company Secretaries, Chennai [(Registration Number: P1994TN045300) (Peer Review No: 739/2020) with the Institute of Company Secretaries of India] as Secretarial Auditors of the Company to conduct Secretarial Audit and issue the Secretarial Audit Report under Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for a period of 5 consecutive years, from the financial year 2025-26 until the financial year 2029-30, to hold office till conclusion of the Annual General Meeting to be held during the year 2030, at a remuneration and on such terms and conditions as may be determined or modified by the Board of Directors of the Company from time to time in compliance with the applicable laws, in addition to reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit."

4. To ratify the remuneration payable to the Cost Auditor for the financial year ending March 31, 2026.

"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 5,00,000/- (Rupees Five Lakhs Only), in addition to reimbursement of travel and out-of-pocket expenses, payable to Sri P Raju Iyer, Practicing Cost Accountant, (Membership No. 6987) who was appointed as Cost Auditor of the Company for the financial year ending March 31, 2026, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified."

By Order of the Board

G ANAND BABU

Senior Manager – Finance & Company Secretary

Chennai
April 30, 2025

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

Agenda No 3

Appointment of M/s. Sriram Krishnamurthy & Co., Practicing Company Secretaries, Chennai as Secretarial Auditors of the Company

Pursuant to the amended provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations) notified vide SEBI notification dated December 12, 2024, the Audit Committee and the Board of Directors at their respective meetings held on April 30, 2025 have approved and recommended the appointment of M/s. Sriram Krishnamurthy & Co., Practicing Company Secretaries, Chennai [(Registration Number: P1994TN045300) (Peer Review No: 739/2020) issued by the Institute of Company Secretaries of India] for a term of 5 consecutive years to hold office from 2025-26 until the financial year 2029-30, to hold office till conclusion of the Annual General Meeting to be held during the year 2030, on the following terms and conditions:

- A. Term of appointment: For a term of 5 consecutive years from 2025-26 until the financial year 2029-30 till the conclusion of the Annual General Meeting to be held during the year 2030.
- B. Proposed Fees: The remuneration proposed to be paid at the time of appointment is ₹ 7.00 lakhs per annum in addition to reimbursement of travelling and out-of-pocket expenses actually incurred by them in connection with the audit. It is proposed to delegate powers to the Board of Directors to vary or modify the terms and conditions of appointment including the remuneration payable, subject to compliance with applicable laws, during the tenure of appointment.

The fee shall be determined based on the knowledge, expertise, industry experience, time and efforts required to be put in by them. The fees for services in the nature of certifications and other professional work will be in addition to the secretarial audit fee as above.

- C. Scope of Audit: The scope of audit shall be as prescribed under the LODR Regulations and the Companies Act, 2013, as may be amended from time to time.
- D. Basis of recommendation and credentials of Secretarial auditor:

The recommendations are based on the fulfilment of the eligibility criteria and qualification prescribed under the LODR Regulations read with guidelines issued by the Institute of Company Secretaries of India (ICSI), with regard to the experience of the firm, capability, independent assessment, audit experience and also based on the evaluation of the quality of audit work done by them in the past.

M/s. Sriram Krishnamurthy & Co., is a firm of practicing company secretaries established in the year 1997, primarily engaged in providing secretarial audit, governance, compliance management services. The firm has experience in providing consulting services for multinational companies, Non-banking Financial Companies and handling the secretarial audits of large listed entities. The firm holds a valid Peer Review Certificate No. 739/2020 issued by the Peer Review Board of the Institute of Company Secretaries of India (ICSI).

The Board believes that M/s. Sriram Krishnamurthy & Co.'s experience of conducting secretarial audit for large listed companies and knowledge of the legal and regulatory framework will be invaluable to the Company in ensuring continued adherence to compliance requirements under various applicable laws.

M/s. Sriram Krishnamurthy & Co. have given their consent to act as Secretarial Auditors of the Company and confirmed that their aforesaid appointment (if made) would be compliant with the requirements prescribed under the LODR Regulations and the guidelines issued by the ICSI and fulfils the eligibility requirements to issue report under Section 204 of the Companies Act, 2013 read with Rules made thereunder.

The Board recommends the proposal for appointment of M/s. Sriram Krishnamurthy & Co., Practicing Company Secretaries, Chennai as Secretarial Auditors, for approval of the Shareholders by way of an Ordinary Resolution.

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

Agenda No 4

Ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2026

Pursuant to Section 148 of the Companies Act, 2013 ("Act") read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2026.

Sri P Raju Iyer, FICWA, ACS, MIMA, MBA (UK), M Phil, Practicing Cost Accountant (Membership No. 6987) was appointed as the Cost Auditor of the Company for the financial years ended March 31, 2014 to March 31, 2025 for conducting the Cost Audit as mandated by the Act. Pursuant to the recommendation of the Audit Committee, the Board has considered and approved the re-appointment of Sri P Raju Iyer, Practicing Cost Accountant, as the Cost Auditor for the financial year ending March 31, 2026 at a remuneration of ₹ 5,00,000/- (Rupees Five Lakhs Only) in addition to reimbursement of travel and out-of-pocket expenses.

The proposal for remuneration as set out in the Notice is placed for consideration and ratification of the shareholders by way of an Ordinary Resolution.

The Board recommends the resolution set forth in the notice (Agenda No 4) for approval by the shareholders.

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

By Order of the Board

G ANAND BABU

Senior Manager – Finance & Company Secretary

Chennai
April 30, 2025

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

AGENDA NO 2

Name	Ms Preethi Krishna		
Age	59 years		
Director Identification Number	02037253		
Qualification	B.Sc. (Physics), Stella Maris College, M.A. Public Management, University of Madras, M.B.A., Simon School of Business, University of Rochester, New York, USA.		
Experience	Ms Preethi Krishna started her career in Sundram Fasteners Limited in the year 1988 and thereafter worked in Whirlpool Corporation between 1991-1994. Presently, she holds the position as a non-executive director in the Company.		
Date of first appointment on the Board	July 05, 2017		
Shareholding in the Company	Nil		
Current remuneration (last drawn remuneration)	₹ 13.10 lakhs per annum		
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Daughter of Sri Suresh Krishna, Chairman and Non-Executive Director and sister of Ms Arathi Krishna, Managing Director and Ms Arundathi Krishna, Joint Managing Director.		
Number of meeting of the Board attended during the year	1 (One) meeting attended during the financial year 2025-26 out of the 1 (One) meeting held/ conducted.		
Other Directorships, Memberships / Chairperson of Committees of other Boards	Name of the Company	Directorship	Committee Membership
	TVS Next Inc.	Director	-
	Sundram International Inc.	Director	-
Nature of expertise in specific functional area	Corporate Strategy and General Management		

NOTES:

1. The Ministry of Corporate Affairs ("MCA") vide its circular dated September 19, 2024 read with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, June 15, 2020, September 28, 2020, December 31, 2020, January 13, 2021, December 14, 2021, May 5, 2022, December 28, 2022 and September 25, 2023 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. **Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
3. Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of special business in Agenda Nos. 3 and 4 of the Notice is annexed hereto.
4. **Members desiring any information as regards financial statement are requested to write to the Company on or before June 23, 2025 (Monday) through e-mail at investorshelpdesk@sfl.co.in. The same will be replied by the management suitably.**
5. In the case of joint holders, the vote of the first holder who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders.

Sundram Fasteners Limited

6. The Securities and Exchange Board of India vide its circular dated November 3, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023, May 17, 2023, September 26, 2023 and November 17, 2023) has mandated all holders of physical securities to furnish the PAN, Nomination details, contact details including postal address with PIN, mobile number, e-mail address, bank account details and specimen signature to the Company/Registrar & Share Transfer Agents (RTA) of the Company in Forms ISR-1, ISR-2, SH-13 etc.

As per the above circulars, the RTA has obtained documents / is in the process of obtaining the details of PAN, KYC details and nomination (wherever, the same is not available in the folio), while processing any service requests or complaint from the holder(s) / claimant(s). The security holders shall be eligible to lodge any grievance or avail service request and receive dividend from the Company only after furnishing the above said complete documents.

In case of non-updation of PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or specimen signature in respect of physical folios, dividend shall be paid only through electronic mode, upon furnishing all the aforesaid details in entirety.

In this regard, the members who have not yet submitted the above-mentioned documents are requested to furnish the above-mentioned details in Forms ISR-1, ISR-2, SH-13 etc., The forms are available on the Company's website **www.sundram.com**. Alternatively, the members are urged to dematerialize all the shares held by them.

7. Members who have not yet registered their e-mail addresses and mobile numbers are requested to update the said details in the records of the relevant depositories (National Securities Depository Limited / Central Depository Services (India) Limited) through their depository participants (Or) may contact the Registrar and Share Transfer Agent, Sri Chandrasekar G M, Chief Manager, Integrated Registry Management Services Private Limited, Kences Towers, 2nd Floor, No 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017, Telephone: 91-44-28140801-803, E-mail: einward@integratedindia.in for receiving any documents / communication from the Company.
8. Members whose shareholding is in electronic mode are requested to notify change in address, if any, and update bank account details to their respective depository participant(s).
9. Details of dividend declared by the Company from financial year 2017-18 onwards are given below:

Financial Year	Pay-out	Date of Declaration	Date of completion of seven years period	Due date for transfer to IEPF
2017-18	2 nd Interim	09-05-2018	15-06-2025	15-07-2025
2018-19	1 st Interim	29-10-2018	05-12-2025	04-01-2026
2018-19	2 nd Interim	09-05-2019	15-06-2026	15-07-2026
2019-20	1 st Interim	04-11-2019	11-12-2026	10-01-2027
2019-20	2 nd Interim	26-02-2020	03-04-2027	03-05-2027
2020-21	1 st Interim	04-11-2020	11-12-2027	10-01-2028
2020-21	2 nd Interim	06-05-2021	12-06-2028	12-07-2028
2021-22	Interim	10-02-2022	19-03-2029	18-04-2029
2022-23	1 st Interim	08-11-2022	15-12-2029	14-01-2030
2022-23	2 nd Interim	04-05-2023	10-06-2030	10-07-2030
2023-24	1 st Interim	03-11-2023	10-12-2030	09-01-2031
2023-24	2 nd Interim	22-05-2024	28-06-2031	28-07-2031
2024-25	1 st Interim	05-11-2024	12-12-2031	11-01-2032
2024-25	2 nd Interim	30-04-2025	06-06-2032	06-07-2032

Members who have not encashed their dividend warrants in respect of the above period are requested to make their claim(s) by surrendering the uncashed warrants immediately to the Company.

10. Pursuant to the notification of Investor Education and Protection Fund (IEPF) Rules, 2016 by the Ministry of Corporate Affairs (MCA), relating to transfer of shares in respect of which dividend has not been claimed by the shareholders for *seven* consecutive years or more to IEPF Authority, the Company has duly transferred 59,303 equity shares during the financial year 2024-25 to the IEPF Authority.

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11. Members may note that pursuant to the SEBI circular dated October 3, 2024 the Notice of AGM and the Annual Report for the financial year 2024-25 will be available on the Company's website **www.sundram.com**, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL <https://www.evoting.nsdl.com>. For any communication in this regard, members may send their request to investorshelpdesk@sfl.co.in / einward@integratedindia.in.

The Company shall send a physical copy of the Annual Report to those Members who request the same at investorshelpdesk@sfl.co.in / einward@integratedindia.in by mentioning their correct Folio No. / DP ID and Client ID.

12. In compliance with the aforesaid MCA circulars and SEBI Circular dated October 3, 2024, the Notice of the AGM along with the Annual Report for the financial year 2024-25 *inter-alia* indicating the process and manner of remote e-voting / e-voting during the meeting is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.
13. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 ("Act"), and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the notice will be available for electronic inspection. Members seeking to inspect such documents electronically can send an e-mail to investorshelpdesk@sfl.co.in.
14. Corporate members are requested to provide a duly certified copy of the board resolution / power of attorney **on or before June 23, 2025 (Monday)** authorizing their representatives for the purpose of voting through remote e-voting or to participate and vote in the meeting through VC / OAVM.
15. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
16. The Members can join the AGM through VC/OAVM either 15 minutes prior to the commencement of the meeting (Or) within 15 minutes from the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through video conference will be made available for 1,000 members on first-come first-serve basis. This will not include large Shareholders (Shareholders holding more than 2% shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee and Auditors who are allowed to attend the AGM without restriction on account of first-come first-serve basis.
17. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
18. In compliance with the aforesaid MCA Circulars, the video recordings of the AGM will be made available on the website of the Company, **www.sundram.com**.
19. Members may note that the Company is registered with the newly launched SMART ODR Portal (Securities Market Approach for Resolution through Online Disputes Resolution Portal). This platform aims to enhance investor grievance resolution by providing access to Online Dispute Resolution Institution for addressing complaints. Members can access the SMART ODR Portal at www.smartodr.in. Members may feel free to utilize this online conciliation and/or arbitration facility, to resolve any outstanding disputes between Members and the Company (including RTA).

Voting through electronic means

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

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

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

The remote e-voting period begins on Friday, June 27, 2025 at 09:00 A.M. (IST) and ends on Sunday, June 29, 2025 at 5:00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. June 23, 2025

(Monday) may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being June 23, 2025 (Monday).

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	- Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also link provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

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

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Password details for shareholders other than Individual shareholders are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

-
3. Now you are ready for e-Voting as the Voting page opens.
 4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
 5. Upon confirmation, the message “Vote cast successfully” will be displayed.
 6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

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

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investorshelpdesk@sfl.co.in / einward@integratedindia.in
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investorshelpdesk@sfl.co.in / einward@integratedindia.in. If you are an individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. **System requirements:** Further, the members may ensure availability of a Camera to facilitate interface and use Internet Connection with good speed to avoid any disturbance during the meeting. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network and calls being received. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
4. Shareholders who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at **investorshelpdesk@sfl.co.in** from **June 20, 2025 (9:00 a.m. IST) to June 23, 2025 (5:00 p.m. IST)**. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Other information

- i. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the company as on the cut-off date, **June 23, 2025 (Monday)**. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ii. Any person who acquires the shares of the Company and becomes a member of the Company after dispatch of the notice of AGM and the Annual Report through electronic mode and holding shares as of the cut-off date **June 23, 2025 (Monday)** may obtain the login ID and password by sending a request to **evoting@nsdl.com / einward@integratedindia.in**.
- iii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or e-voting on the day of AGM.
- iv. The Company has appointed Sri G Karthikeyan (Membership No: A19411), Practicing Company Secretary, Chennai as Scrutiniser to scrutinise the e-voting and remote e-voting process in a fair and transparent manner.
- v. The Scrutiniser shall, immediately after the conclusion of e-voting on the date of AGM first count the e-votes cast during the AGM, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutiniser shall within two working days of conclusion of the meeting submit his report of the total votes cast in favor or against, if any, to the Chairman / Managing Director / Joint Managing Director / Chief Financial Officer / Senior Manager – Finance & Company Secretary of the Company.
- vi. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting, i.e., **June 30, 2025**. The results along with the Scrutiniser's Report shall be placed on the website of the Company <http://sundram.com/> and on the notice board of the Company at its registered office immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be communicated to the Stock Exchanges, BSE Limited/National Stock Exchange of India Limited, Mumbai.

By Order of the Board

G ANAND BABU

Senior Manager – Finance & Company Secretary

Chennai
April 30, 2025

REPORT OF THE BOARD OF DIRECTORS

The Directors are pleased to present the Sixty Second Annual Report together with the audited financial statement for the year ended March 31, 2025.

FINANCIAL HIGHLIGHTS (STANDALONE)	₹ in Crores	
	2024-25	2023-24
Revenue from Operations	5,209.74	4,905.65
Other Income	21.59	47.33
Total Revenue	5,231.33	4,952.98
Total Expenditure	4,367.74	4,127.61
Gross Profit before interest, depreciation and taxes	863.59	825.37
Less: Interest	19.27	17.31
Exchange Losses / (Gains)	0.43	0.68
Depreciation	175.80	168.31
Exceptional Item	12.50	-
Profit before Tax	680.59	639.07
Less: Provision for tax	163.58	159.36
Profit after Tax	517.01	479.71
Add: Balance brought forward	535.21	377.44
Balance available for appropriation	1,052.22	857.15
Appropriations		
Interim Dividends	150.66	120.61
Transfer to Reserves	-	200.00
Transfer from other comprehensive income to reserves	1.56	1.33
Balance carried forward	900.00	535.21
	1,052.22	857.15

TRANSFER TO RESERVES

In accordance with Section 123 read with Section 134(3)(j) of the Companies Act, 2013, the Board has not considered transfer of any amount to General Reserves during the year under review.

DIVIDEND

The Board had earlier during the year, declared first interim dividend of ₹ 3.00/- per share (300%) for the financial year 2024-25 absorbing a sum of ₹ 63.04 Crores and the same was paid to the shareholders on December 3, 2024. The Directors have decided to pay a second interim dividend of ₹ 4.20 per share (420%), which, together with the first interim

dividend, declared and paid earlier, would amount to a total dividend of ₹ 7.20 per share (720%) for the financial year 2024-25. No final dividend has been recommended by the Board of Directors.

The Dividend Distribution Policy, formulated in accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on the Company's website at:
<https://www.sundram.com/corpgov.php>

CONSOLIDATED FINANCIAL STATEMENT

In addition to the standalone financial statement, the audited Consolidated Financial Statement of the Company and all

Sundram Fasteners Limited

of the subsidiaries prepared in the same form and manner as that of its own and in accordance with the applicable Accounting Standards (Ind AS), form part of the Annual Report.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited financial statement in respect of each of its subsidiary on its website, www.sundram.com. The Company shall provide a copy of audited financial statement, as prepared in respect of each of its subsidiary, upon request by any of its shareholders.

CORPORATE GOVERNANCE

A separate report on Corporate Governance together with a certificate from the Company's auditors confirming the compliance of conditions of Corporate Governance is enclosed to this report. (Please refer to page nos. 76 to 90).

Management Discussion and Analysis detailing the state of the Company's affairs is also enclosed to this report (Please refer to Page Nos. 35 to 41).

ENVIRONMENT, SOCIAL AND GOVERNANCE

The Company prioritizes responsible operations and aligns with the National Guidelines on Responsible Business Conduct Principles and United Nations Sustainable Development Goals. The Company has implemented several initiatives to minimize its ecological footprint and foster a sustainable future. On the social front, the Company is committed to create a positive impact on society and fostering sustainable development in the communities in which it operates. To ensure good governance practices, the Company has implemented a robust monitoring system for compliance.

In pursuit of the ESG journey, the Company has identified the following goals:-

S. No	Themes	Focus Areas	Goals	Measures
1	Environment	Energy and Greenhouse Gas (GHG) Management	Carbon Neutral operations by 2045 (reducing carbon emissions or offset by reducing energy consumption, switching to renewable energy sources, supporting carbon capture, etc.)	Increase the share of renewable energy to 70% by 2030
2		Waste Management	Zero Waste to landfill by 2040	Process optimization to reduce generation of sludge
3		Water Management	Water neutral operations (eliminating dependence on freshwater consumption) by 2040	Reduction of 20% freshwater consumption by 2030
4	Social	Human rights and labour practices	To develop, respect and sustain the human rights of every stakeholder along the value chain	100% coverage of employees on Human Rights training by 2025 ¹
5		Employee wellbeing	Create a healthy workplace by implementing wellbeing programs	Achieve improvements by 2030 on the Company's wellbeing index from the baseline year of 2025
6		Occupational health and safety	Promote 'zero incident work culture' (zero accidents, injuries, or safety violations)	Achieving ISO 45001 certification [standard for Occupational Health and Safety Management Systems (OHSMS)] across all locations by 2025 ²
7		Training and development	Promote training programs for skillset enhancements	Sustain 100% training across all workforce by 2030
8	Governance	Supply Chain Management	Increase the scope of SFL's supply chain management by adding environmental and societal goals	Coverage of the Company's supply chain program by extending training to 100% of critical suppliers by 2030
9		Data Security	Protecting critical information from cyber risks	Achieving ISO 27001 Certification [standard for Information Security Management System (ISMS)] by 2025 ³

Note:

¹ The Company has provided training program on human rights covering all its employees.

² The Company is undertaking steps to obtain the certification for one of the units. For all other units, the Company has obtained ISO 45001 certification.

³ The Company has successfully completed Trusted Information Security Assessment Exchange (TISAX) audit and is undertaking steps to obtain ISO 27001 Certification.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility and Sustainability Report for the year ended March 31, 2025 is enclosed to this report (Please refer to Page Nos. 42 to 74).

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

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

During the year under review, Sri B Muthuraman (DIN: 00004757) ceased to be a Director of the Company upon completion of his second tenure as an Independent Director on September 25, 2024.

Sri R Vijayaraghavan (DIN: 00026763) was appointed as a Non-Executive Independent Director of the Company for a period of five years effective from September 26, 2024 till September 25, 2029.

Ms Preethi Krishna, Director (DIN: 02037253) of the Company, is liable to retire by rotation at the ensuing Annual General Meeting (AGM), and being eligible, offers herself for re-appointment. Necessary resolution for her re-appointment is being placed for approval of the members at the Annual General Meeting (AGM). The Board recommends her re-appointment as a Director of the Company. A brief profile of Ms Preethi Krishna and other relevant information have been furnished in the notice convening the AGM.

There was no other change in Directors or Key Managerial Personnel during the year under review.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (7) OF SECTION 149 OF THE COMPANIES ACT, 2013

All the independent directors have submitted a declaration pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as stipulated in Section 149(6) of the Companies Act, 2013.

ANNUAL RETURN

In terms of the requirement of Section 92(3) read with Section 134(3) of the Companies Act, 2013, the draft annual return of the Company as on March 31, 2025 is available on the Company's website, www.sundram.com.

BOARD MEETINGS

During the year, five meetings of the Board of Directors were held. The details of the meetings and the attendance are furnished in the Annual Report disclosures under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is attached to this Report (Please refer to Page Nos. 77 to 78).

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm that:

- in the preparation of annual accounts, the applicable accounting standards had been followed and there were no material departures.
- they had selected appropriate accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended March 31, 2025.
- 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.
- they had prepared the annual accounts on a going concern basis.
- they had laid down the internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively.
- they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

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

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

NOMINATION AND REMUNERATION POLICY

Salient features of the Policy:

The policy is to ensure that the remuneration is in line with best comparable market practices, as well as competitive vis-à-vis that of comparable companies both in India and other

international markets, which will have a motivating effect to act as a driving force to ensure long term availability of talent and also retention of the best talents. The Policy will have due regard to the situation of the specific regions in which the Company operates.

A brief description about the Company's Nomination and Remuneration Policy on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other related matters provided in Section 178(3) of the Companies Act, 2013 are provided in the Annual Report Disclosures under Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Please refer to Page No. 79).

The Nomination and Remuneration Policy is available on the Company's website at:- <https://www.sundram.com/corpgov.php>

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient is enclosed vide **Annexure - I**.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES (REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013)

All transactions with related parties were on arm's length basis and in the ordinary course of business. There was no material related party transactions during the year. Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 is enclosed vide **Annexure - II** to this report.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is enclosed vide **Annexure - III**.

RISK MANAGEMENT

In compliance with Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has constituted a Risk Management Committee.

Brief description of terms of reference of the Committee is as follows:-

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

The Company manages its risks through continuous review of business parameters on a regular basis by the management. Insurable risks are analysed and insurance policies are taken to protect the company's interests. The Audit Committee is also informed periodically of the risks and concerns. Corrective actions and mitigation measures are taken as and when needed.

During the year, two meetings of the Risk Management Committee were held. The details of the meetings are furnished in the Annual Report disclosures under Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which forms part of this Report (Please refer to Page No. 82).

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY AND IMPLEMENTATION

The salient features of the Policy are to:

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

The Company has undertaken activities as per the CSR Policy and the Annual report on CSR activities for the Financial Year 2024-25 is enclosed vide **Annexure – IV** forming part of this report.

The CSR Policy, including the annual action plan is available on the Company's website at <https://www.sundram.com/corpgov.php>

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has carried out annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out is explained in the Annual Report disclosures under Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which forms part of this report (Please refer to Page No. 80).

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

The Company has four Domestic Subsidiaries and five Overseas Subsidiaries. The financial performance of the subsidiaries during the financial year 2024-25 are given hereunder: -

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

The total revenue earned by SFZ, China during the year under review was at ₹ 395.17 Crores as against ₹ 368.61 Crores in the previous year. The net profit was at ₹ 20.63 Crores as against net profit of ₹ 19.95 Crores in the previous year.

The total revenue earned by CPF, UK during the year under review was at ₹ 142.74 Crores as against ₹ 183.33 Crores in the previous year. The net profit was at ₹ 8.75 Crores as against net profit at ₹ 14.71 Crores in the previous year.

The total revenue earned by TVS Next Inc., USA during the year under review was at ₹ 61.23 Crores as against ₹ 62.00 Crores in the previous year. The net profit was at ₹ 0.35 Crores as against net profit of ₹ 0.81 Crores in the previous year.

TVS Upasana Limited is a *wholly-owned* subsidiary and is engaged in the manufacture of spokes and nipples, automobile kits, tools, dowel pins, small screws, cold extruded

parts and other parts catering to automotive industry. The total revenue earned by TVS Upasana Limited during the year under review was at ₹ 178.76 Crores as against ₹ 178.82 Crores in the previous year. The net profit was at ₹ 8.86 Crores as against ₹ 7.92 Crores in the previous year.

The total revenue earned by Sundram Non-Conventional Energy Systems Limited, a subsidiary during the year under review was at ₹ 2.79 Crores as against ₹ 3.28 Crores in the previous year. The net profit was at ₹ 1.55 Crores as against net profit of ₹ 2.73 Crores in the previous year.

The total revenue earned by Sundram Fasteners Investments Limited, a wholly-owned subsidiary during the year under review was at ₹ 0.13 Crores as against ₹ 0.26 Crores in the previous year. The net profit was at ₹ 0.11 Crores as against net profit of ₹ 0.24 Crores in the previous year.

TVS Next Limited, a subsidiary, is engaged in the information technology business providing Enterprise Solutions for core industries like Manufacturing, Automotive and Distribution and focuses on off-shore and outsourcing operations for clients in India and the U.S.A. The total revenue earned during the year under review was at ₹ 74.01 Crores as against ₹ 75.52 Crores in the previous year. The net profit was at ₹ 5.45 Crores as against net profit of ₹ 7.45 Crores in the previous year.

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

Sundram International Limited, United Kingdom, a wholly-owned overseas subsidiary, was established as an intermediate holding company that holds investments in two operating subsidiaries viz., in China and the United Kingdom. The total revenue earned by Sundram International Limited during the year under review was at ₹ 1.27 Crores as against ₹ 2.79 Crores in the previous year. The net profit was at ₹ 0.77 Crores as against net profit of ₹ 2.29 Crores in the previous year.

The total revenue earned by all the subsidiaries of the Company in aggregate during the year under review was at ₹ 856.10 Crores resulting in an overall contribution of 14.31% of the consolidated revenue as against ₹ 874.63 Crores which resulted in an overall contribution of 15.29% of the consolidated revenue in the previous year.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statement of the Company's subsidiaries, Associates and Joint Ventures in detail in Form AOC-1 is enclosed to the financial statement of the Company in Page No 247.

CHANGE IN THE NATURE OF BUSINESS

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

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

No company has become or ceased to be Company's subsidiary, joint venture or associate company during the financial year 2024-25.

PUBLIC DEPOSITS

During the year, the Company has not accepted any deposits, within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014. No amount on account of principal or interest on deposits from public was outstanding as on the Balance Sheet date.

REGULATORY / COURT ORDERS

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status of the Company and its future operations.

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

There are no application initiated or proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016 as at March 31, 2025 and upto the date of this report.

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

No such event has occurred during the year under review.

INTERNAL FINANCIAL CONTROLS OF THE COMPANY

The Company maintains all its financial records in Systems, Applications and Products (SAP) System and all financial transaction flow and approvals are routed through SAP. The Company has in-house internal audit team to monitor the effectiveness of internal financial controls, ensuring adequacy with respect to financial statement and verify whether the financial transaction flow in the organisation is being done based on the approved policies of the Company. The internal auditor presents the internal audit report and the management comments on the internal audit observations every quarter to the Audit Committee. The internal control mechanisms are in place for safeguarding of assets, the

prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial information.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The statement in terms of Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed vide **Annexure V** forming part of this report.

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

STATUTORY AUDITORS

Pursuant to Section 139 of the Companies Act, 2013, M/s. B S R & Co. LLP, Chartered Accountants, Chennai, (Registration No. 101248 W / W- 100022 with the Institute of Chartered Accountants of India), were appointed as Statutory Auditors of the Company at the Fifty Ninth Annual General Meeting (AGM) of the Company for the *second* term of five consecutive years commencing from the conclusion of the Fifty Ninth AGM (i.e., June 29, 2022). M/s. BSR & Co. LLP holds Peer Review Certificate No 0014196 dated May 18, 2022 issued by the Institute of Chartered Accountants of India.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors had appointed M/s. Sriram Krishnamurthy & Co., Practicing Company Secretaries, Chennai (formerly known as M/s S Krishnamurthy & Co.,) as the Secretarial Auditor of the Company for the financial year 2024-25. Secretarial Audit Report issued by Sri K Sriram, Practicing Company Secretary (CP No.2215), Partner, M/s. Sriram Krishnamurthy & Co., Practicing Company Secretaries, Chennai in Form MR-3 is enclosed vide **Annexure VI** forming part of this report and does not contain any qualification.

The Securities and Exchange Board of India (SEBI) has amended Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 whereby Shareholders, on the recommendation of Board of Directors, may appoint or re-appoint a Secretarial Audit firm as Secretarial Auditors for not more than two terms of five consecutive years, in the Annual General Meeting.

Accordingly, the Board of Directors recommends to the Shareholders, the appointment of M/s. Sriram Krishnamurthy

& Co., Practicing Company Secretaries, Chennai as Secretarial Auditors, for a term of five consecutive years, from the financial year 2025-26 till the financial year 2029-30. The Company has received consent and eligibility certificate from M/s. Sriram Krishnamurthy & Co., Practicing Company Secretaries, Chennai to serve as Secretarial Auditors of the Company, if they are appointed. M/s. Sriram Krishnamurthy & Co., Practicing Company Secretaries, Chennai holds a valid Peer Review Certificate No. 739 dated May 28, 2020, issued by the Institute of Company Secretaries of India.

COST AUDITOR

In terms of Section 148 of the Companies Act, 2013 (the Act) read with Companies (Cost Records and Audit) Rules, 2014, as amended, the Board of Directors has appointed Sri P Raju Iyer, Practicing Cost Accountant (Membership No.6987) as Cost Auditor for the financial year 2025-26. The Audit Committee recommended his appointment and remuneration subject to the compliance of all the requirements as stipulated under the Act and circulars issued thereunder. As specified by the Central Government under Section 148(1) of the Companies Act, 2013, the Company is required to maintain cost records and accordingly, such accounts and records are made and maintained.

BOARD'S COMMENT ON THE AUDITOR'S REPORT

There are no qualifications, adverse remarks or reservations made by Statutory Auditors and Secretarial Auditors in their report, which were required to be addressed by the Board in its report.

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

The Company has adopted the Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. In compliance with the provisions under Section 4 of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, Internal Complaints Committee (ICC) of the Company has been constituted to redress complaints regarding sexual harassment. No complaint was received during the calendar year 2024.

SECRETARIAL STANDARDS

The Company has complied with the Secretarial Standards on the Board and the General Meetings issued by the Institute of Company Secretaries of India.

WHISTLE BLOWER POLICY (VIGIL MECHANISM)

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a Vigil Mechanism through a Whistle Blower Policy. The details about the whistle blower policy are provided in the Annual Report Disclosures under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Please refer to Page No. 87)

INDUSTRIAL RELATIONS

Industrial relations continued to remain congenial during the current year. The Directors thank the employees for their contribution to the progress of the Company during the year under review.

ACKNOWLEDGMENT

The Directors wish to thank the Chinese Authorities, Officers of Haiyan County, Jiaxin City, Zhejiang province, Chinese tax and other administrative authorities for the support extended to Sundram Fasteners (Zhejiang) Limited, a step-down subsidiary. The Directors wish to thank One North East, the Regional Development Authority for Cramlington, United Kingdom for the continued support extended to the step-down subsidiary. The Directors also wish to thank the Company's bankers, State Electricity Boards in Tamil Nadu, Puducherry, Telangana, Andhra Pradesh and Uttarakhand, customers, vendors and employees for all the assistance rendered by them from time to time.

On behalf of the Board

SURESH KRISHNA

Chairman

DIN: 00046919

April 30, 2025
Chennai

Sundram Fasteners Limited

Annexure - I

Particulars of loans, guarantees and investments under Section 186 of the Companies Act, 2013 during the financial year ended March 31, 2025

₹ in Crores

Name of the Body Corporate	Nature of relationship	Nature of transaction	Amount of transaction	Purpose for which the loan / security / acquisition / guarantee utilized by the recipient
Sundaram Asset Management Co. Limited, Chennai, India:- Sundaram Overnight Direct Growth Fund Scheme	NA	Investments in Mutual Funds	231.00	Treasury Investments*

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

On behalf of the Board

SURESH KRISHNA

Chairman

DIN: 00046919

April 30, 2025
Chennai

Annexure - II

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

- Details of contracts or arrangements or transactions not at arm's length basis
All contracts / arrangements / transactions with related parties were on arm's length basis and in the ordinary course of business.
- Details of material contracts or arrangement or transactions at arm's length basis
There was no material related party contract or arrangement or transaction during the year.

On behalf of the Board

SURESH KRISHNA

Chairman

DIN: 00046919

April 30, 2025
Chennai

The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:

CONSERVATION OF ENERGY

Conservation of Electrical Power:

The Company continued its focus on energy conservation by leveraging Renewable Energy (RE) sources through Group Captive and Onsite Solar modes.

The total renewable energy consumption aggregates to 1,572.84 lakh units during the financial year 2024-25 which represents 50.65% of total power consumption (1,311.02 lakh units during financial year 2023-24 representing 47.25% of total power consumption). The use of renewable energy has resulted in reduction of emission of Green House Gases equivalent to 1,14,345 tCO₂e.

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

- i. Substitution of the LPG-fired burner with electric heating in the Ammonia Cracker. Electric heating directly converts energy into heat with minimal loss, unlike combustion process where energy is lost through incomplete combustion and exhaust.
- ii. Replacement of air hoses with aluminium pipes in the turbine shop to prevent air loss. Aluminium pipes are corrosion resistant and are more durable requiring less maintenance. It reduces friction and allows for greater air flow with less pressure.
- iii. Installation of separate ball valves at accessible points on the pneumatic lines of each machine. A pneumatic system uses compressed air to generate, transmit, and control power to perform mechanical work. Separate ball valves at accessible points allows for isolation of sections of the system when not in use, preventing compressed air from remaining under pressure and leaking.
- iv. Installation of solenoid valves for all multi gauges to minimize air wastage from the gauges. A solenoid valve is an electromechanical device used to control the flow of gas by using an electromagnet to open or close a valve. By installing it, air wastage is minimized by allowing precise control of airflow to individual gauges. This control prevents continuous air flow to the gauges when they are not in use, thus reducing air waste.
- v. Reducing energy consumption during the idle time in machines by interlocking fumes exhaust motor with the machine's run mode. This is done by ensuring that exhaust fan runs only when the machine is actively generating fumes.
- vi. Installation of solar boiler for the canteen.
- vii. Motion sensor has been provided for furnace cabin light at Padi Unit.

TECHNOLOGY ABSORPTION

(i)	The efforts made towards technology absorption	1. Implementation of a centralized fume exhaust system with Electrostatic Precipitators (ESP) for forging machines. 2. Replacement of the Silicon Controlled Rectifiers (SCR)/ thyristor controller in the tempering zone of the furnace with a 3-phase Insulated-Gate Bipolar Transistor (IGBT) controller. Tempering zone is the area where the materials are heated and held at a specific temperature to alter their physical properties. IGBT allows for a more efficient and Pulse-Width Modulated control method whereby average power delivered to a load is adjusted by varying the width of pulses. It is like switching a power source on and off very rapidly.
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Sundram Fasteners Limited

(ii)	The benefits like product improvement, cost reduction, product development or import substitution;	The efforts made towards technology absorption has led to:- 1. Upgradation from the conventional fume exhaust system to Electrostatic Precipitators (ESP) with a blower-type system resulting in reduction of power consumption, power cost and recovery of oil from the ESP. 2. Replacement of the Silicon Controlled Rectifiers (SCR)/ thyristor controller with Insulated-Gate Bipolar Transistor (IGBT) controller resulting in reduction in heat loss, power consumption and power cost.
(iii)	Imported Technology	Not applicable
	a) Details of technology imported	
	b) The year of import	
	c) Whether the technology been fully absorbed	
	d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
(iv)	Expenditure on Research and Development	Capital Expenditure : ₹ 01.63 Crores Revenue Expenditure : ₹ 18.99 Crores Total Research & Development : ₹ 20.62 Crores Expenditure (Net of revenue)

FOREIGN EXCHANGE EARNINGS AND OUTGO

The total foreign exchange earned and used are as under:

Foreign exchange earned (₹ in Crores)	1,413.98
Foreign exchange used (₹ in Crores)	387.51

The Company continues to be a net foreign exchange earner.

On behalf of the Board

SURESH KRISHNA
Chairman
DIN: 00046919

April 30, 2025
Chennai

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2024-25

1. Brief Outline of the Company's CSR Policy

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

Our social responsibility initiatives

The Company is dedicated to upholding social responsibility alongside profitable growth and stakeholder satisfaction. The core values prioritize community well-being and sustainable development. Through the corporate social responsibility (CSR) policy, the Company continually seeks to create opportunities for the communities it serves, collaborating with specialized organizations for long-term positive impact.

Empowering Through Education

Sundram Matriculation Higher Secondary School

The Company has established an English medium school in Aviyur Village, Virudhunagar District in the state of Tamil Nadu during the year 1993. The school provides quality education with modern technology and techniques to the children who hail from the surrounding 8 villages. The school is managed by the CSR arm of the Company i.e., Krishna Educational Society. During the year under review, 479 students (male 252, female 227) have benefitted from this support system.

Supporting Primary and Higher Education

In addition to utilizing its own resources, the Company has partnered with special organizations to bolster its support for primary and higher education initiatives. This includes supporting government schools near its plants in Kambikudi, and Aviyur by providing essential infrastructure such as benches, desks, and educational aids. Furthermore, the Company has contributed to the construction of a fully equipped high school catering to students from economically disadvantaged backgrounds, predominantly from agricultural families.

The Company extends support to the Clarke School for the Deaf, an institution dedicated to educate and rehabilitate hearing-impaired and differently abled children. Through institutions like the Sugun Thomas Foundation, the Company assists deserving students in pursuing undergraduate education, thus removing financial barriers hindering their academic pursuits.

In collaboration with the Banyan Academy for Leadership in Mental Health (BALM), the Company established the Sundram Fasteners Centre for Social Action and Research to address the gaps in the Mental Health Sector for marginalized communities. Through education and training, the Centre aims to address complex challenges faced by individuals with mental health issues, promoting collaborative care models grounded in social justice principles. The Centre has empowered over 817 students by offering educational programs, fostering a culture of applying the acquired knowledge in practical settings to effect positive change.

The findings of research conducted by the centre is used in social action and public policy initiatives, facilitating sustainable solutions supported by students, volunteers, and faculty members. Additionally, the Company has contributed to establishing a Mental Health Resource hub, serving as a repository for case studies and facilitating the creation of policies based on research findings, thereby enhancing mental health care coordination in diverse settings.

The Company through AIM For Seva had contributed to the education of students in the Swami Dayananda College of Arts and Science, Manjakkudi by sponsoring purchase of twenty-five (25) computers for the college.

Collaborating for positive impact

The Company supported multi-disciplinary research in the area of operations management, marketing, mathematics and environmental studies at Krea University's undergraduate 'School of Business and Science'.

Healthcare

Given the significant deficiencies and disparities in rural areas, it is essential to identify and assess the developmental needs and initiatives required to address the community's needs and ensure equitable progress effectively. In this

Sundram Fasteners Limited

context, the Company has recognized that rural healthcare as critical to rural development. Through its CSR arm, the Krishna Educational Society, the Company provides free medical services to people living in the villages surrounding its Krishnapuram plant, benefiting approximately 2,500 families.

The company also provides primary medical care to underprivileged communities in eight villages of the Nagapattinam district, Tamil Nadu, in collaboration with the Vaastu Foundation.

To ensure public health among the rural community, the company in association with Gramalaya has assisted in implementing various hygiene and sanitation projects in Aviur village near its Krishnapuram plant. The activities include construction of Sustainable Maintainable Affordable Recyclable and Technically Perfect (SMART) toilets, conduct of awareness and educational program on Water, Sanitation and Hygiene (WaSH) practices. This project has benefitted 2,500 persons directly and indirectly.

Environment & Wildlife

Tamil Nadu is a state of rich cultural, traditional and ecological history. The state has some of the most diverse and valuable ecosystems on earth which makes it a home to myriad species of mammals, birds, reptiles and amphibians. With a view to showcase the rich diversity of species and habitats which the state has, the company is producing a documentary film in association with Nature Infocus Media Private Limited.

In association with Lotus Foundation, the Company had contributed towards the restoration and rejuvenation of the Iyyanar Kovil Pond in Mandagapattu Village, Kandamangalam block, Tamil Nadu, which benefits 500 households surrounding the Pond.

Livelihood Enhancement

With a view to enhance social status and economic well-being of women and supporting their efforts to earn a livelihood while bringing up a family, the company in association with Women's India Association (WIA) has provided Nurse aid training and created a tailoring unit for imparting skill training.

Skill Development

The Company has facilitated skill-oriented training through engagement of apprentices under the National Apprenticeship Training Scheme (NATS). The Company has been engaging apprentices in its establishment as per the requirements under the Apprentices Act, 1961.

Employee-Led Social Development Initiatives

The Company actively encourages its employees to dedicate their time and efforts to CSR initiatives aimed at aiding the underprivileged and effecting positive change. Employees are urged to volunteer at least one working day annually towards a social cause of their choice. They actively participate in various CSR activities focusing on education, healthcare, and community outreach programs, either initiated by the Company or in collaboration with other organizations and NGOs.

The Company is unwavering in its dedication to social responsibility, continually seeking to create meaningful opportunities for employees to contribute their time and talents in ways that make a lasting impact.

2. Composition of CSR Committee

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

3. The Web-Link

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

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies Act, 2013.

Pursuant to the Rules, an impact assessment is required when the average CSR obligation during the immediately three financial years exceed ₹ 10.00 Crores for the projects with outlay of ₹ 1.00 Crore or more.

The average obligation during the immediately preceding three financial years i.e. before 2022-23 was ₹ 10.48 Crores. Hence, the impact assessment was carried out for the projects undertaken during the financial year 2022-23 which had the outlay of ₹ 1 Crore and above.

The criteria for impact assessment includes compliance with CSR regulations, availability of process for beneficiary database maintenance and verifiability of beneficiaries, impact assessed from sample verification of beneficiaries and impact on sustainability and government policies.

The impact assessment was carried out by an independent third party and the summary of the assessment report is as follows:

Particulars	Krishna Educational Society (Sundram Matriculation Higher Secondary School)	Banyan Academy of Leadership in Mental Health (BALM)- SFL centre for Social Action & Research in Education and Mental Health	Krea University
Project theme / purpose	Running and maintenance of Sundram Matriculation Higher Secondary School, Aviyur	- Regular operations of Sundram Fasteners Centre for Social Action and Research. - Construction cost for Recovery Hub at Trichy	Towards honorarium and research support cost.
CSR Contribution	₹ 1.60 crores	₹ 2.03 crores	₹ 1.20 crores
Impact assessment score (out of 5)	4.80	5.00	3.45
Meaning of score *	High impact	High impact	Medium impact

* Below 3.25 - Low impact; Between 3.25 - 4.50 - Medium impact and Above 4.50 - High Impact

The impact assessment reports can be accessed in the web-link: <https://www.sundram.com>

5. a) Average Net Profit of the Company as per Section 135(5): ₹ **613.53 Crores**
b) Two percent of average net profit of the Company as per Section 135 (5): ₹ **12.27 crores**
c) Surplus arising out of the CSR projects/programmes of the previous financial year: Nil
d) Amount required to be set off for the financial year, if any: Nil
e) Total CSR obligation for the financial year (5b+5c-5d): ₹ **12.27 crores**
6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ **1.44 Crores towards 'Ongoing projects' and ₹ 10.83 crores towards 'other than ongoing projects'.**
b) Amount spent in Administrative Overheads: Nil
c) Amount spent on Impact Assessment, if applicable: Nil
d) Total amount spent for the Financial Year [6a+6b+6c]. ₹ **12.27 crores**
-

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

Total Amount Spent for the Financial Year (₹ in crores)	Amount unspent (₹ in crores)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 12.27			NIL		

(f) Excess amount for set off, if any

S No	Particulars	Amount (₹ in crores)
1	2	3
(i)	Two percent of average net profit of the Company as per Section 135(5)	₹ 12.27
(ii)	Total Amount spent for the Financial Year	₹ 12.27
(iii)	Excess amount spent for the Financial Year [(ii) – (i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial year, if any.	Nil
(v)	Amount available for set off in succeeding years [(iii) – (iv)]	Nil

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

1	2	3	4	5	6	7	8
S No	Preceding Financial Year	Amount transferred to unspent CSR Account under Section 135(6) (₹ in Crores)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (₹ in Crores)	Amount Spent in the Financial Year (₹ in Crores)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any.	Amount remaining to be spent in succeeding financial years (₹ in Crores)	Deficiency, if any
					Amount (₹ in Crores)	Date of transfer	
					Nil		

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

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

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

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

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

Place : Chennai
Date : April 30, 2025

Dr Nirmala Lakshman
Non-Executive Independent Director
Member of the CSR Committee
DIN: 00141632

Arathi Krishna
Managing Director
Chairperson of the CSR Committee
DIN: 00517456

Arundathi Krishna
Joint Managing Director
Member of the CSR Committee
DIN: 00270935

**Statement of particulars as per Rule 5 of Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

S. No.	Name of the Directors	Designation	Ratio (times)	Percentage increase in remuneration
1	Sri Suresh Krishna	Chairman	4.32	9.41%
2	Ms Arathi Krishna	Managing Director	121.46	11.43%
3	Ms Arundathi Krishna	Joint Managing Director	119.67	13.27%
4	Sri B Muthuraman* (upto September 25, 2024)	Director	1.67	NA
5	Ms Preethi Krishna*	Director	1.89	Nil
6	Sri Heramb Ravindra Hajarnavis*	Director	1.87	Nil
7	Sri S Mahalingam*	Director	2.00	Nil
8	Dr Nirmala Lakshman*	Director	1.91	Nil
9	Sri R Vijayaraghavan* (w.e.f. September 26, 2024)	Director	0.27	NA
10	Sri R Dilip Kumar	Chief Financial Officer	15.97	19.05%
11	Sri G Anand Babu	Senior Manager-Finance & Company Secretary	3.82	9.75%

* Sitting fees paid for attending the Board / Committee meetings / meeting of the Independent Directors during the financial year 2024-25. Further, the remuneration to the Independent and Non-Executive Directors is inclusive of the commission for the financial year 2024-25.

- (ii) The percentage increase in the median remuneration of employees in the financial year: 8.09%
- (iii) The number of permanent employees on the rolls of Company as on March 31, 2025: 3,185
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.
- Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2024-25 was 14.17% whereas the increase in the managerial remuneration for the same financial year was 12.69%.
- (v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Form No. MR-3

Secretarial Audit Report for the financial year ended 31st March 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014] and Regulation 24A(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

We have conducted a Secretarial Audit of compliance with applicable statutory provisions and adherence to good corporate practices by **SUNDRAM FASTENERS LIMITED** (hereinafter called “the Company”) during the financial year from 1st April 2024 to 31st March 2025 (“the year”/the financial year / “audit period” / “period under review”), in a manner that provided us a reasonable basis for evaluating the Company’s corporate conducts/statutory compliances and expressing our opinion thereon.

We are issuing this **Secretarial Audit Report** based on:

- (i) Our **verification** of the books, papers, minute books, documents and other records maintained by the Company and furnished to us, including scanned copies provided through electronic mode, various forms/ returns filed either with or as mandated by applicable statutory/ regulatory authorities, information disseminated on the websites of the Company and the stock exchanges (on which Equity Shares of the Company are listed), and compliance related actions taken by the Company during the financial year as well as after 31st March 2025 but before the issue of this secretarial audit report;
- (ii) Our **observations** during our visits to the registered office and some of the factories of the Company;
- (iii) **Compliance certificates** confirming compliance with all laws applicable to the Company given by their key managerial personnel / senior managerial personnel and taken on record by their Audit Committee; and
- (iv) **Representations** made and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, **during the audit period covering the financial year ended on 31st March 2025** the Company has:

- (i) Complied with the statutory provisions listed hereunder; and
- (ii) Board processes and compliance mechanism in place **to the extent, in the manner and subject to the reporting made hereinafter.**

The members are requested to read this report along with our letter of even date annexed to this report as Annexure – A.

1. **Compliance with specific statutory provisions**

We further report that:

- 1.1. We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions/ clauses of the Acts, Rules, Regulations, Standards and Agreements set out hereunder:
- 1.2. During the period under review, and also considering the compliance related action taken by the Company after 31st March 2025 but before the issue of this report, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us, **the Company’s compliance** with the said applicable provisions/ clauses of the Acts, Rules, Regulations, Standards and Agreements **is as set out hereunder:**
- 1.3. The Company **has complied with the following:**
 - (i) The Companies Act, 2013 and the rules made thereunder (“the Act”);
 - (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
 - (iv) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (v) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) (“Listing Agreements”); and
 - (vi) Secretarial Standards on General Meetings (SS-2) issued by The Institute of Company Secretaries of India (“ICSI”) to the extent applicable to the 61st Annual General Meeting held on 9th August, 2024 (“61st AGM”) and the Postal Ballot process conducted during the year).
- 1.4. The Company **has generally complied with the following:**
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”);
 - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

-
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder (“**FEMA**”) to the extent of:
- Overseas Direct Investment; and
 - External Commercial Borrowings.
- (iv) The following laws that were specifically applicable to the Company (“**Specific laws**”):
- The Special Economic Zones Act, 2005 and the rules made thereunder (for the units located in Special Economic Zones); and
 - Export Oriented Unit Scheme (for the units having Letters of Approval under the Scheme); and
- (v) The Secretarial Standards issued by ICSI on Meetings of the Board of Directors (SS-1) to the extent applicable to Board meetings. The Company has not adopted the Secretarial Standards on Dividend (SS-3) and the Secretarial Standards on Board’s Report (SS-4) issued by ICSI, since they were not mandatory.
- 1.5. The Company **was not required to comply with** the following on account of **non-applicability/non-occurrence of events** that necessitated such compliance, during the year:
- FEMA to the extent of Foreign Direct Investments;
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Act and dealing with client;
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
 - The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- 2. Board constitution and processes:**
- We further report that:**
- 2.1 The constitution of the Board of Directors (*the Board*) of the Company during the year was in compliance with the applicable provisions of the Act and LODR.
- 2.2 As on 31st March 2025 the Board has **eight directors**, out of whom there are:
- 2 (two) Executive** Directors;
 - 2 (two) Non-Executive Non-Independent** Directors; and
 - 4 (four) Independent** Directors.
- 2.3 As on 31st March 2025, the Board has **4 (four) women directors**, constituting 50% of its total strength and comprising of:
- 2 (two) Executive Directors;
 - 1 (one) Non-Executive Non-Independent Director; and
 - 1 (one) Independent Director
- 2.4 The processes, including recommendations from the Nomination and Remuneration Committee as well as the Board of Directors taking into account the performance evaluation and skill sets, relating to the following changes in the composition of the Board during the year, were carried out in compliance with the provisions of the Act and LODR:
- Re-appointment** of Ms. Arathi Krishna (DIN:00517456), an Executive Director who retired by rotation at the 61st AGM, by way of an Ordinary Resolution;
 - Cessation of** Mr. Muthuraman Balasubramanian (DIN: 00004757), an Independent Director, on account of his retirement on completion of his second consecutive tenure on **25th September 2024**; and
 - Appointment** by the Board of Directors on 20th September 2024 **and approval of the appointment by the members** by way of a Special Resolution passed through Postal Ballot on 29th October 2024, of Mr. Ranganathan Vijayaraghavan (DIN: 00026763), as an Independent Director for a term of 5 (five) years from 26th September 2024 to 25th September 2029 and for his continuation after attaining 75 years of age during the said tenure, in the vacancy that arose due to the retirement of Mr. Muthuraman Balasubramanian (DIN: 00004757), an Independent Director, on 25th September 2024.
- 2.5 Adequate notice was given to all the directors to enable them to plan their schedule for the Board meetings.
- 2.6 Notice of Board meetings were sent at least 7 (seven) days in advance.
- 2.7 Agenda and detailed notes on agenda were sent to all the directors at least 7 (seven) days before the Board meetings except for the following items,
-

for which they were either circulated separately or at the concerned Board meetings and consent of the Board for so circulating/ presenting them was duly obtained as required under SS-1:

- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts/ results, unaudited financial results and connected papers; and
- (ii) Additional subjects/ information/ presentations and supplementary notes.

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

2.9 We noted from the minutes that, at the Board meetings held during the year:

- (i) Majority decisions were carried through; and
- (ii) No dissenting views were expressed by any of the Board members on any of the subjects discussed, that were required to be captured and recorded as part of the minutes.

3. Compliance mechanism

We further report that there are reasonably adequate systems and processes, commensurate with the Company's size and operations, to monitor and ensure compliance with all the applicable laws, rules, regulations and guidelines.

4. Specific events / actions

We further report that both NSE and BSE have vide their letter dated 3rd January 2025 accorded their approval (sought vide Company's application dated 29th September 2022) for re-classification of M/s. T V Sundram Iyengar & Sons Private Limited, an erstwhile Promoter who presently do not hold any shares in the Company, from "Promoter" category to "Public" category.

For SRIRAM KRISHNAMURTHY & CO.,
(formerly known as M/s S Krishnamurthy & Co.)
Company Secretaries,
Firm Unique Identification Number: P1994TN045300
(Peer Review Certificate No 739/2020)

K Sriram
Partner
Membership No: F6312
Certificate of Practice No: 2215
UDIN: F006312G000242141

Date: 30th April 2025
Place: Chennai

Sundram Fasteners Limited

Annexure – A to Secretarial Audit Report of even date

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

Our Secretarial Audit Report (in Form MR-3) of even date for the financial year ended 31st March 2025 is to be read along with this letter.

1. Management's Responsibility:

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

2. Secretarial Auditors' Responsibility:

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

3. We have:

- (a) **Followed** such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records and the audit was conducted in accordance with applicable auditing standards issued by The Institute of Company Secretaries of India. Those Standards require that we comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.
- (b) **Considered** and taken into account various compliance related actions taken by the Company after 31st March 2025 but before the issue of this report, while forming our opinion on the compliance.
- (c) **Viewed** compliance related actions taken by the Company based on independent legal/professional opinion obtained as being in compliance with law, wherever there was scope for multiple interpretations.
- (d) **Verified** the secretarial/ compliance-related records furnished to us, on a test basis to see whether the correct facts were reflected therein.
- (e) **Examined** some of the compliance processes/ procedures followed by the Company on a test basis to ascertain their adequacy.
- (f) **Not verified** the correctness and appropriateness of the financial statements, financial records and books of accounts of the Company.
- (g) **Obtained** the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.

4. We believe that the processes and practices we followed for our verification provide a reasonable basis for forming our opinion.

5. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

For SRIRAM KRISHNAMURTHY & CO.,
(formerly known as M/s S Krishnamurthy & Co.)
Company Secretaries,
Firm Unique Identification Number: P1994TN045300
(Peer Review Certificate No 739/2020)

K Sriram
Partner
Membership No: F6312
Certificate of Practice No: 2215
UDIN: F006312G000242141

Date: 30th April 2025
Place: Chennai

Management Discussion and Analysis – 2024-25

Industry structure and developments

India remains one of the fastest-growing major economies, with the GDP estimated to grow by 6.5% in 2024-25 and projected to grow at the same rate in 2025-26. The growth is driven primarily by the services and agriculture sectors, as improvement in agricultural output has boosted rural demand. A weak global demand has put pressure on the manufacturing industry. However, consistent domestic demand has led to stability in private consumption. With a GDP exceeding USD 4 trillion, India is the fifth-largest economy globally and is on track to become the fourth-largest by 2025-26. The budget for 2025-26 emphasizes four key development areas—agriculture, micro, small, and medium enterprises (MSMEs), investments, and exports—as catalysts for growth. Significant funding is allocated for infrastructure development, including ₹ 1.5 lakh crore in interest-free loans to States for major projects. The output of coal, fertilizer, steel, and cement has increased, propelling the expansion of the eight core sectors, which account for 40% of the Index of Industrial output.

Retail inflation has softened from 5.4% in 2023-24 to 4.6% in 2024-25. With inflation at its lowest since 2018–19, an enabling environment has been created for sustainable growth. This trajectory underscores resilience and commitment to ensuring price stability without compromising development goals. Improved expenditure management and tax revenue have enabled the Government to control the fiscal deficit. The consumption trend remains strong, as GST collections exceeded ₹ 22.08 trillion for the year.

During the year, INR depreciated and closed at 85.47 against the USD, declining from 83.40 on March 31, 2024. The GDP, which was initially forecasted to grow at 7.0%, moderated to 6.5% due to extreme weather conditions, lengthy general elections, elevated food inflation, and rear-ended infrastructure spending. In addition, higher FDI repatriation and equity outflows by Foreign Institutional Investors also caused the INR to decline.

A good monsoon helped the nation recover from the near drought caused by El Nino. It replenished water farms and reservoirs, increasing rural income, boosting consumption, and fuelling general economic growth.

Auto Industry Performance

Passenger Vehicles (PV) segment

- The PV segment recorded its highest-ever sales at 4.3 million units, with a growth of 2% over 2023-24. The modest growth can be attributed to the high base effect.
- Sports Utility Vehicles (SUVs), which accounted for 65% of all PV sales, saw double-digit growth. The trend will likely continue, with multiple new SUV models scheduled for release in the upcoming year.
- The PV sales also reported its highest-ever exports of 0.77 million units in 2024-25, registering a growth of 14.6% over 2023-24. New model launches with modern designs rich in features and supported with attractive discounts and promotions sustained the growth momentum.
- Electric vehicle (EV) sales continue to gain traction, with new EV launches by several manufacturers providing the impetus for the growth of this segment. The EV registrations have scaled 1 lakh units, registering an impressive increase of 18.2%.

Commercial Vehicles (CV) segment

- CV segment has registered a decline of (1.20%) in sales during the financial year 2024-25.
- The truck segment also experienced a slight degrowth in volumes. Fleet operators have shifted to larger gross vehicle weight (GVW) vehicles to address the capacity constraints. The growing network of highways and expressways is essential for improving regional connectivity and lowering logistics costs, which bodes well.
- The bus segment reported impressive growth numbers in 2024-25. By offering grants for constructing capital assets, including e-buses, and establishing a charging station network, the government hopes to encourage widespread e-mobility through the PM E-DRIVE Scheme.
- In addition, the PM E-DRIVE Scheme aims to provide incentives to encourage the purchase of e-2W, e-3W, e-ambulances, and e-trucks.

Tractors and Two-wheeler segment

- The tractor industry had a modest decline of (1.04%) compared to the previous year. The first quarter showed weakness, but the segment began to recover in September 2024 leading to strong growth during the festive season in October and November.

Sundram Fasteners Limited

- Two-wheeler (2W) sales reached 19.6 million units during 2024-25, registering a growth of 9.1%. Growth is led by improved rural and semi-urban connectivity and the availability of newer models with enhanced features. The penetration of EVs in the two-wheeler segment increased to about 6% in 2024-25.

Segment-wise or Product Wise Performance

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

Category	Production		
Segment/Sub-segment	April-March		
	2024-25	2023-24	% Change
I Passenger Vehicles (PVs)			
Passenger Cars	1,749,506	1,979,907	(11.6%)
Sports Utility Vehicles (SUVs)	3,155,312	2,777,051	13.6%
Vans	156,346	144,882	7.9%
Total Passenger Vehicles (PVs)	5,061,164	4,901,840	3.3%
II Commercial Vehicles (CVs)			
M&HCVs			
Passenger Carrier	70,178	55,744	25.9%
Goods Carrier	323,441	337,719	(4.2%)
Total M & HCVs	393,619	393,463	0.0%
LCVs			
Passenger Carrier	65,550	73,229	(10.5%)
Goods Carrier	573,476	600,812	(4.5%)
Total LCVs	639,026	674,041	(5.2%)
Total Commercial Vehicles (CVs)	1,032,645	1,067,504	(3.3%)
III Three Wheelers			
Passenger Carrier	905,821	846,385	7.0%
Goods Carrier	121,195	116,141	4.4%
E-Rickshaw	18,715	29,830	(37.3%)
E-Cart	4,289	3,803	12.8%
Total Three Wheelers	1,050,020	996,159	5.4%
IV Two Wheelers			
Scooter	7,437,681	6,391,272	16.4%
Motorcycles	15,922,027	14,589,393	9.1%
Mopeds	524,149	487,862	7.4%
Total Two Wheelers	23,883,857	21,468,527	11.3%
Grand Total of All Categories	31,027,686	28,434,030	9.1%

Source: Society of Indian Automobile Manufacturers

Revenues

Domestic Sales:

Domestic sales of the Company grew at 3.56% from ₹ 3,339.20 Crores in the previous year to ₹ 3,457.95 Crores for the year ended March 31, 2025.

Export Sales:

Buoyed by favourable customer demand, the Company has registered exports of ₹ 1,584.09 crores in comparison to ₹ 1,409.43 Crores in the previous year recording a growth of 12.39%.

Operating Revenues:

The operating revenue of the Company was at ₹ 5,209.74 Crores (PY: ₹ 4,905.65 Crores).

Financial Performance:

Steel is one of the principal raw materials used by the Company. During the year under review, steel prices has softened in the domestic market in comparison to previous year. The Company mitigates its raw material price risks through identification of alternate sources of suppliers, alternate usage of materials, and price negotiations. Further, the yield improvement projects have helped to reduce raw material consumption.

The Company continues to procure cost effective renewable sources of power under group captive scheme. Further the Company has installed roof-top solar panels in its factories to optimise the power cost. The renewable power constitutes 50.65% of the power consumed in the current financial year.

During the financial year 2024-25, PBIDT (Profit before interest, foreign exchange fluctuation, depreciation, exceptional income and tax) was at ₹ 863.59 crores as against ₹ 825.37 Crores in the previous year.

Finance costs amounted to ₹ 19.70 Crores (PY: ₹ 17.99 Crores).

Profit before tax was higher at ₹ 680.59 Crores (PY: ₹ 639.07 Crores). After providing for taxes, the Profit after Tax amounted to ₹ 517.01 Crores (PY: ₹ 479.71 Crores).

Summary of Operating Results:

₹ in Crores

Particulars	2024-25	2023-24
Net Revenue from Operations	5,209.74	4,905.65
Other Income	21.59	47.33
Total Income	5,231.33	4,952.98
Total Expenditure	4,367.74	4,127.61
Profit Before Interest, Depreciation and Tax (PBIDT)	863.59	825.37
Finance Cost	19.70	17.99
Depreciation/Amortization	175.80	168.31
Exceptional Item	12.50	-
Profit Before Tax (PBT)	680.59	639.07
Provision for Tax	163.58	159.36
Profit After Tax (PAT)	517.01	479.71

Sundram Fasteners Limited

Details of significant changes in key financial ratios:

Sr. No.	Key Ratios	Unit of measurement	Current year 2024-25	Previous year 2023-24	Significant change compared with previous year i.e. 25% or more	Detailed explanation for significant change
1	Debtors Turnover	Days	89	78	-	-
2	Inventory Turnover	Days	67	60	-	-
3	Interest Coverage Ratio	Times	36.32	37.92	-	-
4	Current Ratio	Times	1.98	2.04	-	-
5	Debt-Equity Ratio	Times	0.16	0.11	45%	- Build-up of inventory - Change in credit terms of key customers - Increase in capital expenditure
6	Operating Profit Margin (%) (PBT / Revenue from operations)	%	13.10%	13.00%	-	-
7	Operating Profit Margin (%) (EBITDA / Revenue from operations)	%	16.60%	16.80%	-	-
8	Net Profit Margin (%)	%	9.92%	9.78%	-	-

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

Particulars	2024-25	2023-24
Return on Net worth	14.93%	15.51%

Due to higher net worth compared to the previous year, the return on net worth was lower.

Consolidated Performance

The total revenue of the Company and its subsidiaries on a consolidated basis during the year under review was at ₹ 5,983.74 Crores as against ₹ 5,720.47 Crores.

Capacities and Capital Expenditure:

The Company has incurred a capital expenditure of ₹ 376.43 crores in line with its planned capital expenditure program for the financial year 2024-25. These investments will help the Company scale in non-auto, EV, hybrid and adjacent spaces.

Awards:

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

S. No	Units	Awards
1	Corporate, Chennai	Received “Silver” award from ACMA (Automotive Component Manufacturers Association of India) at ESG Excellence Awards 2024 event held in New Delhi.
2	Hot and Warm Forgings, Puducherry	Received ‘Quality Control Circle’ Appreciation Award from Automotive Component Manufacturers Association.
		Received Appreciation Award from Confederation of Indian Industry for Kaizen competition.
		“Zero Defect Award” from John Deere India Private Limited.
		“Zero Defect Award” from SKF India Limited.
		“Zero Defect Award” from DAF Trucks.
3	Fasteners Division, Uttarakhand	Received award from ACMA (Automotive Component Manufacturers Association of India) for the ‘Best Presentation on Change Management’ in the 4 th HR Best Practices Competition 2024.
4	Fasteners Division, Puducherry	Received “S” Level certification in Supplier Quality Evaluation from Hyundai Motor India Limited for exceptional suppliers.
		Received “Excellence Level” award in Supplier Excellence Recognition Process from Caterpillar India Private Limited.
		Received “Gold Medal” award for excellence in safety from ACMA (Automotive Component Manufacturers Association of India).
		Received Certification of Appreciation from Daimler India Commercial Vehicle for achieving 100% in delivery.
5	Fasteners Division, Krishnapuram	Received Certification of Appreciation (A+ Quality) award from Gabriel India.
6	Metal Forms Division, Hosur	Received Supplier Quality Excellence Award 2023 from General Motors.
		Received “RHODIUM” award from ABK-AOTS DOSOKAI, Tamil Nadu Centre.
		Received “Gold” award from QCFI (Quality Circle Forum of India).
		Received “Silver” award for excellence in Safety from ACMA (Automotive Component Manufacturers Association of India).

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

The Company continues to follow the principles of Total Quality Management (TQM). During the Financial Year 2024-25, the Company has focused on sustaining the strong manufacturing processes through the “Can’t make the defect” concept to ensure robust process control, strengthen the training and evaluation to ensure 100% SOP adherence in the processes to improve its internal quality besides the existing Total Quality Management (TQM) practices. This has aided the Company to reduce the complaints from customers and a decline in internal rejections.

The Company’s Human Resources Development framework includes Workforce planning, Employee engagement, Performance, and rewards, Learning and Development, Career and Succession Planning and Organization Development, which have a structured approach, policies and standard operating procedures that are reviewed and updated periodically.

Emphasizing the importance of continuous learning and development, the Company invests significantly in educational programs tailored to enhance employee skills and expertise. Leveraging the expertise and experience of internal trainers, who are subject matter experts, the Company focuses on upskilling employees to meet higher responsibilities. The Company’s strategic approach identifies key competencies essential to organizational growth, with individual development plans tailored for high-potential employees, grooming them for future leadership roles through targeted leadership development programs.

The Company is dedicated to fostering an environment conducive to attracting, nurturing and retaining talent while cultivating a positive workplace environment. Employees are involved and contribute towards continuous improvements.

Sundram Fasteners Limited

Various programs are in place to bolster overall employee well-being, encompassing mental, physical, and financial health wellness. Each employee participates in giving back to the community by actively participating in both monetary contributions and volunteering activities, enriching not only the community but also nurturing strong engagement among employees. The Company places great value on its workforce, recognizing them as invaluable assets essential to its success.

Across all manufacturing units, industrial relations remain harmonious, fostering a work environment conducive to productivity and growth.

Health, Safety and Environment:

Ensuring the safety and well-being of the employees remains paramount for the Company, with various measures in place to uphold this commitment. The business processes are meticulously designed with full regard and adherence to health and safety protocols. Comprehensive safety training is provided to all employees, underscoring Company's dedication to maintaining a secure work environment.

Furthermore, all the manufacturing facilities are equipped with round-the-clock medical facilities.

Recognizing the importance of mental health, the Company offers robust support through an Employee Assistance Program, providing access to counsellors to ensure the well-being of the workforce. Mental wellness programs are regularly conducted.

All the Company's manufacturing facilities comply with occupational health and management safety systems. All locations except one are ISO 45001 certified underscoring Company's commitment to safety of the employees.

Internal Control Systems:

The internal control systems of the company have been designed in such a way that the maker-checker concept is embedded into it, which ensures that all the transactions of the company are carried out seamlessly. SAP S4 HANA has been implemented across all units of the company through which all transactions relating to major processes, i.e. sourcing, procurement, production, sub-contracting, sales and dispatch, costing and finance are handled. This integrated system backed by relevant policies and robust Standard Operating Procedures ensure consistency in working. Benchmarking of Internal controls has been done with the standards defined for the industry. Continuous monitoring, periodical review is done to improve the quality and effectiveness of checks and controls. Internal controls relating to key areas, financial records, reporting of financials and compliance with requirements under various statutes, are reviewed by the Audit Committee for adherence and adequacy. The present internal control framework covers the requirement of the business and provides assurance to the management that internal control systems are in place / effective.

Prospects, Risks and Concerns:

The country's real GDP growth is targeted at 6.5% during 2025–26 despite global uncertainties brought on by protectionist trade policies and trade tensions. The higher allocation towards capital expenditure in the budget would provide impetus for growth. In addition, the lower personal income tax rates, complemented by a calibrated policy rate reduction by the Reserve Bank of India (RBI), have set the tone for the economy's growth. Geopolitical risks remain elevated due to ongoing conflicts, which pose significant risks to the global economic outlook. These risks can influence growth, inflation, financial markets, and supply chains.

According to RBI and IMF projections, consumer price inflation will gradually approach the RBI's target in 2025-26. In the absence of any additional external or policy shocks and a normal monsoon, the RBI projects headline inflation to touch 4.2% in 2025-26. A possible further easing of monetary policy during 2025-26, with RBI potentially lowering rates further, is expected to impact the interest rate environment favourably. RBI has provided adequate INR liquidity to the economy under the USDINR currency swap. The transmission of monetary policy is expected to support the broader economic growth.

The rupee has rebounded against USD due to the prevailing economic uncertainty in the USA. However, the USDINR exchange rates may experience volatility in 2025-26.

The country would benefit from another year of good monsoon. A good crop yield and higher Minimum Support Price (MSP) will translate into higher purchasing power and spur rural demand, which would propel the growth of the automotive sector, especially in the two-wheeler and tractor segment. The cost of ownership of tractors may rise because of Bharat Stage TREM V emission norms coming into effect **from April 1, 2026**. Consequently, this segment is expected to witness pre-buying during 2025-26.

Auto Industry Forecast

Passenger Vehicle Segment

- Because of the high base impact, the PV segment may have moderate growth in 2025-26. The growth could be impacted due to potential price hikes because of new safety regulations mandating six airbags.
- The government's incentives to set up charging infrastructure and initiatives to completely exempt customs duty on battery components would improve EV penetration on the back of an 18.2% growth in the previous year.

Commercial Vehicle Segment

- The CV segment may witness a moderate growth of 3-5% year-on-year in 2025-26 on the backdrop of higher allocation towards capital expenditure of about ₹ 11 trillion proposed in the Union budget.
- The growth in the construction segment would also support demand creation in the CV segment.
- The replacement demand for trucks acquired prior to 2019 would also spur growth.
- The strong e-commerce industry and the need for last-mile connectivity will increase the demand for Light Commercial Vehicles (LCVs).

The downside risks to the positive outlook are extreme temperatures, monsoon failures, trade tensions, supply chain disruption and commodity price inflation. Despite these challenges, India, with its talent pool, is well-placed to offer sustainable growth in future.

Cautionary Statement

Statements in this management discussion and analysis describing the Company's objectives, projections, estimates, and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Significant developments that could affect the Company's operations include global or domestic or both fronts, substantial changes in the political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, foreign currency fluctuations and interest costs.

Business Responsibility and Sustainability Report for the financial year 2024-25

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity: L35999TN1962PLC004943
2. Name of the Listed Entity: Sundram Fasteners Limited (SFL)
3. Year of incorporation: 1962
4. Registered office address: No. 98-A, VII Floor, Dr. Radhakrishnan Salai, Mylapore, Chennai 600 004
5. Corporate office address: No. 98-A, VII Floor, Dr. Radhakrishnan Salai, Mylapore, Chennai 600 004
6. E-mail: hq@sfl.co.in / investorshelpdesk@sfl.co.in
7. Telephone: +91 44 28478500
8. Website: www.sundram.com
9. Financial year for which reporting is being done: FY 2024-25
10. Name of the Stock Exchange(s) where shares are listed: National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE')
11. Paid-up Capital: ₹ 21.01 crores
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:
Sri R Ganesh, Vice President – Finance & Projects
+91 44 2847 8500
investorshelpdesk@sfl.co.in
13. Reporting boundary - Are the disclosures under this report made on a standalone basis(i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). – Standalone basis
14. Name of the assessment or assurance provider: Not applicable for the year under review
15. Type of assessment or assurance obtained: Not applicable for the year under review

II. Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Metal and metal products	100%

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

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	High Tensile Fasteners	25991	40.41%
2	Parts and accessories for motor vehicles	2930	59.59%

III. Operations

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

Location	Number of plants	Number of offices	Total
National	18	5	23
International	0	0	0

19. Markets served by the entity

a. Number of locations

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

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

For FY 2024-25, exports contributed about 30% of the total turnover.

c. A brief on types of customers:-

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

IV. Employees

20. Details as at the end of Financial Year

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	2,156	2,023	93.83%	133	6.17%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	2,156	2,023	93.83%	133	6.17%
WORKERS						
4.	Permanent (F)	1,029	1,027	99.81%	2	0.19%
5.	Other than Permanent (G)	7,353	5,342	72.65%	2,011	27.35%
6.	Total workers (F + G)	8,382	6,369	75.98%	2,013	24.02%

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	3	2	66.67%	1	33.33%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	3	2	66.67%	1	33.33%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	Total differently abled workers (F + G)	-	-	-	-	-

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	4	50.00%
Key Managerial Personnel (excludes Managing Director, Whole-time Director, if any)	2	0	-

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	Financial Year 2025 (Turnover rate in current FY)			Financial Year 2024 (Turnover rate in previous FY)			Financial Year 2023 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12.19%	21.80%	12.79%	11.55%	17.07%	11.91%	10.66%	17.89%	11.13%
Permanent Workers	-	-	-	-	-	-	-	-	-

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

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures(A)	Indicate whether Holding / Subsidiary / Associate / Joint Venture	% of shares held in / by listed entity	Does the entity indicated at column (A), participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	TVS Sundram Fasteners Private Limited	Promoter / Holding	46.95% (along with the Promoter Group)	No
2	TVS Upasana Limited	Wholly-owned subsidiary	100.00%	No
3	Sundram Non-Conventional Energy Systems Limited	Subsidiary	52.94%	No
4	Sundram Fasteners Investments Limited	Wholly-owned subsidiary	100.00%	No
5	TVS Next Limited	Subsidiary	67.65%	No
6	Sundram International Limited, United Kingdom	Wholly-owned subsidiary	100.00%	No
7	Sundram Fasteners (Zhejiang) Limited, China	Step-down subsidiary	100.00%	No
8	Cramlington Precision Forge Limited, United Kingdom	Step-down subsidiary	100.00%	No
9	Sundram International Inc., USA	Wholly-owned subsidiary	100.00%	No
10	TVS Next Inc. USA	Step-down subsidiary	67.65%	No

VI. CSR Details

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

(ii) Turnover (in ₹) – 5,209.74 crores

(iii) Net worth (in ₹) – 3,645.59 crores

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redressal policy)*	Financial Year 2025 (Current Financial Year)			Financial Year 2024 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Y	0	0	-	0	0	-
Investors (other than shareholders)	Y	0	0	-	0	0	-
Shareholders	Y	0	0	-	0	0	-
Employees and workers	Y	0	0	-	0	0	-
Customers	Y	0	0	-	0	0	-
Value Chain Partners	Y	0	0	-	0	0	-
Others (please specify)	NA	0	0	-	0	0	-

* The Policy for internal stakeholder is available on the intranet portal of the organization and for external stakeholder in the website www.sundram.com.

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy and GHG Management	Opportunity	This is critical for reducing and managing emissions and moving towards de-carbonization.	—	Positive implication
2	Waste Management	Risk	This represents the company's responsibility towards managing waste generated in the business and transitioning towards environmental preservation.	Through partnerships with Pollution Control Board authorized agencies, waste has been diverted from Landfill to Pre-processors and recyclers.	Positive implication

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Water Management	Risk	This implies the company's judicious use of a shared resource as our operations are located in water scarce areas.	Constant efforts (recycling of water) are being made to lower the consumption of water in processes and domestic use, and to promote recycling and reusing of water wherever possible. Increase in consumption of treated water quantity from wastewater treatment plants and rainwater harvesting thereby reducing freshwater withdrawal.	Positive implication
4	Product Stewardship	Opportunity	This holds significance as it is crucial for brand reputation and ensuring customer and end-user safety.	—	Positive implication
5	Biodiversity	Opportunity	To care about the flora and fauna around the Company's operations is equally important.	—	Positive implication
6	Human Rights and Labor Practices	Opportunity	SFL always stands for the rights and respect of its employees and firmly believes in non-tolerance and non-discrimination.	—	Positive implication
7	Employee well-being	Opportunity	Employee well-being is of utmost importance to SFL. SFL continuously works towards the mental, physical, and financial needs of its employees.	—	Positive implication
8	Occupational Health and Safety	Opportunity	SFL continuously strives to provide a safe workplace for its employees.	—	Positive implication
9	Training and Development	Opportunity	Enabling employees to grow professionally as well as upskill them at work is cornerstone to SFL's success as an organization.	—	Positive implication
10	Diversity and Inclusion	Opportunity	SFL firmly believes in providing opportunities to everyone and thereby becoming an inclusive organization.	—	Positive implication
11	CSR and Impact Assessment	Opportunity	SFL continuously works to provide for and uplift the communities around its operations and cater to the needs of the under privileged.	—	Positive implication
12	Fair Business Practices	Opportunity	Working ethically is central to long term sustenance of an organization. This is central to the company's vision.	—	Positive implication

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

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

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

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions			P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9									
Policy and management processes																				
1.	a.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y									
	b.	Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y									
	c.	Web Link of the Policies, if available	https://sundram.com/corpgov.php																	
2.	Whether the entity has translated the policy into procedures. (Yes / No)		Y	Y	Y	Y	Y	Y	N	Y	Y									
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)		Y	Y	Y	Y	Y	Y	N	Y	Y									
4.	Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fair trade, Rainforest Alliance, and Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.		SFL is certified with IATF 16949, ISO 14001, ISO 45001, ISO/IEC 17025. The ISO 45001 certification is available at all locations except one, which is in the process of applying.																	
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.		Based on stakeholder inputs and materiality assessment, the Company has identified focus areas to develop commitments, goals, and targets with defined timelines.																	
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.		The Company's goals fructify from 2025 and hence, the performance will be captured in next year's Business Responsibility and Sustainability report.																	
Governance, leadership and oversight																				
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements <i>(listed entity has flexibility regarding the placement of this disclosure)</i> - The statement by Ms. Arathi Krishna, Managing Director forms part of the ESG report available at https://sundram.com/esgreport.php																			
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).		Ms. Arathi Krishna, Managing Director																	
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.		Ms. Arathi Krishna, Managing Director is responsible for decision making on sustainability related issues.																	
10.	Details of Review of NGRBCs by the Company:																			
	Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee									Frequency (Annually / Half yearly / Quarterly / Any other – please specify)									
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	
	Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	N	Y	Y	Quarterly									
	Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	N	Y	Y	Quarterly									
11.	Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Frequency																		
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9										
		N	N	N	N	N	N	N	-	N	N									
		The implementation of certain policies like CSR policy, Whistle Blower Policy, are covered as part of the Statutory and Secretarial audit requirement.																		

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

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

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

Essential Indicators

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

Segment	Total number of training and awareness programs held	Topics / principles covered under the training and its impact	% of persons in respective category covered by awareness programs
Board of Directors	8	The members of the Board and KMPs are apprised of developments as part of regulatory updates about the changes in various regulations relevant for Sundram Fasteners Limited. Additionally, presentations on select topics is also made to the Risk Management Committee.	100%
Key Managerial Personnel	23		
Employees other than Board and KMP	211 internal training programs 271 external training programs	Business Success through Effective Marketing Skills, Process / Operational excellence, Forensic Accounting & Fraud Investigation, Profitability analytics - Enterprise Performance, Leading Leaders to Leadership, Talent Capacity Building, Lean Six Sigma, World Class Supply Chain Management, IR Practice and Legal Compliances, Team Development Program, Women Wellbeing Workshop, Communicate to Succeed Step Up Leadership, Customer Centricity, Behavior Based Safety, and Create a Workable Budget.	100%
Workers	Multiple sessions	Health and safety, and Skill upgradation	100%

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

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

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

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

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

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

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

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

	Financial Year 2025 Current financial year	Financial Year 2024 Previous financial year
Directors	Nil	
KMPs		
Employees		
Workers		

- 6) Details of complaints with regard to conflict of interest:

	Financial Year 2025 Current financial year		Financial Year 2024 Previous financial year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of directors	Nil			
Number of complaints received in relation to issues of conflict of interest of KMPs				

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

8) Number of days of accounts payable ((Accounts payable * 365) / Cost of goods / services procured) in the following format:

	Financial Year 2025 Current financial year	Financial Year 2024 Previous financial year
Number of days of accounts payable	71	74

9) Open-ness of business:

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	Financial Year 2025 (Current Financial Year)	Financial Year 2024 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of sales	a. Sales to dealers / distributors as % of total sales	11.00%	11.61%
	b. Number of dealers / distributors to whom sales are made	141	142
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	45.09%	39.97%
Share in RPTs in	a. Purchases (Purchases with Related parties / total purchases)	0.53%	0.47%
	b. Sales (Sales to related parties / Total Sales)	2.55%	2.79%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	90.54%	89.38%
	d. Investments (Investments in related parties / Total investments made)	90.48%	89.15%

Leadership Indicators

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

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

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

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

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

Essential Indicators

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

	Financial Year 2025 Current Financial year	Financial Year 2024 Previous Financial year	Details of improvement in environment and social aspects
R&D	-	-	-
Capex	2.76%	4.16%	Capex investments in renewable energy projects and other specific technologies / equipment to improve environmental and social aspects.

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

A draft of the Supplier Code of Conduct with a comprehensive coverage of all ESG principles will be circulated to the vendors in the ensuing Financial Year.

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

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

The products manufactured are used by the OEMs in their processes and consequently the end-of-life reclamation does not apply to the products dealt by the Company. The Company is evaluating opportunities to reclaim the plastic materials used in packaging.

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

Yes, the company has registered under brand owner category and currently focuses to reduce the generation of plastic packaging waste by substitution of alternate materials. Moreover, the Company adheres to the compliance conditions given by Ministry of Environment Forest & Climate Change (MoEFCC) / Central Pollution Control Board (CPCB).

Leadership Indicators

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

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

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

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

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

Indicate input material	Recycled or reused input material to total material	
	Financial Year 2025 Current financial year	Financial Year 2024 Previous financial year
Raw Materials (Iron, MS)	22%	23%

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

	Financial Year 2025 Current financial year			Financial Year 2024 Previous financial year		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

The Company's products are not subject to end-of-life reclamation as stated in reply to question no.3 of the Essential Indicators.

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

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

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

Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	2,023	2,023	100.00%	2,023	100.00%	-	-	2,023	100%	-	
Female	133	133	100.00%	133	100.00%	133	100.00%	-	-	133	100.00%
Total	2,156	2,156	100.00%	2,156	100.00%	133	100.00%	-	-	133	100.00%
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	
Female	-	-	-	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	-	-	-	

b. Details of measures for the well-being of workers:

ESI is applicable for employees engaged on contractual basis.

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	1,027	1,027	100.00%	1,027	100.00%	-	-	1,027	100.00%	-	-
Female	2	2	100.00%	2	100.00%	2	100.00%	-	-	2	100.00%
Total	1,029	1,029	100.00%	1,029	100.00%	2	100.00%	1,027	100.00%	2	100.00%
Other than Permanent workers											
Male	5,342	5,342	100.00%	5,342	100.00%	-	-	-	-	-	-
Female	2,011	2,011	100.00%	2,011	100.00%	-	-	-	-	2,011	100.00%
Total	7,353	7,353	100.00%	7,353	100.00%	-	-	-	-	2,011	100.00%

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:-

	Financial Year 2025 (Current Financial Year)	Financial Year 2024 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the Company	0.09%	0.08%

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

Benefits	Financial Year 2025 (Current Financial Year)			Financial Year 2024 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	100%	100%	Y	100%	100%	Y

3) Accessibility of workplaces

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

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

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

Yes, equal opportunity employment process is reflected throughout SFL's policies and procedures. SFL does not discriminate employment opportunities based on race, colour, religion, caste, community, language, gender, national, origin, age, or disability.

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100.00%	100.00%	100.00%	100.00%
Female	73.00%	100.00%	100.00%	100.00%
Total	86.50%	100.00%	100.00%	100.00%

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

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

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

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

Category	Financial Year 2025 (Current Financial Year)			Financial Year 2024 (Previous Financial year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of associations or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of associations or Union (D)	% (D / C)
Total Permanent Employees	2,156	-	-	2,043	-	-
- Male	2,023	-	-	1,904	-	-
- Female	133	-	-	139	-	-
Total Permanent workers	1,029	896	87.07%	1,015	934	92.02%
- Male	1,027	895	87.15%	1,013	933	92.10%
- Female	2	1	50.00%	2	1	50.00%

- 8) Details of training given to employees and workers:

Category	Financial Year 2025 (Current Financial Year)					Financial Year 2024 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent Employees										
Male	2,023	2,023	100.00%	2,023	100.00%	1,904	1,904	100.00%	1,904	100.00%
Female	133	133	100.00%	133	100.00%	139	139	100.00%	139	100.00%
Total	2,156	2,156	100.00%	2,156	100.00%	2,043	2,043	100.00%	2,043	100.00%
Other than Permanent Employees										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

Category	Financial Year 2025 (Current Financial Year)					Financial Year 2024 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent Workers										
Male	1,027	1,027	100.00%	1,027	100.00%	1,013	1,013	100.00%	1,013	100.00%
Female	2	2	100.00%	2	100.00%	2	2	100.00%	2	100.00%
Total	1,029	1,029	100.00%	1,029	100.00%	1,015	1,015	100.00%	1,015	100.00%
Other than Permanent Workers										
Male	5,342	5,342	100.00%	5,342	100.00%	5,070	5,070	100.00%	5,070	100.00%
Female	2,011	2,011	100.00%	2,011	100.00%	1,570	1,570	100.00%	1,570	100.00%
Total	7,353	7,353	100.00%	7,353	100.00%	6,640	6,640	100.00%	6,640	100.00%

1. Training on health and safety can include general training on health and safety as well as training on specific work-related hazards, hazardous activities, or hazardous situations. It can also include training on mental health.
2. Training programs on skill upgradation can include both internal training courses and funding support for external training or education.

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

Category	Financial Year 2025 (Current Financial Year)			Financial Year 2024 (Previous Financial year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	2,023	2,023	100.00%	1,904	1,904	100.00%
Female	133	133	100.00%	139	139	100.00%
Total	2,156	2,156	100.00%	2,043	2,043	100.00%
Workers						
Male	1,027	1,027	100.00%	1,013	1,013	100.00%
Female	2	2	100.00%	2	2	100.00%
Total	1,029	1,029	100.00%	1,015	1,015	100.00%

10) Health and safety management system:

- Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No).
If yes, the coverage such system?
Yes. SFL has implemented occupational health and safety measures across all the manufacturing locations. All locations are certified for ISO 45001, except one, which is in the process of obtaining in the ensuing year.
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
Each site at SFL has its own safety department and its own safety goals and objectives. The sites follow the Plan, Do, Check, Act (PDCA) framework in meeting the objectives. Once the PDCA is complete, it is followed by the assessment of the safety impacts. To identify the safety-related risks across all the sites, the company performs Hazard Identification and Risk Assessment (HIRA).
- Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N) - Yes
- Do the employees / worker of the entity have access to non-occupational medical and healthcare services? (Yes / No) - Yes

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

Safety Incident / Number	Category	Financial Year 2025 (Current Financial Year)	Financial Year 2024 (Previous Financial year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	0.05
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	1
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

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

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

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

	Financial Year 2025 (Current Financial Year)			Financial Year 2024 (Previous Financial year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	NIL	NIL	NIL	NIL
Health & Safety	NIL	NIL	NIL	NIL	NIL	NIL

14) Assessments for the year:

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

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

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

Leadership Indicators

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

In the event of any unfortunate death of an employee or worker, the Company ensures that the families are compensated through Employees' Deposit Linked Insurance Scheme, Grade based insurance and insurance coverage under gratuity policy to ensure their stability and well-being.

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

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

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

	Total no. of affected employees / workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	Financial Year 2025 (Current Financial Year)	Financial Year 2024 (Previous Financial year)	Financial Year 2025 (Current Financial Year)	Financial Year 2024 (Previous Financial year)
Employees	NIL	NIL	NIL	NIL
Workers	NIL	NIL	NIL	NIL

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

The Company has a dedicated financial well-being program which focuses on addressing the post retirement planning. SFL have also extended the working tenure of talented resources.

- 5) Details on assessment of value chain partners:

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

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

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

Essential Indicators

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

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

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

Stakeholder group	Whether identified as vulnerable/ marginalized group (Yes/ No)	Channel of communication (Email, SMS, Newspaper, Pamphlet, Advertisement, Community meetings, notice board, website), others	Frequency of engagement (Annually/ Semi-annually/ quarterly/others please specify)	Purpose and scope of engagement including key topics and concerns raised during each engagement
Employees	No	Internal communication platforms, Learning and Development programs, Engagement initiatives,	Continuous	High Performance Work Culture, Talent development and retention, fulfilment of Company's vision, mission and achieving sustainability objectives, Professional capacity building, Cordial industrial relation, Occupational health and safety, and safe working environment

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Stakeholder group	Whether identified as vulnerable/ marginalized group (Yes/ No)	Channel of communication (Email, SMS, Newspaper, Pamphlet, Advertisement, Community meetings, notice board, website), others	Frequency of engagement (Annually/ Semi-annually/ quarterly/others please specify)	Purpose and scope of engagement including key topics and concerns raised during each engagement
Customers	No	Digital platforms and applications, In - person engagement, Customer satisfaction survey, Feedback mechanisms	Continuous	Product and service quality, Complaint resolution, On-time delivery
Suppliers	No	In - person engagement, Supplier meetings, Supplier assessment, Trainings and workshops	Continuous	Product and service quality, Complaint resolution, On-time delivery
Investors	No	Press releases and publications, Investor conferences and Meetings, Annual General Meeting, Stock Exchange announcements	Need-based / Continuous	Financial performance, Business updates, Growth plans, Product innovation pipeline, ESG performance
Regulators	No	Compliance related filings, announcements in the website and paper advertisement	Continuous	Statutory compliance requirements: environmental, social and governance
Local Communities & NGOs	Yes	Corporate Social Responsibility initiatives	Need-based	Improved access to healthcare, education, Welfare measures and financial assistance to the underprivileged, Community development measures

Leadership Indicators

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

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

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

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

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

SFL takes part in community engagements predominantly focusing on education and healthcare for vulnerable groups. In the early 90s, certain requests of the people of Aviur village near SFL Krishnapuram operations were considered and SFL's leadership decided to bring education to the community through development of a school. It was decided to start an English medium school for the people from the village offering quality education. The Sundram Medical Centre was established to support and offer free healthcare facilities to the villages near SFL's Krishnapuram operations. This medical centre has benefitted over 2,500 families by providing them with quality medical care and enabling education and training for people on health-related aspects. SFL offers financial support for the Sundram Matriculation School and Sundram Medical Center.

PRINCIPLE 5 : Businesses should respect and promote human rights**Essential Indicators**

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

Category	Financial Year 2025 Current Financial Year			Financial Year 2024 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	2,156	2,156	100.00%	2,043	2,043	100.00%
Other than permanent	-	-	-	-	-	-
Total Employees	2,156	2,156	100.00%	2,043	2,043	100.00%
Workers						
Permanent	1,029	1,029	100.00%	1,015	1,015	100.00%
Other than permanent	7,353	7,353	100.00%	6,640	6,640	100.00%
Total Workers	8,382	8,382	100.00%	7,655	7,655	100.00%

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

Category	Financial Year 2025 Current Financial Year					Financial Year 2024 Previous Financial Year				
	Total (A)	Equal to Minimum wage		More than Minimum wage		Total (D)	Equal to Minimum wage		More than Minimum wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
<i>Permanent</i>	2,156	-	-	2,156	100.00%	2,043	-	-	2,043	100.00%
Male	2,023	-	-	2,023	100.00%	1,904	-	-	1,904	100.00%
Female	133	-	-	133	100.00%	139	-	-	139	100.00%
Workers										
<i>Permanent</i>	1,029	-	-	1,029	100.00%	1,015	-	-	1,015	100.00%
Male	1,027	-	-	1,027	100.00%	1,013	-	-	1,013	100.00%
Female	2	-	-	2	100.00%	2	-	-	2	100.00%
<i>Other than Permanent</i>	7,353	-	-	7,353	100.00%	6,640	-	-	6,640	100.00%
Male	5,342	-	-	5,342	100.00%	5,070	-	-	5,070	100.00%
Female	2,011	-	-	2,011	100.00%	1,570	-	-	1,570	100.00%

- 3) Details of remuneration/salary/wages

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

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a. Median remuneration / wages:

₹ in crores

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)	4	0.13	4	4.22
Key Managerial Personnel	2	0.69	-	-
Employees other than BoD and KMP	2,021	0.06	133	0.05
Workers	1,027	0.07	2	0.04

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:-

	Financial Year 2025 Current Financial Year	Financial Year 2024 Previous Financial Year
Gross wages paid to females as % of total wages	2.84%	3.65%

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

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

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

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

	Financial Year 2025 Current financial year			Financial Year 2024 Previous financial year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other than human rights issues	-	-	-	-	-	-

7) Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	Financial Year 2025 Current financial year	Financial Year 2024 Previous financial year
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	NA	NA

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

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

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

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

10) Assessments for the year:

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

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

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

Leadership Indicators

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

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

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

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

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

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

4. Details on assessment of value chain partners

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

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

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

Essential Indicators

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

Parameter	Financial Year 2025 (Current Financial Year)	Financial Year 2024 (Previous Financial Year)
From renewable sources		
Total electricity consumption (GJ) (A)	5,66,224	4,71,174
Total fuel consumption (GJ) (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (GJ) (A+B+C)	5,66,224	4,71,174
From non-renewable sources		
Total electricity consumption (GJ) (D)	5,36,273	5,18,143
Total fuel consumption (GJ) (E)	3,06,122	2,74,726
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources. (GJ) (D+E+F)	8,42,396	7,92,869
Total energy consumed (GJ) (A+B+C+D+E+F)	14,08,620	12,64,043
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	0.0000270	0.0000257
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.00000131	0.00000126
Energy intensity in terms of physical output (Total Energy Consumed / Total Permanent Employees)	442.27	411.89
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

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

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

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

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

Parameter	Financial Year 2025 (Current Financial Year)	Financial Year 2024 (Previous Financial Year)
Water withdrawal by source (in kilo litres)		
(i) Surface water	-	-
(ii) Groundwater	2,18,798	2,18,166
(iii) Third party water	4,15,802	4,07,280
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilo litres) (i + ii + iii + iv + v)	6,34,600	6,25,446
Total volume of water consumption (in kilo litres)	6,27,805	6,19,071
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.0000121	0.0000126
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.0000006	0.0000006
Water intensity in terms of physical output (Total Water consumption / Total Permanent Employees)	197.11	202.44
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

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

4. Provide the following details related to water discharged:-

Parameter	Financial Year 2025 (Current Financial Year)	Financial Year 2024 (Previous Financial Year)
Water discharge by destination and level of treatment (in Kilo liters)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties		
- No treatment	-	-
- With treatment – Level of treatment = Primary Treatment	6,795	6,375
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total Water discharged (in Kilo liters)	6,795	6,375

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

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

Yes. The Company has implemented Zero Liquid Discharge (ZLD) across most of the units, eliminating discharge of wastewater. At Uttarakhand Unit, in order to comply with the common effluent treatment plant (CETP) requirements to provide water to the nearby locality, the primary treated wastewater is being discharged to CETP for further use.

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

Parameter	Please specify unit	Financial Year 2025 (Current Financial Year)	Financial Year 2024 (Previous Financial Year)
NOx	Tons	44.13	66.45
SOx	Tons	25.69	38.31
Particulate matter (PM)	Tons	73.91	75.99
Persistent organic pollutants (POP)		-	-
Volatile organic compounds (VOC)		-	-
Hazardous air pollutants (HAP)		-	-
Others - please specify		-	-

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

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

<i>Parameter</i>	<i>Unit</i>	Financial Year 2025 (Current Financial Year)	Financial Year 2024* (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of CO₂ equivalent</i>	24,389	21,760
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of CO₂ equivalent</i>	1,08,297	1,04,636
Total Scope 1 and Scope 2 emissions per rupee of Turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		0.0000025	0.0000026
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		0.00000012	0.00000013
Total Scope 1 and Scope 2 emission intensity in terms of physical output (tCO ₂ e / Total Permanent Employees)		41.66	41.33
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	tCO ₂ e/ton of production	-	-

*FY24, we have considered scope 2 emission factor as 0.82 tCO₂/MWh, now we have aligned the emission factor as 0.727 tCO₂/MWh as per Central Electricity Authority (CEA) CO₂ baseline database version20 dated December 2024.

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

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

Yes. The Company will be implementing measures to lower scope 1 emissions by reducing the dependency on higher Global Warming Potential (GWP) refrigerants to lower/alternative GWP refrigerants, reducing the power outages from Electricity Board by upgradation to dedicated feeders there by reducing diesel consumption for Diesel Generators, replacing fossil fuel based heating to electric heating in process, usage of electric vehicles for in-bound logistics, usage of battery energy storage to meet minor power outage requirements. The Company is reducing its Scope 2 emission intensity through procurement of renewable energy, installation of onsite solar power plants and implementation of energy efficiency measures. The Company procures around 51% of the power from renewable sources.

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

<i>Parameter</i>	Financial Year 2025 (Current Financial Year)	Financial Year 2024 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	178.68	119.50
E-waste (B)	13.89	5.64
Bio-medical waste (C)	0.035	0.018
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	6.78	1.96
Radioactive waste (F)	0.00	0.00
Used Oil (tons) (G)	593.46	534.37
Oil laden waste (tons) (H)	573.99	507.02
Metal scrap (tons) (I)	22,889.62	21,749.13
Other Hazardous waste. Please specify, if any. (J) (Empty discarded barrel, sludge, etc.)	6,415.81	6,766.54

<i>Parameter</i>	Financial Year 2025 (Current Financial Year)	Financial Year 2024 (Previous Financial Year)
Other Non-hazardous waste generated (K) (Plastic, Wood, Food, etc.)	8,601.39	8,187.26
Total (A+B + C + D + E + F + G + H+I+J+K)	39,273.65	37,871.44
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.000000754	0.000000772
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.000000036	0.000000038
Waste intensity in terms of physical output (Total waste generated / Total Permanent employees)	12.33	12.38
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	36,277.14	33,711.76
(ii) Re-used	429.87	0.00
(iii) Other recovery operations	929.62	996.66
Total	37,636.63	34,708.42
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	Financial Year 2025 (Current Financial Year)	Financial Year 2024 (Previous Financial Year)
(i) Incineration	0.03	0.02
(ii) Landfilling	1,636.99	3,163.00
(iii) Other disposal operations	0.00	0.00
Total	1,637.02	3,163.02

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

Due to periodic refurbishment cycle the battery from UPS has been sent to Refurbishes, which occurs once in three years due to degradation of battery on account of aging (battery life average 3-4 years).

During the current financial year, the Company has obtained biomedical waste authorization for Krishnapuram and Hosur Plants. Prior to this, the said units had tied up with the nearest network hospitals to attend to any medical requirements.

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

Through partnerships with authorized agencies, the Company constantly strives to develop mechanisms of recycling and reusing hazardous waste generated across its operations. Since the majority of the Company's products are composed of steel, the MS scrap generated is being recycled and re-used by feeding the scrap into steel melting furnaces. The company's manufacturing operations have been optimized to reduce the usage of hazardous chemicals in the processes. Hazardous waste like sludges, waste or residues containing oil are directed to cement industries for co-incineration as per Tamil Nadu Pollution Control Board (TNPCB) norms and the remaining hazardous wastes are recycled through TNPCB authorized agencies. Apart from that, sludge generated from Sewage Treatment Plant (STP) is being used as manure for green belt development activities.

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

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

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

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

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

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

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

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilo litres):

As per Water Research Institute (WRI), Indian sub-continent is under water stress area, (Refer-<https://www.wri.org/applications/aqueduct/water-risk-atlas>). Therefore, Company-wide efforts had been made for SFL India operations to increase in treated water quantity from wastewater treatment plants and rainwater harvesting thereby reducing freshwater withdrawal. Constant efforts (recycling of water) are being made to lower the consumption of water in process and domestic use, and to promote recycling and reusing of water wherever possible.

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

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

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable.

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

S. No	Initiative undertaken	Details of the initiative (<i>Web-link, if any, may be provided along-with summary</i>)	Outcome of the initiative
1	Centralized fume exhaust system with Electrostatic Precipitators (ESP) for forging machines.	Upgradation from conventional type fume exhaust to Electrostatic precipitator with blower type system.	Power cost reduction and oil recovery from Electrostatic Precipitators (ESP)
2	Electrostatic fume exhaust system for forging machines		
3	Furnace Tempering zone thyristor controller replacement with 3 phase IGBT controller	Module replaced to IGBT module for increasing the switching frequency and heat loss reduction.	Power cost reduction

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words / web link.
The Company has a dedicated Emergency Response team (ERT) across all the sites to address all potential risks and ensure the continuity of operations and protect the business's bottom line. The ERT members are trained on potential incidents and mock drills are conducted to identify the gaps and ensure the right process is followed.
6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.
There is no significant adverse impact on the environment, arising from the value chain of SFL.
7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.
Supplier assessment includes aspects such as environmental, legal compliance, health, and safety, training, business continuity, financial sustainability, and product quality, among many others. A draft of the Supplier Code of Conduct with a comprehensive coverage of all ESG Principles will be circulated to the vendors in the ensuing Financial Year.
8. How many Green Credits have been generated or procured:
- By the Company: 600 Renewable Energy Certificates (REC) for consumption of 6,00,000 units of conventional energy consumption have been purchased.
 - By the top ten (in terms of value of purchases and sales, respectively) value chain partners: Nil

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

Essential Indicators

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

S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State/National)
1	Automotive Component Manufacturers Association of India	National
2	Madras Chamber of Commerce & Industry	State
3	The Confederation of Indian Industry	National
4	Employer's Federation of South India	National
5	Indo American Chamber of Commerce	National

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S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State/National)
6	Indo German Chamber of Commerce	National
7	Engineering Export Promotion Council	National
8	Federation of Indian Export	National
9	Export Promotion Council of EOUs and SEZ	National
10	Indian Wind Power Association	National
11	Tamil Nadu Electricity Consumer's Association	State
12	The Aerospace Industry Development Association of Tamil Nadu	State

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

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

Leadership Indicators

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

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

PRINCIPLE 8 : Businesses should promote inclusive growth and equitable development

Essential Indicators

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

Name and brief details of project	SIA Notification Number	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
Banyan Academy of Leadership in Mental Health – Through this organization, the Company focuses on training and capacity building of students choosing a career as a mental health professional and others such as community mobilisers, health care workers, policymakers, etc. Support was provided to 464 students in masters' and diploma education in a practice based immersive curriculum.	*	*	Yes	Yes	www.sundram.com
Sundram Matriculation Higher Secondary School – Through this School, the Company focuses on providing quality education to 479 students including 227 girl students from 8 villages near Krishnapuram plant.	*	*			
KREA University- Support towards sponsoring research studies in the fields of operations management, mathematics, environmental studies.	*	*			
Mithra Trust- Support for creation of conceptual framework and actionable tools for an individual to work through their feelings during emotional stress.	*	*			

*Impact assessments were carried out in compliance with Rule 8(3) of the Companies (CSR Policy) Rules, 2014.

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

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

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

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

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

	Financial Year 2025 (Current Financial Year)	Financial Year 2024 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	SFL procures from vendors based on quality, cost, and delivery aspects. SFL strives for a fair, transparent, and inclusive, procurement process that provides equal opportunities for all suppliers.	
Directly from within India		

- 5) Job creation in smaller towns- Disclose wages paid to persons employed (including employees or workers employed on permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Location	Financial Year 2025 (Current Financial Year)	Financial Year 2024 (Previous Financial Year)
Rural	22.47%	22.92%
Semi-Urban	7.36%	7.05%
Urban	19.18%	17.98%
Metropolitan	50.99%	52.05%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

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

Details of negative social impact identified	Corrective actions taken
Not Applicable	

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

S. No.	State	Aspirational district	Amount spent (INR)
1	Tamil Nadu	Virudhunagar	₹ 1.85 Crore for Krishna Educational Society (KES) [Sundram Matriculation Higher Secondary School], Aiyur, Virudhunagar District

* Source: <https://www.niti.gov.in>

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

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

- (b) From which marginalized / vulnerable groups do you procure?

Not Applicable

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

Not Applicable

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

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

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

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

6. Details of beneficiaries of CSR Projects:

Sr Nos	CSR Project	Number of person benefitted from the CSR project	% of beneficiaries from vulnerable and marginalized groups
1	Krishna Educational Society (KES) [Funding for Sundram Matriculation Higher Secondary School]	479	100%
2	Banyan Academy for Leadership in Mental Health (BALM)-SFL Centre for Social Action and Research	817	-
3	Kambikudi Panchayat Union Middle School and Aviyur Govt Higher Secondary	446	100%
4	Sugun Thomas Foundation- Mentoring for economically challenged students	23	100%
5	NATS/ Apprentice Scheme- Stipend paid to apprentices towards skill building	-	-
6	Contribution to Krea University for conducting research studies in compliance, risk management, governance, gender studies and women empowerment	-	-
7	Clarke School for Deaf- Supporting specially abled students	77	-
8	Contribution to Yoga Deepika – Support for construction of a fully equipped high school	198	-
9	Swami Dayananda Educational Trust-(Contribution towards purchase of 25 computers to Swami Dayananda College of Arts and Science, Tiruvarur)	-	-
10	Vaastu Foundation- Medical Welfare Project	-	-
11	Gramalaya Trust - Construction of 113 smart toilets in Kodamangulam Village (Sanitation) for the benefit of women, senior citizens, and young girls in the village	600	-
12	Lotus Foundation- Restoration of Mandagapattu Pond Renovation work	-	-
13	Production of a documentary on Wildlife Tamil Nadu	-	-
14	Women India Association (Nurse aid training program and tailoring unit)	-	-

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

Essential indicators

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

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

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

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

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

	Financial Year 2025 (Current Financial Year)		Remarks	Financial Year 2024 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Data privacy	Not Applicable		SFL supplies to domestic and global OEMs and after market segments. The materials supplied by SFL then goes into end products manufactured by the OEMs. There is no direct sale to consumers.	Not Applicable		SFL supplies to domestic and global OEMs and after market segments. The materials supplied by SFL then goes into end products manufactured by the OEMs. There is no direct sale to consumers.
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Others						

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

	Number	Reasons for recall
Voluntary recalls	Not Applicable	
Forced recalls		

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

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

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

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

7. Provide the following information relating to the data breaches:

- Number of instances of data breaches: **Nil**
- Percentage of data breaches involving personally identifiable information of customers: **Not Applicable**
- Impact, if any, of the data breaches: **Not Applicable**

Leadership Indicators

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

Information regarding the products and services can be accessed via the link mentioned below:-
www.sundram.com

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

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

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

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

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

Yes. SFL carries out customer satisfaction surveys across all manufacturing locations to collect feedback on aspects such as quality, cost, and delivery as explained in question no 1 of the Essential Indicator.

B S R & Co. LLP
Chartered Accountants

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

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To the Members of Sundram Fasteners Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated October 14, 2022.
2. We have examined the compliance of conditions of Corporate Governance by **Sundram Fasteners Limited** ("the Company"), for the year ended March 31, 2025, as stipulated in regulations 17 to 27, clauses (b) to (i) and (t) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

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

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2025.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

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

for B S R & Co. LLP

Chartered Accountants

Firm's Registration number: 101248W/W-100022

Sampad Guha Thakurta

Partner

Membership No. 060573

UDIN: 25060573BM0KEN3092

Place: Chennai

Date: April 30, 2025

Sundram Fasteners Limited

ANNUAL REPORT DISCLOSURES AS SPECIFIED UNDER REGULATION 34 READ WITH SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

A. Related Party Disclosures

The necessary disclosures as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations, 2015) and the Indian Accounting Standards are provided in the financial statement.

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

₹ in Crores

Nature of transaction	TVS Sundram Fasteners Private Limited
Services received	4.49
Services rendered	0.23
Sale of Goods	110.60
Dividend paid	71.87
Due to the Company	50.14
Due by the Company	-

B. Management Discussion And Analysis

Management Discussion and Analysis is provided in the Annual Report in Page Nos. 35 to 41.

Necessary disclosures relating to accounting treatment as prescribed in the Accounting Standards (Ind AS) are provided in the financial statements.

C. Corporate Governance Report

1. Company's Philosophy on Code of Governance

The Company truly believes in independence, responsibility, transparency, professionalism, accountability and code of ethics, which are the basic principles of corporate governance. The Company always stressed in achieving optimum performance at all levels by adopting and adhering to best corporate governance practices. The Company has focused on corporate governance as a means to maximize long-term stakeholders' through Value creation, disciplined and sustained growth.

The Company strives hard to achieve establishment of internal controls and risk management, internal and external communications, high standards of safety, health and environment management, accounting fidelity, product and service quality. The Company also believes that to succeed, it must consistently maintain commendable standards of corporate conduct towards its employees, customers, society and other stakeholders.

2. Board of Directors

Composition of the Board

The Board has eight Directors, with optimum combination of Executive and Non-Executive Directors. The Managing Director and Joint Managing Director hold Executive positions. There are six Non-Executive Directors, of whom four are independent. The Non-Executive Directors, use independent judgment in the Board deliberations and decisions.

The Company immensely benefits from the professional expertise of the Independent Directors in their capacity as Independent Professional / Business Executives and through their invaluable experience in achieving corporate excellence.

Directors' attendance record and directorships, committee meetings held during the year under review:

Name and Category of the Director	DIN	Attendance		No. of Directorships held in Companies (including SFL) [@]	Committee Memberships (including SFL) [#]		Name of the listed entities in which the person is a Director and the category of Directorship
		Board	AGM		Chairman / Chairperson	Member	
Sri Suresh Krishna Non-Executive Director Chairman	00046919	5	Yes	2	-	-	Sundram Fasteners Limited - Chairman
Ms Arathi Krishna Executive Director - Managing Director	00517456	5	Yes	1	-	1	Sundram Fasteners Limited - Managing Director
Ms Arundathi Krishna Executive Director - Joint Managing Director	00270935	5	Yes	2	-	1	Sundram Fasteners Limited - Joint Managing Director
Ms Preethi Krishna Non-Executive Non-Independent Director	02037253	5	Yes	1	-	-	Sundram Fasteners Limited - Non-Executive Non-Independent Director
Sri B Muthuraman Non-Executive Independent Director (upto September 25, 2024)	00004757	2	Yes	1*	1*	1*	Sundram Fasteners Limited - Non-Executive Independent Director
Sri Heramb R Hajarnavis Non-Executive Independent Director	01680435	4	Yes	3	1	3	(i) Sundram Fasteners Limited (ii) India Nippon Electricals Limited Non-Executive Independent Director
Sri S Mahalingam Non-Executive Independent Director	00121727	5	Yes	4	2	4	(i) Sundram Fasteners Limited (ii) JSW Steel Limited Non-Executive Independent Director
Dr Nirmala Lakshman Non-Executive Independent Director	00141632	5	Yes	1	1	1	Sundram Fasteners Limited - Non-Executive Independent Director
Sri R Vijayaraghavan Non-Executive Independent Director (w.e.f. September 26, 2024)	00026763	3	Not Applicable	5	3	7	(i) Sundram Fasteners Limited (ii) Caplin Point Laboratories Limited (iii) The United Nilgiri Tea Estates Company Limited Non-Executive Independent Director

@ Excludes private, foreign companies and companies registered under Section 8 of the Companies Act, 2013.

Includes only the membership of Audit and Stakeholders' Relationship Committee.

* Chairperson and member of Audit Committee upto September 25, 2024. Retired upon completion of his second term from the Board effective end of the day on September 25, 2024.

None of the Directors is a member of more than ten Board-level Committees or Chairman of more than five such Committees, as required under Regulation 26 of the SEBI Listing Regulations, 2015, across all companies in which they are directors. None of the Independent Directors are whole-time directors of any listed entity.

Sundram Fasteners Limited

Number of Board Meetings

There were five Board Meetings held during the year ended March 31, 2025, which were held on May 22, 2024, July 31, 2024, November 5, 2024, January 27, 2025 and March 31, 2025. The maximum interval between any two meetings was not more than 120 days.

Disclosure on relationships between directors inter se

Sri Suresh Krishna, Chairman is the relative of Ms Arathi Krishna, Managing Director, Ms Arundathi Krishna, Joint Managing Director and Ms Preethi Krishna, Director.

Number of shares held by Non-Executive Directors in the Company as at March 31, 2025

Name of the Director	Number of Equity Shares	% holding
Sri Suresh Krishna	42,440	0.02
Ms Preethi Krishna	-	-
Sri B Muthuraman (upto September 25, 2024)	-	-
Sri Heramb R Hajarnavis	-	-
Sri S Mahalingam	-	-
Dr Nirmala Lakshman	-	-
Sri R Vijayaraghavan (w.e.f. September 26, 2024)	-	-

The Company has not issued any convertible instruments.

Familiarization programme

Details about the familiarization programme for the financial year 2024-25 can be accessed in the weblink: <https://www.sundram.com/pdf/SFLFamiliarisationprogramme2025.pdf>

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

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

* Retired upon completion of his second term from the Board effective end of the day on September 25, 2024.

** Appointed on the Board effective September 26, 2024.

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

Detailed reasons for the resignation of an independent director who resigns before the expiry of his/ her tenure along with a confirmation by such director that there are no other material reasons other than those provided.

There was no such event during the year under review.

3. Audit Committee

Brief description of terms of reference

The Terms of Reference / Role of the Audit Committee cover the matters specified under Regulation 18 and Part C of Schedule II of the SEBI Listing Regulations, 2015 read with Section 177 of the Companies Act, 2013 which includes, among other things, the following:-

- Oversight of the Company's financial reporting process.
- Recommendation for appointment, remuneration and terms of appointment of auditors.
- Reviewing, with the management, the annual financial statements and auditor's report.
- Scrutiny of inter-corporate loans and investments.
- Internal financial controls and risk management systems.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems and reviewing the adequacy of internal audit function.
- Management discussion and analysis of financial condition and results of operations.
- Reviewing the statement of significant related party transactions including remuneration to promoter / promoter group.

In addition to the above, the Audit Committee looks into the internal and statutory audit reports of all units / divisions and reviews deviations, if any.

Meetings, Composition of Audit Committee of the Board, and the attendance record of Committee Members

The Audit Committee met four times during the year on May 22, 2024, July 31, 2024, November 5, 2024, and January 27, 2025.

Name of the Committee Member	Category	No. of meetings attended
Sri B Muthuraman*	Chairperson of the Committee (Independent Director)	2
Sri S Mahalingam**	Chairperson of the Committee (Independent Director)	2 as member 2 as Chairperson
Sri Heramb R Hajarnavis	Independent Director	3
Sri R Vijayaraghavan***	Independent Director	2

* Retired upon completion of his second term from the Board effective end of the day on September 25, 2024.

** Consequent to the retirement of Sri B Muthuraman, Sri S Mahalingam, Non-Executive Independent Director was nominated as the Chairperson of the Committee effective September 26, 2024.

*** Consequent to the retirement of Sri B Muthuraman, Sri R Vijayaraghavan, Non-Executive Independent Director was nominated as the member of the Committee effective September 26, 2024.

Sri G Anand Babu, Senior Manager-Finance & Company Secretary acted as Secretary of the Committee. The Internal Auditor and the Statutory Auditors were invited to attend and participate at meetings of the Committee.

Sri B Muthuraman, Chairman of the Audit Committee (retired effective from September 25, 2024) was present at the 61st Annual General Meeting (AGM) held on August 9, 2024, through Video Conference ('VC') / Other Audio Visual Means ('OAVM').

4. Nomination and Remuneration Committee (NRC)

Brief description of terms of reference

The NRC had approved the Policy on Board diversity appropriate to the business requirements of the Company. The scope of the remuneration policy and terms of the reference of NRC is as per Section 178 of the Companies Act, 2013 and Part D of Schedule II of the SEBI Listing Regulations, 2015, which includes the following matters:-

- The criteria which a person should possess to be considered eligible for appointment as an Independent Director or senior managerial personnel.
 - Criteria for performance evaluation of Independent Directors and the Board of Directors.
 - The criteria for determining qualifications, positive attributes and independence of a Director.
 - Remuneration for the Directors.
-

Sundram Fasteners Limited

- Remuneration for the Key Managerial Personnel (i.e. Managing Director, Whole-time Director, Manager, CEO, CFO and Company Secretary); and
- Remuneration of senior management personnel and other employees.

Meetings, Composition of Nomination and Remuneration Committee of the Board and the attendance record of Committee Members

The Committee met one time during the financial year on May 22, 2024.

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

Name of the Committee Member	Category	No. of meetings attended
Sri B Muthuraman*	Chairperson of the Committee (Independent Director)	1
Sri Heramb R Hajarnavis**	Chairperson of the Committee (Independent Director)	1 as member
Ms Preethi Krishna	Non-Executive Non-Independent Director	1
Dr Nirmala Lakshman***	Independent Director	***

* Retired upon completion of his second term from the Board effective end of the day on September 25, 2024.

** Consequent to the retirement of Sri B Muthuraman, Sri Heramb R Hajarnavis, Non-Executive Independent Director was nominated as the Chairperson of the Committee effective September 26, 2024.

*** Consequent to the retirement of Sri B Muthuraman, Dr Nirmala Lakshman, Non-Executive Independent Director was nominated as member of the Committee effective September 26, 2024. No meeting was held post reconstitution of the Committee.

Sri B Muthuraman, Chairperson of the Committee (retired effective from September 25, 2024) was present at the 61st AGM held on August 9, 2024, through VC / OAVM.

Sri G Anand Babu, Senior Manager-Finance & Company Secretary acted as Secretary of the Committee at its meeting held on May 22, 2024.

Performance Evaluation

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of independent directors, Board of Directors and Committees of the Board of Directors. The criteria for performance evaluation encompass the following areas relevant to their functioning as independent directors, member of Board or Committees of the Board.

- Attendance to the Board and Committee meetings, and active participation thereof.
- Flow of information to the Board.
- Experience and competencies, performance of specific duties and obligations.
- How their performance is reflected in the overall engagement of the Board and its Committees with the Company.

5. Remuneration to Directors for the year ended March 31, 2025

₹ in Lakhs

Name of the Director	Sitting Fee	Salaries and Allowances	Perquisite	Company's Contribution to Provident Fund and Superannuation Fund	Commission and Performance Linked Incentive	Total
Sri Suresh Krishna	N.A.	N.A.	30.02	N.A.	N.A.	30.02
Ms Arathi Krishna	N.A.	94.80	131.12	17.87	600.00	843.79
Ms Arundathi Krishna	N.A.	95.16	121.43	14.80	600.00	831.39
Ms Preethi Krishna	3.10	N.A.	N.A.	N.A.	10.00	13.10

Name of the Director	Sitting Fee	Salaries and Allowances	Perquisite	Company's Contribution to Provident Fund and Superannuation Fund	Commission and Performance Linked Incentive	Total
Sri B Muthuraman (upto September 25, 2024)	1.60	N.A.	N.A.	N.A.	5.00	6.60
Sri Heramb R Hajarnavis	3.00	N.A.	N.A.	N.A.	10.00	13.00
Sri S Mahalingam	3.90	N.A.	N.A.	N.A.	10.00	13.90
Dr Nirmala Lakshman	3.30	N.A.	N.A.	N.A.	10.00	13.30
Sri R Vijayaraghavan (w.e.f. September 26, 2024)	1.90	N.A.	N.A.	N.A.	5.00	6.90

The tenure of office of Managing Directors is for five years from their respective dates of appointment. The sitting fees paid to non-executive directors and independent directors and the commission paid to non-executive directors and independent directors are within the limits prescribed under the Companies Act, 2013. Sitting fee indicated above also includes payment for Board-level committee meetings and Independent Directors meetings. There is no separate provision for payment of severance fees. The notice period is mutually agreed between the Directors and the Board. The Company does not have any stock option scheme. Other than above mentioned fees and commission, no other remuneration was paid to Non-Executive Directors. The Company has no pecuniary relationship / transaction with any of the Non-Executive Directors other than those disclosed elsewhere in this Annual Report. The criteria of making payments to non-executive Directors can be accessed under the web link: <https://sundram.com/>.

6. Stakeholders' Relationship Committee

The Committee met two times during the year on July 31, 2024, and January 27, 2025.

Composition of Stakeholders' Relationship Committee of the Board and the attendance record of Committee Members

Name of the Committee Member	Category	No. of meetings attended
Dr Nirmala Lakshman	Chairperson of the Committee (Independent Director)	2
Ms Arathi Krishna	Managing Director	2
Ms Arundathi Krishna	Joint Managing Director	2

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

The Committee deals inter alia with redressal of investors/shareholders complaints relating to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

Details of Complaints received in SCORES during the year:

No. of Shareholder's complaints received during the financial year	No. of complaints resolved	No. of complaints not solved to the satisfaction of Shareholders	Number of complaints remaining unresolved and pending
7	7	-	-

7. Risk Management Committee

Brief description of terms of reference

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

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

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

The Risk Management Committee met twice during the year on July 26, 2024 and February 17, 2025.

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

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

8. Senior Management

In accordance with the criteria laid down in the Nomination and Remuneration Policy, the Nomination and Remuneration Committee has identified employees as Senior Management Personnel across the functions in addition to the Chief Financial Officer, Company Secretary, and the employees being one level below the Managing Director.

The employees head functions such as Operations, Marketing, Information Technology, Direct Taxation, Accounts, Internal Audit, Indirect Taxation, Legal, Treasury and HR.

During the year under review, Ms Sangeetha Rajesh, Deputy General Manager – Human Resource resigned and was relieved from the services from closing business hours on December 13, 2024.

9. Independent Directors and compliance of their obligations

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

Separate Meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on February 10, 2025, to review the frequency and procedures for conducting the separate meetings of the Independent Directors, to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees, which is necessary to effectively and reasonably perform and discharge their duties.

Attendance of the Independent Directors present at the meeting

Sri Heramb R Hajarnavis, Sri S Mahalingam, Dr Nirmala Lakshman and Sri R Vijayaraghavan are the Independent Directors of the Company as on March 31, 2025. All the Independent Directors attended the meeting except Sri R Vijayaraghavan.

10. General Meetings

Details of the location, date and time of the last three Annual General Meetings (AGM) and the details of special resolutions passed at the AGMs or passed by Postal Ballot:

Year	Location	Date	Time
2024	AGM held through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')	August 9, 2024	10:00 a.m. IST
2023		June 29, 2023	10:00 a.m. IST
2022		June 29, 2022	10:00 a.m. IST

- Special resolution was passed at the Annual General Meeting held for the financial year 2022-23 on June 29, 2023, to approve the re-appointment of Dr Nirmala Lakshman (DIN: 00141632) as a Non-Executive Independent Director of the Company for the second consecutive term of 5 (five) years commencing from September 20, 2023, to September 19, 2028.
- No special resolution was passed during the Annual General Meeting held on June 29, 2022, and August 9, 2024.

The details of resolutions which were passed through Postal Ballot during the year under review and voting pattern thereon is as follows:-

Postal Ballot No.	Particulars of Resolution	Date of Passing of the Resolution	Voting Pattern	
			Votes cast in favour	Votes cast against
15	Approval for the appointment of Sri R Vijayaraghavan (DIN 00026763) as a Non-Executive Independent Director for a period of five years effective from September 26, 2024, to September 25, 2029, and for his continuation after attaining 75 years of age during such tenure (Special Resolution).	October 29, 2024	16,77,11,950 99.97%	50,181 0.03%

Sri K Sriram, Practicing Company Secretary (CP No. 2215), who was appointed as Scrutiniser, conducted the postal ballot process in a fair and transparent manner.

As on the date of the report, there is no proposal to pass any special resolution through Postal Ballot.

Procedure for Postal Ballot

Postal Ballot has been carried out as per the procedure stipulated under the Companies (Management and Administration) Rules, 2014. During the process of Postal Ballot, shareholders were provided the remote e-voting facility pursuant to Regulation 44 of the SEBI Listing Regulations, 2015 read with the circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

11. Means of Communication

- The quarterly, half-yearly and annual results are published in widely circulating national and local dailies such as Business Line, The Hindu (English) and Makkal Kural (Tamil) newspapers. These are not sent individually to the shareholders.
- The financial results are displayed on the website of the Company - www.sundram.com and also in the websites of BSE Limited and National Stock Exchange of India Limited. The Company's website also displays official press releases and other disclosures made to the Stock Exchanges.
- No presentation was made to the institutional investors / analysts.

12. General Shareholder Information

A	Annual General Meeting Date, Time and Venue	Day and Date: Monday, June 30, 2025 Time: 10.00 a.m. IST Venue: The Company is conducting the meeting through Video Conferencing (VC) / Other Audio Visual Means (OAVM) as set out in the Notice of the Annual General Meeting.
B	Financial year	April 2025 to March 2026 - First Quarter Results – on or before August 14, 2025. - Second Quarter/Half-yearly Results – on or before November 14, 2025. - Third Quarter Results – on or before February 14, 2026. - Annual Results for the year ending March 31, 2026 - on or before May 30, 2026 The timelines are subject to any extension of time that may be granted by the Regulators.
C	Dividend Payment date for dividends declared during the Financial Year 2024-25	Second Interim Dividend for the Financial year 2023-24 was declared by the Board of Directors at its meeting held on May 22, 2024 and paid on June 19, 2024. Interim Dividend for the Financial year 2024-25 was declared by the Board of Directors at its meeting held on November 5, 2024 and paid on December 3, 2024.
D	Name and address of Stock Exchange(s) at which company's shares are listed	The Equity Shares of the Company are listed on the following Stock Exchanges: <u>BSE Limited (BSE)</u> <u>Scrip Code: 500403</u> Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 <u>National Stock Exchange of India Limited (NSE)</u> <u>Scrip Symbol: SUNDRMFAST</u> Exchange Plaza, 5 th Floor, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 The Company has paid the annual listing fees due to the Stock Exchanges for the financial year 2024-25.
E	Disclosure on suspension of trading	Not applicable
F	Registrars and Transfer Agents (acting as common agency) for all investor servicing activities relating to both electronic and physical segments)	Integrated Registry Management Services Private Limited, Kences Towers, 2 nd Floor, No. 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai 600 017 Telephone: +91 44 28140801 - 803 Fax : +91 44 28142479 E-Mail : einward@integratedindia.in Investor Contacts: Sri. K Suresh Babu, Director Sri. G M Chandrasekhar, Chief Manager
G	Share Transfer System	The requests for dematerialization and transmission were processed within the timelines stipulated under the SEBI Listing Regulations, 2015. Members may note that transfer of shares in physical mode is prohibited effective April 01, 2019 pursuant to SEBI's amendment notification dated June 08, 2018.

H	Distribution of shareholding												
Number of Shares	Shareholders		No. of Shares										
	Number	%	Number	%									
Up to 100	58,249	73.57	13,80,643	0.66									
101 - 250	6,876	8.69	11,59,316	0.55									
251 - 500	4,518	5.71	17,49,810	0.83									
501 - 1,000	3,034	3.83	23,91,584	1.14									
1,001 - 5,000	5,367	6.78	1,26,68,656	6.02									
5,001 - 10,000	653	0.82	46,65,640	2.22									
10,001 and above	482	0.60	18,61,12,721	88.58									
Total	79,179	100.00	21,01,28,370	100.00									
Physical Mode	1,178	1.49	11,49,833	0.55									
Demat Mode	78,001	98.51	20,89,78,537	99.45									
Total	79,179	100.00	21,01,28,370	100.00									
Categories of Shareholding as on March 31, 2025													
Category		Shares	% holding										
Promoter		9,83,19,780	46.79										
Promoter Group		3,25,763	0.16										
Mutual Funds		3,62,71,554	17.26										
Insurance Companies, Financial Institutions & Banks		77,51,171	3.69										
Foreign Portfolio Investors (FPIs)		2,72,42,096	12.96										
Public/Private Limited Companies		15,78,149	0.75										
Resident Individuals		3,44,05,034	16.37										
Others		42,34,823	2.02										
Total		21,01,28,370	100.00										
I.	Dematerialisation of Shares and liquidity	Shares of the Company can be held and traded in electronic form. As stipulated by SEBI, the shares of the Company are accepted in the Stock Exchanges for delivery compulsorily only in dematerialized form. 98.51% of total equity capital (including holding of promoter companies) is held in dematerialized form with NSDL and CDSL as on March 31, 2025. The volume of shares traded during FY 2024-25:- <table><tr><td>Stock Exchange</td><td>During FY 2024-25</td><td>Monthly Average Volume</td></tr><tr><td>BSE</td><td>32,00,439</td><td>2,66,703</td></tr><tr><td>NSE</td><td>3,89,31,842</td><td>32,44,320</td></tr></table> Thus, shares of the Company are actively traded in the BSE and NSE and hence have good liquidity.			Stock Exchange	During FY 2024-25	Monthly Average Volume	BSE	32,00,439	2,66,703	NSE	3,89,31,842	32,44,320
Stock Exchange	During FY 2024-25	Monthly Average Volume											
BSE	32,00,439	2,66,703											
NSE	3,89,31,842	32,44,320											
J	Outstanding GDRs/ADRs/Warrants or any convertible instruments	Not issued.											

K	Commodity Price Risk or foreign exchange risk and hedging activities	The foreign exchange risks are hedged from time to time. The Company closely monitors the exchange risks. Steel is one of the principal raw materials used by the Company. During the year under review, steel prices has softened in the domestic market in comparison to previous year. The Company mitigates its raw material price risks through identification of alternate sources of suppliers, alternate usage of materials, and price negotiations. Further, the yield improvement projects have helped to reduce raw material consumption. Total exposure of the Company to various commodities: ₹ 2,254.40 Crores. <table><tr><th>Commodity Name</th><th>Exposure in INR towards the particular Commodity (₹ in Crores)</th><th>Exposure in quantity terms towards the particular Commodity</th><th>% of such exposure hedged through commodity derivatives Domestic & International Market – OTC & Exchange</th></tr><tr><td>Steel</td><td>1,316.02</td><td>1,64,874.76 Metric Ton</td><td>Nil</td></tr><tr><td>M S Scrap & other components</td><td>96.57</td><td>23,411.50 Metric Ton</td><td>Nil</td></tr><tr><td>Ferrous, Non-Ferrous and Powders</td><td>228.94</td><td>10,653.71 Metric Ton</td><td>Nil</td></tr><tr><td>Aluminium Ingots</td><td>79.72</td><td>3,904.81 Metric Ton</td><td>Nil</td></tr><tr><td>Blank alloy steel slug (tappet), child parts for assembly, other components (Radiator Caps and Assemblies)</td><td>126.64</td><td>51,68,551 Nos.</td><td>Nil</td></tr><tr><td>Other Components</td><td>831.46</td><td>Nil</td><td>Nil</td></tr><tr><td>Total</td><td>2,679.35</td><td colspan="2" rowspan="4"></td></tr><tr><td>Changes in inventory, finished goods, work in progress and stock in trade</td><td>(122.96)</td></tr><tr><td>Less: Inter Plant transfers</td><td>(301.99)</td></tr><tr><td>Total</td><td>2,254.40</td></tr></table>	Commodity Name	Exposure in INR towards the particular Commodity (₹ in Crores)	Exposure in quantity terms towards the particular Commodity	% of such exposure hedged through commodity derivatives Domestic & International Market – OTC & Exchange	Steel	1,316.02	1,64,874.76 Metric Ton	Nil	M S Scrap & other components	96.57	23,411.50 Metric Ton	Nil	Ferrous, Non-Ferrous and Powders	228.94	10,653.71 Metric Ton	Nil	Aluminium Ingots	79.72	3,904.81 Metric Ton	Nil	Blank alloy steel slug (tappet), child parts for assembly, other components (Radiator Caps and Assemblies)	126.64	51,68,551 Nos.	Nil	Other Components	831.46	Nil	Nil	Total	2,679.35			Changes in inventory, finished goods, work in progress and stock in trade	(122.96)	Less: Inter Plant transfers	(301.99)	Total	2,254.40
Commodity Name	Exposure in INR towards the particular Commodity (₹ in Crores)	Exposure in quantity terms towards the particular Commodity	% of such exposure hedged through commodity derivatives Domestic & International Market – OTC & Exchange																																					
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Total	2,679.35																																							
Changes in inventory, finished goods, work in progress and stock in trade	(122.96)																																							
Less: Inter Plant transfers	(301.99)																																							
Total	2,254.40																																							
L	Plant Locations	<u>Tamil Nadu</u> 1) Padi, Chennai 600 050, Chengelpattu District 2) Harita, Hosur 635 109, Krishnagiri District 3) Krishnapuram, Aviyur 626 160, Virudhunagar District 4) Mittamandagapet Village 605 106, Villupuram District 5) Velappanchavadi, Chennai 600 077 6) SIPCOT Industrial Complex, Gummidipoondi 601 021 7) Auto Ancillary SEZ, Mahindra World City, Natham Sub Post, Chengelpattu, Kancheepuram District 603 002 <u>Puducherry (Pondicherry)</u> 8) Korkadu, Nettapakkam Commune, Bahur Taluk Puducherry 605 110 <u>Telangana</u> 9) Bonthapally Village 502 313. Medak District																																						

		<u>Andhra Pradesh</u> 10) SEZ Unit, Sri City, Andhra Pradesh <u>Uttarakhand</u> 11) Pantnagar, Integrated Industrial Estate Rudrapur, Dist. Udam Singh Nagar Uttarakhand 263 153
M	Address for Correspondence	Sri G Anand Babu Senior Manager - Finance & Company Secretary Sundram Fasteners Limited 98-A, VII Floor, Dr Radhakrishnan Salai Mylapore, Chennai 600 004 Telephone: +91-44-28478500 Extn: 213 Fax: +91-44-28478510 Exclusive E-mail id for redressal of investor complaints investorshelpdesk@sfl.co.in Website - www.sundram.com Shareholders holding shares in electronic form should address all their correspondence relating to change in address/ instructions regarding dividend etc. to their respective Depository Participant (DP) .
N	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.	CRISIL Ratings Limited has issued ' CRISIL A1+ ' (pronounced 'CRISIL A one Plus') rating to the Company for the ₹ 100 Crores Commercial Paper and ₹ 25 Crores short term debt programme during the financial year 2024-25 and there has been no revision thereto during the said financial year.

13. OTHER DISCLOSURES

Materially significant related party transactions during the year ended March 31, 2025:

There were no materially significant related party transactions made by the Company with its Promoters, their subsidiaries, Directors or Management or relatives etc. that may have potential conflict with the interests of the Company at large. All the related party transactions are at arm's length basis and in the ordinary course of business.

The Company's policies on Material Subsidiaries and Related Party Transactions are available on the website under the following web link: <https://www.sundram.com/>

Details of non-compliances during last three years

There were no instances of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchange or SEBI or any authority on any matter related to capital markets during the last three years.

The Company has complied with all matters relating to the capital market and the SEBI Listing Regulations, 2015. The Company has complied with all mandatory requirements. Adoption of non-mandatory requirements is provided under Item No.15 of this report.

Whistle Blower Policy (Vigil Mechanism)

The Company has established a Vigil Mechanism/Whistle Blower Policy to enable stakeholders to report unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. During the year, no person has approached the Audit Committee.

Details about the Whistle Blower Policy can be accessed at: <https://www.sundram.com/>

Disclosure on Commodity price risks and commodity hedging activities

Steel is one of the principal raw materials used by the Company. During the year under review, steel prices has softened in the domestic market in comparison to previous year. The Company mitigates its raw material price risks through identification of alternate sources of suppliers, alternate usage of materials, and price negotiations. Further, the yield improvement projects have helped to reduce raw material consumption.

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

The Company has not raised funds through preferential allotment or qualified institutions placement during the financial year 2024-25.

Sundram Fasteners Limited

Certificate on Non-Disqualification of Directors

for the financial year ended 31st March 2025

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

To the Members of

Sundram Fasteners Limited, [CIN: L35999TN1962PLC004943]

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

We hereby certify that, in our opinion and to the best of our knowledge, none of the below named directors who are on the Board of Sundram Fasteners Limited ("the Company") as on **March 31, 2025**, have been debarred or disqualified from being appointed or continuing as Directors of companies, by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA):

Sl. No.	Name of the Director	Nature of Directorship	Director Identification Number
1.	Sri Suresh Krishna	Chairman, Non-Executive, Non-Independent	00046919
2.	Ms Arathi Krishna	Managing Director	00517456
3.	Ms Arundathi Krishna	Joint Managing Director	00270935
4.	Ms Preethi Krishna	Non-Executive, Non-Independent	02037253
5.	Sri Heramb Ravindra Hajarnavis	Non-Executive, Independent	01680435
6.	Sri Mahalingam Seturaman		00121727
7.	Dr Nirmala Lakshman		00141632
8.	Sri R Vijayaraghavan		00026763

Basis for our opinion

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

1. Information relating to the directors available in the official web site of Ministry of Corporate Affairs;
2. Disclosures/ declarations/ confirmations provided by the said Directors to the Company;
3. Registers and records maintained by the Company and forms, returns, documents and disclosures filed with MCA;
4. Corporate Governance reports filed on quarterly basis with the stock exchanges on which securities of the Company are listed; and
5. Information, explanation and representations provided by the key managerial personnel of the Company.

Responsibility of the management

The management of the Company is responsible to ensure the eligibility of a person for appointment / continuation as a Director of the Company.

Responsibility of the Secretarial Auditors

Our responsibility as the Secretarial Auditors of the Company, is to issue this Certificate based on verification of the relevant documents / records as stated herein above.

Our Certificate is neither an assurance as to the future viability of the Company or its Corporate Governance process, nor of the efficacy or effectiveness of the process followed by its management with regard to appointment / continuation of a person as a Director of the Company.

For Sriram Krishnamurthy & Co.,
(formerly known as M/s S Krishnamurthy & Co.)
Company Secretaries,
[Firm Unique Identification No. P1994TN045300]
(Peer Review Certificate No: 739 / 2020)

K Sriram
Partner
Membership No: F6312
Certificate of Practice No:2215
UDIN: F006312G000243505

Place: Chennai
Date: April 30, 2025

Recommendation by the Committees to the Board of Directors

The Board has accepted the recommendations made by its Committees during the financial year 2024-25.

Audit fee:

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

The total fee for all services paid by the Company and its subsidiaries, on a consolidated basis, to M/s B S R & Co. LLP, Chartered Accountants, Statutory Auditors of the Company and all entities in the network of Statutory Auditor /network entity of which the Statutory Auditor is a part during the financial year 2024-25 is ₹ 1.29 crores.

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

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

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

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

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

None of the subsidiaries of the Company are a material subsidiary during the financial year 2024-25.

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

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

The Board

Pursuant to the approval by the shareholders through a postal ballot on March 16, 2021, the Chairman and Non-Executive Director of the Company is entitled to maintain a Chairperson's office at the Company's expense and also entitled for reimbursement of expenses incurred in performance of his duties.

Shareholder Rights – Quarterly/Half yearly/Annual results

The quarterly/half yearly/annual results, after they are taken on record by the Board of Directors, are forthwith sent to the Stock Exchanges with whom the Company has listing arrangements. The results, in prescribed format, are published in Business Line, The Hindu (English) and Makkal Kural (Tamil) newspapers.

Audit Qualification

There is no audit qualification / reservation / adverse remark / disclaimer with regard to financial statement by the Statutory Auditors in the Auditors' Report or by the Company Secretary in Practice in the Secretarial Audit Report for the financial year 2024-25.

Reporting of Internal Auditors

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

Independent Directors

During the year, the Independent Directors have met once without the presence of non-independent directors and members of the management and all the Independent Directors were present at the meeting except Sri R Vijayaraghavan.

16. COMPLIANCE OF CORPORATE GOVERNANCE CONDITIONS

The Company has complied with the requirements of corporate governance report as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Schedule V of the SEBI Listing Regulations, 2015. The Company has submitted the quarterly compliance reports on corporate governance to the stock exchanges within the timelines prescribed by the SEBI for all the quarters during the financial year 2024-25.

CODE OF CONDUCT

The Board of Directors has laid down a code of conduct for all Board members and senior management of the Company. The code of conduct is available on the website of the Company www.sundram.com. All Board members and senior management personnel have affirmed compliance with the code of conduct. The Code of Conduct has incorporated the duties of independent directors as laid down under the Companies Act, 2013. A declaration signed by the Managing Director to this effect is as follows :

April 30, 2025

To

The members of Sundram Fasteners Limited

DECLARATION TO THE MEMBERS PURSUANT TO SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I, Arathi Krishna, Managing Director, hereby declare that all Board members and senior management personnel have affirmed compliance with the Code of Business Conduct and Ethics formulated by the Company for the financial year ended March 31, 2025.

Arathi Krishna
Managing Director
DIN: 00517456

17. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES

During the year, no agreements have been entered into by the shareholders, promoter, promoter group entities, related parties, directors, key managerial personnel, employees of the Company, or of its holding, subsidiary company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company.

18. DISCLOSURES IN RESPECT OF DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

Particulars	Number of Shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year.	614	5,81,438
Number of Shareholders who approached the issuer and claimed their shares and to whom shares were transferred from the Unclaimed Suspense Account during the year.	25	66,825
Aggregate number of shareholders and the shares transferred to Investor Education and Protection Fund Authority from the Unclaimed Suspense Account during the year.	52	18,008
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year / voting rights on the shares shall remain frozen till the rightful owner of such shares claims the shares.	537	4,96,605

Independent Auditor's Report
To the Members of Sundram Fasteners Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Sundram Fasteners Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2025, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Carrying value assessment of long-term investments in subsidiaries

Refer Notes 3.9 and 6 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company has long-term investments in subsidiaries as at 31 March 2025. The Company assesses investment in subsidiaries at each reporting date for any impairment indicators or circumstances that may result in reversal of impairment loss, based on internal or external sources of information. Where, such indicators or circumstances exist, the Company performs necessary testing. The changes in business environment on budgets and forecasts and uncertainties caused by external factors affecting estimated performance of subsidiaries had triggered impairment testing in respect of certain subsidiaries. As impairment assessment / reversal of impairment loss recognised in earlier years involve significant estimates and judgements and hence is a key area of focus in our audit.	In view of the significance of the matter, we performed the following key audit procedures: - Assessed the design, implementation and operating effectiveness of key controls in respect of the Company's impairment analysis process (including reversal of impairment loss) involving evaluation and approval of forecasts, and the valuation model used; - Examined the valuation reports of the independent third-party specialists as engaged by the Company; - Evaluated and challenged the key assumptions considered in cash flow forecasts for assessing the recoverable amount such as growth rates, profitability, discount rates etc., with reference to our understanding of the business and historical trends; - Involved valuation specialists to examine the valuation methodology and key assumptions; - Performed sensitivity analysis considering possible changes in key assumptions used; - Evaluated the adequacy of disclosures made in these financial statements.

Tax contingencies

Refer Notes 3.12, 18 and 36 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company is involved in various direct and indirect tax litigations that are pending with various tax authorities disclosed / provided for in the standalone financial statements of the Company based on facts and circumstances of each of these litigations. In this regard, determination of tax provisions and assessment of contingent liabilities involves judgment with respect to various tax positions on deductibility of transactions, interpretation of laws and regulations etc. Judgment is also required in assessing the range of possible outcomes for these matters. The Company makes an assessment to determine the outcome of these matters and records an accrual or discloses this as a contingent liability in accordance with applicable accounting standards. Accordingly, judgement is required in assessing the level of provision or contingent liability in these matters and hence are key areas of focus in our audit.	In view of the significance of the matter, we applied the following key audit procedures: - Assessed the design, implementation and operating effectiveness of key controls in respect of the Company's assessment of possible outcome of tax litigations; - Involved our tax specialists and evaluated and challenged the underlying judgements used in respect of estimation of provisions, exposures and contingencies; - Considered third party advice received by the Company in past periods where applicable, status of recent and current tax assessments, outcome of previous claims, judgmental positions taken in tax returns and developments in tax environment; - Evaluated the adequacy of disclosures on tax provisions and contingent liabilities made in these financial statements.

Revenue recognition

Refer Note 3.2 and 23 to standalone financial statements

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

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

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

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

2A. 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 except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 01 April 2025 and 21 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

- a. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its standalone financial statements - Refer Note 36 to the standalone financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

-
- d. (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 32 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 32 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The second interim dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- The first interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act. The second interim dividend declared by the Company until the date of this audit report is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend. However, the said dividend was not paid on the date of this audit report.
- f. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the audit trail was not enabled at the database level to log any direct data changes during 01 April 2024 to 11 August 2024 and 27 November 2024 to 15 December 2024. Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with. Additionally for the periods audit trail was enabled and operating effectively, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

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

for B S R & Co. LLP

Chartered Accountants

Firm's Registration number: 101248W/W-100022

Sampad Guha Thakurta

Partner

Place : Chennai

Date : April 30, 2025

Membership No.: 060573

ICAI UDIN: 25060573BMOKEO3841

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Sundram Fasteners Limited for the year ended 31 March, 2025

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security, granted loans or advances in the nature of loans, secured or unsecured to firms or to limited liability partnership. The Company has not made any investments, provided security, granted loans or advances in the nature of loans, secured or unsecured to companies. The Company has not provided guarantee or security or granted secured loans, secured or unsecured advances in the nature of loans, to any other parties during the year. However, the Company has made investments in mutual funds, granted unsecured loans to employees and provided guarantee to Companies.

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

Particulars	Guarantees	Loans
Aggregate amount during the year		
Subsidiaries*	₹ 57.20 crores	-
Others	-	₹ 8.07 crores
Balance outstanding as at balance sheet date		
Subsidiaries*	₹ 31.34 crores	₹ 14.41 crores
Others	-	₹ 1.51 crores

**As per the Companies Act, 2013*

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans are, prima facie, not prejudicial to the interest of the Company. The Company has not made investments, provided guarantees, granted any security or advances in nature of loans during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except for the loan of ₹ 5.75 crores given to TVS Upasana Limited and ₹ 0.08 crores given to Sundram International Inc., USA which are repayable on demand. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular. Further, the Company has not given any advance in the nature of loan to any party.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

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

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows.

Name of the statute	Nature of the dues	Amount (₹) in crores	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	2.26	FY 2004-16	Customs, Excise and Service tax Appellate Tribunal
Central Excise Act, 1944	Excise duty	0.01	FY 2005-17	Commissioner - Appeals
Central Excise Act, 1944	Excise duty	0.21	FY 2009-13	Adjudicating authority / Assessing Officer / Division
Finance Act, 1994	Service tax	1.45	FY 2004-18	Customs, Excise and Service tax Appellate Tribunal
Finance Act, 1994	Service tax	0.06	FY 2008-16	Commissioner - Appeals
Income Tax Act, 1961	Income tax	2.19	AY 2015-16	Assessing Officer
Income Tax Act, 1961	Income tax	0.02	AY 2016-17	Assessing Officer
Income Tax Act, 1961	Income tax	0.46	AY 2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	0.25	AY 2018-19	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	0.04	AY 2019-20	Commissioner of Income Tax (Appeals)
Tamil Nadu Value Added Tax Act, 2006/ Telangana Value Added Tax Act, 2005 / Central Sales Tax Act, 1956	Sales Tax	0.46	FY 2006-17	Joint / Deputy / Assistant / Additional Commissioner

Name of the statute	Nature of the dues	Amount (₹) in crores	Period to which the amount relates	Forum where dispute is pending
Tamil Nadu Value Added Tax Act, 2006/ Telangana Value Added Tax Act, 2005 / Central Sales Tax Act, 1956	Sales Tax	0.34	FY 2014-17	High Court of Madras
Tamil Nadu Value Added Tax Act, 2006/ Telangana Value Added Tax Act, 2005 / Central Sales Tax Act, 1956	Sales Tax	0.11	FY 2017-18	Joint Commissioner
Goods and Service Tax, 2017	GST	0.09	FY 2018-19	Assistant Commissioner (ST), Chengalpattu
Goods and Service Tax, 2017	GST	0.27	FY 2017-18	Assistant Commissioner-Telangana
Goods and Service Tax, 2017	GST	0.87	FY 2017-18	Joint / Deputy / Assistant / Additional Commissioner
Goods and Service Tax, 2017	GST	0.28	FY 2019-21	Assistant Commissioner
Goods and Service Tax, 2017	GST	0.01	FY 2022-23	Assistant Commissioner (ST), Adjudication, Intellegence-II, Chennai
Goods and Service Tax, 2017	GST	0.16	FY 2017-20	Assistant Commissioner, Circle III, Audit I Commissionerate, Annanagar, Chennai
Goods and Service Tax, 2017	GST	11.12	FY 2018-21	The Additional Commissioner of CGST & C.EX, Chennai North Commissionerate

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

- (d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act. The Company does not hold any investment in any associate or joint venture as defined under the Companies Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act). The Company does not hold any investment in any associate or joint venture as defined under the Companies Act.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

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- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

for B S R & Co. LLP

Chartered Accountants

Firm's Registration number: 101248W/W-100022

Sampad Guha Thakurta

Partner

Place : Chennai

Date : April 30, 2025

Membership No.: 060573

ICAI UDIN: 25060573BMOKEO3841

Annexure B to the Independent Auditor's Report on the standalone financial statements of Sundram Fasteners Limited for the year ended March 31, 2025

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

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Sundram Fasteners Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial

statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls

with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place : Chennai
Date : April 30, 2025

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

Sampad Guha Thakurta
Partner
Membership No.: 060573
ICAI UDIN: 25060573BMOKEO3841

Sundram Fasteners Limited

STANDALONE BALANCE SHEET AS AT MARCH 31, 2025

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

	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	5 (a)	1,836.24	1,669.24
Capital work-in-progress	5 (b)	177.48	153.87
Investment property	5 (c)	3.20	0.17
Right-of-use assets	5 (d)	41.31	43.46
Intangible assets	5 (e)	1.87	1.75
Financial assets			
- Investments	6	372.87	376.36
- Loans	7	9.68	9.35
- Other financial assets	8	38.43	45.14
Other tax assets, net	9	60.94	52.49
Other non-current assets	10	95.52	85.52
Total non-current assets		2,637.54	2,437.35
Current assets			
Inventories	11	941.31	795.35
Financial assets			
- Trade receivables	12	1,264.40	1,045.99
- Cash and cash equivalents	13 (a)	13.03	11.37
- Bank balance other than cash and cash equivalents	13 (b)	3.85	3.99
- Loans	7	6.24	6.28
- Other financial assets	8	32.69	27.49
Other current assets	10	85.02	70.52
Total current assets		2,346.54	1,960.99
Total assets		4,984.08	4,398.34
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14A	21.01	21.01
Other equity		3,624.58	3,258.21
Total equity		3,645.59	3,279.22
Liabilities			
Non-current liabilities			
Financial liabilities			
- Lease liabilities	16	3.88	5.18
- Other financial liabilities	21	-	3.48
Provisions	17	6.87	7.11
Deferred tax liabilities, net	18	139.36	134.58
Other tax liabilities, net	19	5.34	5.34
Total non-current liabilities		155.45	155.69
Current liabilities			
Financial liabilities			
- Borrowings	15	596.51	376.04
- Lease liabilities	16	1.31	1.77
- Trade payables	20		
total outstanding dues of micro enterprises and small enterprises;		66.97	86.31
total outstanding dues of creditors other than micro enterprises and small enterprises		368.27	350.50
- Other financial liabilities	21	87.53	81.06
Other current liabilities	22	26.84	15.85
Provisions	17	25.84	23.54
Current tax liabilities, net	19	9.77	28.36
Total current liabilities		1,183.04	963.43
Total liabilities		1,338.49	1,119.12
Total equity and liabilities		4,984.08	4,398.34

Material accounting policies

3 and 4

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

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

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm's registration number: 101248W/W-100022

SURESH KRISHNA

Chairman

(DIN: 00046919)

SAMPAD GUHA THAKURTA

Partner

Membership No.: 060573

ARATHI KRISHNA

Managing Director

(DIN: 00517456)

ARUNDATHI KRISHNA

Joint Managing Director

(DIN: 00270935)

R DILIP KUMAR

Chief Financial Officer

(DIN: 00240372)

G ANAND BABU

Senior Manager - Finance & Company Secretary

(ACS Membership No: A19848)

Place : Chennai

Date : April 30, 2025

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

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

	Note	Year ended March 31, 2025	Year ended March 31, 2024
Income			
Revenue from operations	23	5,209.74	4,905.65
Other income	24	21.59	47.33
Total income		5,231.33	4,952.98
Expenses			
Cost of materials consumed	25	2,254.40	2,151.56
Changes in inventories of finished goods and work-in-progress	26	(122.26)	(5.85)
Employee benefits expense	27	366.61	347.71
Finance costs	28	19.70	17.99
Depreciation and amortisation expense	29	175.80	168.31
Other expenses	30	1,868.99	1,634.19
Total expenses		4,563.24	4,313.91
Profit before exceptional item and tax		668.09	639.07
Exceptional item	6	12.50	-
Profit before tax		680.59	639.07
Tax expense			
a) Current tax		150.95	155.06
b) Deferred tax		12.63	4.30
Total tax expense		163.58	159.36
Profit for the year		517.01	479.71
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
(i) Remeasurement losses on defined benefit liability		(2.08)	(1.78)
(ii) Fair value (losses) / gains on equity instruments		(5.75)	18.94
(iii) Income tax effect on above		7.85	(3.70)
Total other comprehensive income		0.02	13.46
Total comprehensive income for the year		517.03	493.17
Earnings per equity share	31		
Basic (in ₹)		24.60	22.83
Diluted (in ₹)		24.60	22.83

Material accounting policies

3 and 4

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

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

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm's registration number: 101248W/W-100022

SAMPAD GUHA THAKURTA

Partner

Membership No.: 060573

ARATHI KRISHNA

Managing Director

(DIN: 00517456)

R DILIP KUMAR

Chief Financial Officer

(DIN: 00240372)

SURESH KRISHNA

Chairman

(DIN: 00046919)

ARUNDATHI KRISHNA

Joint Managing Director

(DIN: 00270935)

G ANAND BABU

Senior Manager - Finance & Company Secretary

(ACS Membership No: A19848)

Place : Chennai

Date : April 30, 2025

Sundram Fasteners Limited

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

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

A. Equity share capital	Note	Amount
Balance as at April 1, 2024	14A	21.01
Changes in equity share capital due to prior period errors		-
Restated balance as at April 1, 2024		21.01
Changes in equity share capital during the year		-
Balance as at March 31, 2025	14A	21.01
Balance as at April 1, 2023	14A	21.01
Changes in equity share capital due to prior period errors		-
Restated balance as at April 1, 2023		21.01
Changes in equity share capital during the year		-
Balance as at March 31, 2024	14A	21.01

B. Other equity

Particulars	Reserves and Surplus		Items of other comprehensive income	Total
	General reserve	Retained earnings	Items that will not be reclassified to profit and loss	
			Fair valuation of equity instruments	
Balances as at April 1, 2024	2,642.99	535.21	80.01	3,258.21
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance as at April 1, 2024	2,642.99	535.21	80.01	3,258.21
Profit for the year	-	517.01	-	517.01
Other comprehensive income for the year	-	(1.56)	1.58	0.02
Total comprehensive income for the year	-	515.45	1.58	517.03
Transactions with owners of the Company				
Dividends (refer note 14B)	-	(150.66)	-	(150.66)
Total transactions with owners of the Company	-	(150.66)	-	(150.66)
Transfer from retained earnings	-	-	-	-
Balances as at March 31, 2025	2,642.99	900.00	81.59	3,624.58
Balances as at April 1, 2023	2,442.99	377.44	65.22	2,885.65
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance as at April 1, 2023	2,442.99	377.44	65.22	2,885.65
Profit for the year	-	479.71	-	479.71
Other comprehensive income for the year	-	(1.33)	14.79	13.46
Total comprehensive income for the year	-	478.38	14.79	493.17
Transactions with owners of the Company				
Dividends (refer note 14B)	-	(120.61)	-	(120.61)
Total transactions with owners of the Company	-	(120.61)	-	(120.61)
Transfer from retained earnings	200.00	(200.00)	-	-
Balances as at March 31, 2024	2,642.99	535.21	80.01	3,258.21

Material accounting policies

3 and 4

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

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

SURESH KRISHNA

Chairman

(DIN: 00046919)

ARUNDATHI KRISHNA

Joint Managing Director

(DIN: 00270935)

G ANAND BABU

Senior Manager - Finance & Company Secretary
(ACS Membership No: A19848)

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm's registration number: 101248W/W-100022

SAMPAD GUHA THAKURTA

Partner

Membership No.: 060573

ARATHI KRISHNA

Managing Director

(DIN: 00517456)

R DILIP KUMAR

Chief Financial Officer

(DIN: 00240372)

Place : Chennai

Date : April 30, 2025

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025

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

	Note	Year ended March 31, 2025	Year ended March 31, 2024
A. Cash flows from operating activities			
Profit before tax		680.59	639.07
Adjustments for:			
Depreciation and amortisation expense	29	173.65	165.38
Amortisation of right-of-use assets	29	2.15	2.93
Reversal of impairment loss on investment	6	(12.50)	-
Unrealised foreign exchange loss / (gain), net		0.59	(1.47)
Mark to market loss on derivative instruments		0.03	0.19
Finance costs	28	19.70	17.99
Interest income	24	(3.40)	(3.07)
Dividend income	24	(3.29)	(3.24)
Loss on sale of property, plant and equipment, net		1.04	1.99
Financial guarantee income		(0.81)	(0.98)
Gain on sale of investment in mutual funds	24	(0.03)	(1.55)
Reversal of expected credit loss on trade receivables		(1.22)	(4.97)
Operating profit before working capital changes		856.50	812.27
Adjustments for changes in working capital:			
Increase in inventories		(145.96)	(12.86)
Increase in financial assets		(216.28)	(126.61)
Increase in other assets		(12.56)	(9.61)
Increase in financial liabilities		8.53	13.86
Increase / (decrease) in other liabilities and provisions		10.97	(5.31)
Net increase in working capital		(355.30)	(140.53)
Cash generated from operating activities		501.20	671.74
Income taxes paid, net		(177.98)	(142.38)
Net cash from operating activities		323.22	529.36
B. Cash flows from investing activities			
Purchase of property, plant and equipment, investment property and intangible assets (including capital work-in-progress, capital advances and retention payable) (refer note 5(a)(iv))		(376.43)	(343.45)
Proceeds from sale of property, plant and equipment		0.62	1.18
Acquisition of investments		(231.00)	(1,868.28)
Proceeds from sale of investments		231.16	1,857.79
Dividend received	24	3.29	3.24
Interest received		2.58	2.26
Net cash used in investing activities		(369.78)	(347.26)

Sundram Fasteners Limited

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

	Note	Year ended March 31, 2025	Year ended March 31, 2024
C. Cash flows from financing activities			
Repayment of long term borrowings		(41.71)	(82.25)
Repayment of short term borrowings		(1,234.71)	(444.73)
Proceeds from short term borrowings		1,496.89	466.25
Principal payment of lease liabilities		(1.76)	(2.43)
Dividend paid		(150.66)	(120.61)
Interest paid		(19.83)	(18.52)
Net cash from / (used in) financing activities		48.22	(202.29)
D. Net cash flows during the year (A + B + C)		1.66	(20.19)
E. Cash and cash equivalents at the beginning of the year		11.37	31.56
F. Cash and cash equivalents at the end the year (D + E)		13.03	11.37
		As at March 31, 2025	As at March 31, 2024
Reconciliation of the cash and cash equivalents as per the cash flow statement			
Balances with banks in current accounts	13 (a)	12.75	11.11
Deposits with original maturity of less than three months	13 (a)	0.05	0.05
Cash on hand	13 (a)	0.23	0.21
		13.03	11.37

Material accounting policies

3 and 4

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

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

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm's registration number: 101248W/W-100022

SAMPAD GUHA THAKURTA

Partner

Membership No.: 060573

ARATHI KRISHNA

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Joint Managing Director

(DIN: 00270935)

G ANAND BABU

Senior Manager - Finance & Company Secretary
(ACS Membership No: A19848)

Place : Chennai

Date : April 30, 2025

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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

① Corporate information

Sundram Fasteners Limited ('the Company') is a public limited company domiciled in India, with its registered office situated at No. 98-A, VII Floor, Dr. Radhakrishnan Salai, Mylapore, Chennai 600004. The Company has been incorporated under the provisions of the Companies Act, 1956 and its equity shares are listed on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE') in India. The Company is primarily engaged in manufacture and sale of bolts and nuts, water pumps, sintered products, cold extruded components, hot and warm forged parts, radiator caps and other parts which have applications mainly in automobile industry.

② Basis of preparation

2.1 Statement of compliance

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, notified under Section 133 of Companies Act, 2013, ('the Act') and other relevant provisions of the Act.

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

The standalone financial statements for the year ended March 31, 2025 (including comparatives) are approved for issue by the Board on April 30, 2025.

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

2.2 Functional and presentation currency

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

2.3 Basis of measurement

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

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

2.4 Use of estimates and judgments

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

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 3(7) and 39: Leases - whether an arrangement contains a lease;
- Note 3(5), 3(8) and 35: Investment in subsidiaries and Financial instruments: Classification and measurement

Assumptions and estimation uncertainty

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

- Note 3(2), 3(3) and 3(4): Useful lives of property, plant and equipment, intangible assets and investment property
- Note 3(8), 3(9), 6, 12 and 35: Impairment test on financial and non-financial assets; key assumptions underlying recoverable amounts;
- Note 3(10), 3(12), 17, 18 and 36: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources including provision for income taxes and related contingencies
- Note 17: measurement of defined benefit obligation; key actuarial assumptions;

2.5 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. The inputs used to measure the fair value of assets or liabilities fall into different levels of the fair value hierarchy. Accordingly, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the low level input that is significant to the entire measurement.

Management uses various valuation techniques to determine fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management based on its assumptions on observable data as far as possible but where it not available, the management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (also refer note 35). The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.6 Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

③ Summary of material accounting policies

These standalone financial statements have been prepared applying material accounting policies and measurement bases summarized below.

1. Revenue recognition

The Company generates revenue primarily from manufacture and sale of automotive parts and

components. The Company also earns revenue from rendering of services.

1.1 Sale of products:

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

1.2 Revenue from rendering of services:

Revenue from rendering of services is recognized over time as services are recognised in an amount that reflects the consideration expected to be received in exchange for those services.

1.3 Interest and dividend income:

Dividend income is recognised in statement of profit and loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

1.4 Rental income:

The Company earns rental income from operating leases of its investment property (also refer note 5(c)). Rental income from investment property is recognised in statement of profit and loss on a straight-line basis over the term of the lease.

2. Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognised as asset if, and only if it is probable that future economic benefits associated with an item will flow to the Company and cost of such item can be measured reliably.

2.1 Recognition and measurement:

Freehold land is carried at historical cost less any accumulated impairment losses. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises:

- purchase price, including import duties and non-refundable taxes on purchase (goods and service tax, value added tax), after deducting trade discounts and rebates.
- any directly attributable cost of bringing the item to its working condition for its intended use, estimated costs of dismantling and removing the item and restoring the site on which it is located.
- The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain/ loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

The cost of property, plant and equipment at April 01, 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value

recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

2.2 Subsequent expenditure:

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

2.3 Depreciation:

- a. Depreciation is recognized on a straight-line basis, over useful life of buildings and other equipment as prescribed under Schedule II of Companies Act, 2013, except in respect of certain assets, where useful life is different from those prescribed under Schedule II.
- b. Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shifts) as evaluated on technical assessment and in accordance with Part A of Schedule II to the Companies Act, 2013, on a straight-line basis.
- c. The estimated useful life of the property, plant and equipment on technical assessment followed by the Company is furnished below:

Asset category	Management estimate of useful life (in years)
Buildings	3-60
Plant and machinery	8-30
Furniture and fixtures	8-10
Office equipment	3-10
Vehicles	8-10

- d. The residual value for all the above assets are retained at 5% of the cost.
- e. Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if necessary, for each reporting period.
- f. On property, plant and equipment added/ disposed off during the year, depreciation is charged on pro-rata basis for the period for which the asset was purchased and used.

3. Intangible assets and research and development expenditure

Intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

3.1 Subsequent expenditure:

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in statement of profit and loss as incurred.

3.2 Amortisation:

Intangible assets comprising of Computer softwares are amortised on a straight-line basis over the estimated useful life of 5 years. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if necessary, for each reporting period. Goodwill is not amortised.

3.3 Research and development expenditure:

Expenditure are mainly on research activities and the same is recognised in statement of profit and loss as incurred.

4. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses if any.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

Investment property is derecognised either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

The Company has depreciated investment property as evaluated on technical assessment and in accordance with Schedule II to the Companies Act, 2013, on a straight-line basis of over 30 years. Any gain or loss on disposal of an investment property is recognised in the statement of profit and loss.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and

relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Transfers to (or from) investment property are made only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

5. Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and carrying amounts are recognized in statement of profit and loss.

6. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of raw materials and stock-in-trade, cost comprises of cost of purchase. In the case of finished goods and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

7. Leases

7.1 Assets held under leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Assets taken on lease

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative standalone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and

- exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets and lease liabilities separately on the face of the balance sheet.

Short-term leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Assets leased out

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Other income'.

8. Financial instruments

8.1 Recognition and initial measurement:

Trade receivables are initially recognised when they are originated. A trade receivable without a significant

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

financing component is initially measured at the transaction price.

All other financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit and loss which are measured initially at fair value.

The 'trade payable' is in respect of the amount due on account of goods purchased in the normal course of business. They are recognised at their transaction and services availed value if the transaction does not contain significant financing component.

8.2 Financial assets

8.2.1 Classification and subsequent measurement of financial assets:

For the purpose of subsequent measurement, financial assets are classified and measured based on the entity's business model for managing financial asset and contractual cash flow characteristics of financial asset at:

- a. Those measured at amortised cost.
- b. Those to be measured at fair value through other comprehensive Income (FVTOCI)
- c. Those to be measured at fair value through profit and loss (FVTPL);

a. Financial assets at amortised cost

Includes assets that are held within a business model where objective is to hold financial assets to collect contractual cash flows and contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

These assets are measured subsequently at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses, if any and impairment are recognised in the statement of profit and loss. Any gain or loss on de recognition is recognised in statement of profit and loss.

b. Financial assets at fair value through other comprehensive income

Includes assets that are held within a business model where objective is both collecting contractual cash flows and selling financial assets along with contractual terms giving rise on specified dates to cash flows that are solely

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

Dividends are recognised as income in the statement of profit and loss unless it clearly represents a recovery of part of cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the statement of profit and loss.

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

c. Financial assets at fair value through profit and loss

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortised cost or FVTOCI. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in the statement of profit and loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance in respect of FVTPL at each reporting period is evaluated based on expected credit losses for next 12 months and credit risk exposure. The Company also measures loss allowance for financial instrument at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The allowance shall be recognised in the statement of profit and loss.

8.2.2 Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness. These arrangements have been entered into to mitigate currency exchange risk arising from certain legally binding sales and purchase orders denominated in foreign currency. For the reporting periods under review, the Company has not designated any forward currency contracts as hedging instruments.

8.2.3 De-recognition of financial assets

A financial asset is derecognised only when;

- a. The Company has transferred the rights to receive cash flows from the financial asset or
- b. The Company retains the contractual rights to receive the cash flows of the financial asset, but expects a contractual obligation to pay the cash flows to one or more recipients.

Where entity has transferred an asset, the Company examines and assesses whether it has transferred substantially all risk and rewards of ownership of financial asset. In such cases, financial asset is derecognised. Where entity has not transferred substantially all risks and rewards of ownership of financial asset, such financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risk and rewards of ownership of the financial asset, the financial asset is derecognised, if the Company has not retained control of the financial asset. Where the company retains control of the financial asset, the same is continued to be recognised to the extent of continuing involvement in the financial asset.

8.3 Financial Liabilities

8.3.1 Classification of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost. The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

8.3.2 Subsequent measurement

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

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because, the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the statement of profit and loss are included within finance costs or finance income.

8.3.3 De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

8.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

9. Impairment

9.1 Impairment of financial instruments

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

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty;

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- a breach of contract such as a default or being past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are credit losses that result from all possible default events over expected life of financial instrument.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information. The Company assumes that credit risk on a financial asset has increased significantly if it is past due.

The Company considers a financial asset to be in default when:

- the recipient is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is past due.

9.1.1 Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

9.1.2 Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

9.1.3 Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

9.2 Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

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An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine recoverable amount. Such a reversal is made only to an extent that asset's carrying amount does not exceed carrying amount that would have been determined, net of depreciation/ amortisation, if no impairment loss was recognised.

10. Income taxes

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under *Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets*.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously

Deferred tax

Deferred tax is recognised in respect of temporary difference between carrying amount of assets and liabilities for financial reporting purposes and corresponding amounts used for tax purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that

affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences, at the time of the transaction;

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised/ recognised, are reviewed at each reporting date and are recognised/ reduced to an extent that it is probable/ no longer probable respectively that related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by same tax authority on same taxable entity, or on different tax entities, but they intend to settle such tax liabilities and assets on a net basis or its tax assets and liabilities will be realised simultaneously.

11. Post-employment benefits and short-term employee benefits

11.1 Short term employee benefit obligations:

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

11.2 Other long-term employee benefit obligations:

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term

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employee benefit for measurement purposes. The Company's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. Such benefit is discounted to determine its present value. The obligation is measured annually by qualified actuary using projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

11.3 Post-employment obligation:

The Company operates the post-employment schemes comprising of defined benefit and contribution plans such as gratuity and group terminal benefit plan, provident fund contributions for its eligible employees.

11.3.1 Gratuity/ group terminal benefit plan:

The liability or asset recognised in the balance sheet in respect of these defined benefit obligation is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an Independent actuary using projected unit credit method. The present value of defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on the government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is included in employee benefit expenses in the Statement of Profit and Loss. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in present value of the defined benefit obligation resulting from plan amendment or curtailment are recognised immediately in the statement of profit and loss.

11.3.2 Provident Fund:

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, partly a defined benefit obligation and partly a defined

contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employee's salary. The provident fund contributions are made partly to employee provident fund organisation and partly to an irrevocable trust set up by the Company. The Company is liable for annual contributions and any shortfall in the fund assets based on the Government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year in which it is incurred.

12. Provisions and contingent liabilities

12.1 Provisions:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

12.1.1 Provision for warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighing of all possible outcomes by their associated probabilities.

12.1.2 Onerous contract

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

12.2 Contingent liability:

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or

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more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

12.3 Contingent asset:

Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

13. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are considered for the effects of all dilutive potential equity shares.

14. Cash and cash equivalents and cash flow statement

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

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is appropriately classified for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in

current accounts and other short- term highly liquid investments with original maturities of three months or less.

15. Segment reporting

The Company is engaged in manufacture and sale of bolts and nuts, water pumps , sintered products, cold extruded components, hot and warm forged parts, radiator caps and other parts which largely have applications primarily in automobile industry and thus the Company has only one reportable segment.

16. Government grants

Government grants and subsidies are recognised when there is reasonable assurance that conditions attached to them will be complied and grant/subsidy will be received. Government grants relating to income are deferred and recognized in statement of profit and loss over the period necessary to match them with the costs that they intended to compensate and presented in other operating revenues. Grants that compensate the Company for expenses incurred are recognised in the statement of profit and loss as other operating revenue on a systematic basis in the periods in which such expenses are recognised.

17. Foreign currency transactions

In preparing standalone financial statements, transactions in currencies other than Company's functional currency (i.e. foreign currencies) are recognised at rates of exchange prevailing on date of transactions or an average rate if average rate approximates actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at exchange rate when fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit and loss.

18. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as

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part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

④ Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

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

5 a) Property, plant and equipment

Reconciliation of carrying amount

Gross block	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
As at April 1, 2023	40.28	350.31	2,098.18	12.63	29.15	13.32	2,543.87
Additions	-	34.94	187.13	0.49	3.81	3.13	229.50
Disposals	-	(0.58)	(9.51)	(0.02)	(0.08)	(0.33)	(10.52)
As at March 31, 2024	40.28	384.67	2,275.80	13.10	32.88	16.12	2,762.85
Additions	-	52.03	280.17	1.17	5.95	1.99	341.31
Disposals	-	(0.00)	(6.81)	(0.05)	(0.61)	(0.05)	(7.52)
As at March 31, 2025	40.28	436.70	2,549.16	14.22	38.22	18.06	3,096.64
Accumulated depreciation							
As at April 1, 2023	-	66.42	837.48	5.47	21.06	5.98	936.41
Depreciation for the year	-	12.49	145.97	1.34	2.95	1.80	164.55
Disposals	-	(0.46)	(6.54)	(0.01)	(0.05)	(0.29)	(7.35)
As at March 31, 2024	-	78.45	976.91	6.80	23.96	7.49	1,093.61
Depreciation for the year	-	14.09	152.07	1.38	3.29	1.82	172.65
Disposals	-	(0.00)	(5.23)	(0.04)	(0.55)	(0.04)	(5.86)
As at March 31, 2025	-	92.54	1,123.75	8.14	26.70	9.27	1,260.40
Net block							
As at March 31, 2024	40.28	306.22	1,298.89	6.30	8.92	8.63	1,669.24
As at March 31, 2025	40.28	344.16	1,425.41	6.08	11.52	8.79	1,836.24

Notes:

- Plant and equipment includes net block of assets held by third parties amounting to ₹ 10.12 (March 31, 2024 : ₹ 9.55).
- Refer note 36(c) for capital commitments.
- All the title deeds of immovable properties are held in the name of the Company.

iv) Disclosure of reconciliation between cash flows and notes

Cash flows from investing activities

	As at March 31, 2025	As at March 31, 2024
Additions to property, plant and equipment, investment property and intangible assets	(341.03)	(228.97)
Movement in capital work-in-progress (refer note 5(b))	(12.46)	(105.34)
Movement in capital advances (refer note 10)	(1.76)	(15.25)
Movement in retention money payables (refer note 21)	(5.60)	9.92
Borrowing costs (refer note 28)	(15.58)	(3.81)
Acquisition of property, plant and equipment, investment property and intangible assets	(376.43)	(343.45)

5 b) Capital work-in-progress (CWIP)

Gross Block	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
As at April 1, 2023	-	27.25	18.65	-	-	-	45.90
Additions	-	41.80	287.86	0.27	0.11	-	330.04
Capitalised during the year	-	(34.94)	(187.13)	-	-	-	(222.07)
As at March 31, 2024	-	34.11	119.38	0.27	0.11	-	153.87
Additions	-	28.99	322.13	0.99	6.39	-	358.50
Capitalised during the year	-	(50.32)	(277.45)	(1.17)	(5.95)	-	(334.89)
As at March 31, 2025	-	12.78	164.06	0.09	0.55	-	177.48

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5 (b)(i) Ageing details

As at March 31, 2025

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	145.01	32.47	-	-	177.48
Projects temporarily suspended	-	-	-	-	-
Total	145.01	32.47	-	-	177.48

As at March 31, 2024

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	138.82	7.57	2.79	4.69	153.87
Projects temporarily suspended	-	-	-	-	-
Total	138.82	7.57	2.79	4.69	153.87

5 (b)(ii) Capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan :

There are no projects as on March 31, 2025 and March 31, 2024 where the costs have exceeded the original plan approved by Board of Directors. The following table summarises projects whose completion is overdue along with expected completion schedule for such projects.

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2025					
Projects in progress					
Projects at MWC and Sricity plants	147.05	-	-	-	147.05
Civil work at Autolec plants	8.12	-	-	-	8.12
Others	11.91	-	-	-	11.91
Projects temporarily suspended	-	-	-	-	-
Total	167.08	-	-	-	167.08
March 31, 2024					
Projects in progress					
Projects at MWC and Sricity plants	48.48	-	-	-	48.48
Expansion projects at Wind Energy Fasteners plant	35.97	-	-	-	35.97
Furnace installation at Madurai plant	9.12	-	-	-	9.12
Automated material handling system at Padi plant	5.12	-	-	-	5.12
BEV project at Sricity	4.36	-	-	-	4.36
Compaction boundary at Uttarakhand plant	1.58	-	-	-	1.58
Others	8.69	-	-	-	8.69
Projects temporarily suspended	-	-	-	-	-
Total	113.32	-	-	-	113.32

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5 (c) Investment property**Reconciliation of carrying amount**

Gross block	Land	Building	Total
As at April 1, 2023	0.17	0.03	0.20
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2024	0.17	0.03	0.20
Additions	-	3.09	3.09
Disposals	-	-	-
As at March 31, 2025	0.17	3.12	3.29
Accumulated depreciation			
As at April 1, 2023	-	0.03	0.03
Depreciation for the year	-	-	-
Disposals	-	-	-
As at March 31, 2024	-	0.03	0.03
Depreciation for the year	-	0.06	0.06
Disposals	-	-	-
As at March 31, 2025	-	0.09	0.09

Net block

As at March 31, 2024	0.17	-	0.17
As at March 31, 2025	0.17	3.03	3.20

Notes**1. Amounts recognised in profit or loss**

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Rental income from investment property	0.26	0.11
Less: Expenses that Contribute to the rental income (including repairs and maintenance)	-	-
Profit before depreciation	0.26	0.11
Less: Depreciation	(0.06)	-
Profit	0.20	0.11

2. Fair value hierarchy and valuation technique

The fair value of investment properties amounted to ₹ 8.50 (March 31, 2024 : ₹ 4.20). These disclosures are based on external information available with the Company including valuations reports obtained from an independent valuer specialised in valuing these types of investment properties and registered as a valuer as defined under Rule 2 of the Companies (registered valuers and valuation) Rules, 2017. The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

3. The Company has no restrictions on the realisability of its investment property.

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5 (d) Right-of-use assets

Reconciliation of carrying amount

Gross block	Land under long term lease	Other land and buildings	Total
As at April 1, 2023	39.73	25.85	65.58
Additions	-	0.86	0.86
Disposals	-	-	-
As at March 31, 2024	39.73	26.71	66.44
Additions	-	-	-
Disposals	-	(20.59)	(20.59)
As at March 31, 2025	39.73	6.12	45.85
Accumulated amortisation			
As at April 1, 2023	1.80	18.25	20.05
Amortisation for the year	0.45	2.48	2.93
Disposals	-	-	-
As at March 31, 2024	2.25	20.73	22.98
Amortisation for the year	0.45	1.70	2.15
Disposals	-	(20.59)	(20.59)
As at March 31, 2025	2.70	1.84	4.54
Net block			
As at March 31, 2024	37.48	5.98	43.46
As at March 31, 2025	37.03	4.28	41.31

5 (e) Intangible assets

Reconciliation of carrying amount

Gross block	Software	Total
As at April 1, 2023	5.07	5.07
Additions	0.65	0.65
Disposals	-	-
As at March 31, 2024	5.72	5.72
Additions	1.06	1.06
Disposals	-	-
As at March 31, 2025	6.78	6.78
Accumulated amortisation		
As at April 1, 2023	3.14	3.14
Amortisation for the year	0.83	0.83
Disposals	-	-
As at March 31, 2024	3.97	3.97
Amortisation for the year	0.94	0.94
Disposals	-	-
As at March 31, 2025	4.91	4.91
Net block		
As at March 31, 2024	1.75	1.75
As at March 31, 2025	1.87	1.87

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

	As at March 31, 2025	As at March 31, 2024
6 Non-current investments		
I) Investments measured at fair value through other comprehensive income		
Investments in equity instruments		
(i) Quoted		
a) 1,31,000 (March 31, 2024: 1,31,000) fully paid equity shares of ₹ 1/- each in HDFC Bank Limited, Mumbai	23.95	18.97
b) 20,439 (March 31, 2024: 20,439) fully paid equity shares of ₹ 10/- each in IDBI Bank Limited, Mumbai	0.16	0.17
	24.11	19.14
(ii) Unquoted		
a) 1,25,000 (March 31, 2024: 1,25,000) equity shares of ₹ 10/- each in Madras Engineering Industries Private Limited, Chennai	62.06	72.78
b) 2,777 (March 31, 2024: 2,777) equity shares of ₹ 10/- each in Ki Mobility Solutions Private Limited, Chennai	14.22	14.22
	76.28	87.00
Total of (I)	100.39	106.14
II) Investments measured at cost		
(A) Investment in venture capital fund		
a) 168 units (March 31, 2024: 168 units) of ₹ 100/- each in the ICICI Emerging Sectors Fund, Bengaluru **	0.00	0.00
	-	-
(B) Investment in subsidiaries		
Indian:		
a) 1,18,99,674 (March 31, 2024: 1,18,99,674) equity shares of ₹ 10/- each in TVS Upasana Limited, Chennai (extent of holding -100%)	11.92	11.92
Deemed equity in TVS Upasana Limited, Chennai (refer note A below)	2.47	2.40
b) 2,64,691 (March 31, 2024: 2,64,691) equity shares of ₹ 10/- each fully paid up in Sundram Non-Conventional Energy Systems Limited, Chennai (extent of holding -52.94%)	0.93	0.93
c) 24,90,000 (March 31, 2024: 24,90,000) equity shares of ₹ 10/- each in Sundram Fasteners Investments Limited, Chennai (extent of holding - 100%)	2.49	2.49
d) 1,67,37,339 (March 31, 2024: 1,67,37,339) equity shares of ₹ 10/- each fully paid up in TVS Next Limited, Chennai (extent of holding - 56.43 %)	17.45	17.45
Foreign:		
e) 1,000 (March 31, 2024: 1,000) equity shares of £ 1 each fully paid up in Sundram International Limited, UK (extent of holding -100%)	0.01	0.01
2,500 (March 31, 2024: 2,500) equity shares of £1 each allotted in Sundram International Limited, UK pursuant to sale of subsidiaries viz., Sundram Fasteners (Zhejiang) Limited, Zhejiang, People's Republic of China and Cramlington Precision Forge Limited, UK (extent of holding - 100%), less impairment loss of ₹ 28.80 (March 31, 2024: ₹ 41.30)	221.19	208.69
Deemed equity in Sundram Fasteners (Zhejiang) Limited, Zhejiang, People's Republic of China ₹ 3.49 (March 31, 2024 - ₹ 3.49) and Cramlington Precision Forge Limited, UK ₹ 1.14 (March 31, 2024 : ₹ 1.14) (refer note A below)	4.63	4.63
f) 18,215 (March 31, 2024: 18,215) common shares of US \$ 10 each in Sundram International Inc., Michigan, USA (extent of holding-100%), less impairment loss of ₹ 0.81 (March 31, 2024: ₹ 0.81)	-	-
	261.09	248.52

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

6 Non-current investments (Contd.)	As at March 31, 2025	As at March 31, 2024
(C) Other investments		
a) 35 (March 31, 2024: 35) equity shares of ₹ 100/- each (₹ 65/- paid up) in The Adyar Property Holding Co. Limited aggregating to ₹ 2,275/- **	0.00	0.00
b) Capital Contribution in PGSD engineering LLP, New Delhi **	0.00	0.00
	-	-
Total of (II)	261.09	248.52
III) Investments measured at amortised cost		
Investments in equity instruments		
Unquoted		
(i) Power generation companies*		
a) 12,935 (March 31, 2024: 12,935) Class A equity shares of ₹ 10/- each and 2,84,169 (March 31, 2024: 2,84,169) Class B equity shares of ₹ 10/- each in PPS Enviro Power Private Limited., Hyderabad, less impairment loss of ₹ 1.19 (March 31, 2024: ₹ 1.19)	-	-
b) 23,85,762 (March 31, 2024: 23,85,762) equity shares of ₹ 10/- each in Clarion Wind Farm Private Limited, Chennai	2.39	2.39
c) 12,28,233 (March 31, 2024: 12,28,233) equity shares of ₹ 10/- each in Beta Wind Farm Private Limited, Chennai	2.33	2.33
d) 6,42,306 (March 31, 2024: 6,42,306) equity shares of ₹ 10/- each in Watsun Infra Build Private Limited, Ahmedabad	0.63	0.63
e) Nil (March 31, 2024: 1,40,000) equity shares of ₹ 10/- each in MMS Steel and Power Private Limited, Chennai	-	0.13
f) 31,000 (March 31, 2024: 31,000) equity shares of ₹ 10/- each in Clean switch India Private Limited, Hyderabad	0.03	0.03
g) 19,18,800 (March 31, 2024: 19,18,800) equity shares of ₹ 10/- each in First Energy TN1 Private Limited, Chennai	0.92	1.92
h) 47,40,000 (March 31, 2024: 47,40,000) equity shares of ₹ 10/- each in First Energy TN4 Private Limited, Chennai	1.69	4.75
i) 17,51,000 (March 31, 2024: 17,51,000) equity shares of ₹ 10/- each in First Energy 6 Private Limited, Chennai	0.62	1.75
j) 77,74,500 (March 31, 2024: 77,74,500) equity shares of ₹ 10/- each in First Energy 5 Private Limited, Chennai	2.78	7.77
Total of (III)	11.39	21.70
* The right to sell/ transfer these shares are subject to terms and conditions of respective shareholder agreement.		
Total of (I+II+III)	372.87	376.36
** Amount less than ₹ 0.01		
Aggregate amount of quoted investments and market value thereof	24.11	19.14
Aggregate value of unquoted investments	348.76	357.22
Aggregate amount of impairment in value of investments (included in the above)	30.80	43.30

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

B. Impairment assessment of investment in Sundram International Limited, UK.

In earlier years the Company had performed impairment assessment of investments made in Sundram International Limited, UK, pursuant to triggers arising from changes in the business environment including impact of global COVID-19 pandemic, and had recognised an impairment provision aggregating to ₹ 41.30. In this regard, based on an annual impairment assessment carried out by the Company during the current year, including sensitivities drawn following the same, an amount of ₹ 12.50 of impairment loss recognised has been reversed, which has been disclosed as an exceptional item in the standalone financial statements of the Company for the year ended March 31, 2025.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

	As at March 31, 2025		As at March 31, 2024	
	Non-current	Current	Non-current	Current
7 Loans				
(Unsecured considered good, unless otherwise stated)				
Loans to related parties (refer note below and note 37)	8.58	5.83	8.14	5.83
Loans to employees	1.10	0.41	1.21	0.45
	9.68	6.24	9.35	6.28

The Company's exposure to credit risk and market risk are disclosed in note 35.

Note - Disclosure of loans and advances given to subsidiaries as per Regulation 34 (3) of the SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 :

Name of the subsidiary company (purpose of loan)	Amount Outstanding		Percentage to total loans		Maximum balance outstanding during the year ended		Investment by subsidiary in shares of the Company (No. of shares)	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
TVS Upasana Limited, Chennai (for working capital purposes - Repayable on demand)	5.75	5.75	36.12%	36.79%	5.75	5.75	-	-
Sundram International Inc. USA (for working capital purposes - Repayable on demand)	0.08	0.08	0.50%	0.53%	0.08	0.08	-	-
Sundram International Limited, UK (for working capital purposes - Term of 5 years)	8.58	8.14	53.88%	52.08%	8.58	8.21	-	-

	As at March 31, 2025		As at March 31, 2024	
	Non-current	Current	Non-current	Current
8 Other financial assets				
(Unsecured considered good, unless otherwise stated)				
Security deposits	38.43	0.35	45.14	0.35
Interest receivable (includes interest receivable from related party of ₹ 1.39 (March 31, 2024: 1.09)) (refer note 37)	-	2.32	-	1.93
Claims receivable	-	29.27	-	24.87
Other receivables	-	0.75	-	0.34
	38.43	32.69	45.14	27.49

The Company's exposure to credit risk and market risk are disclosed in note 35.

	As at March 31, 2025		As at March 31, 2024	
	Non-current	Current	Non-current	Current
9 Other tax assets, net				
Advance income tax, net of provision	60.94	-	52.49	-
	60.94	-	52.49	-
10 Other assets				
Prepaid expenses	9.12	17.97	-	18.49
Capital advances	54.83	-	53.07	-
Balance with statutory/government authorities	31.57	4.47	32.45	10.07
Export incentives and other receivables	-	21.46	-	20.65
Advances to suppliers	-	41.12	-	21.31
	95.52	85.02	85.52	70.52

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

	As at March 31, 2025	As at March 31, 2024
11 Inventories		
(Valued at lower of cost and net realisable value)		
Raw materials and components		
(includes raw materials in transit of ₹ 8.77 (March 31, 2024 ₹ 16.01)	261.01	245.76
Work-in-progress	233.95	179.87
Finished goods	363.18	295.00
Stores and spares	29.17	28.28
Loose tools	54.00	46.44
	941.31	795.35
Notes:		
a) For the carrying value of inventories pledged as securities for borrowings, refer note 15.		
b) In addition, inventories have been reduced by ₹ 25.70 (March 31, 2024 : ₹ 25.21) as a result of the write-down to net realisable value (including allowance towards slow-moving and non-moving inventories).		
c) The write-downs and reversals are included in changes in inventories of finished goods.		
12 Trade receivables		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,270.28	1,053.09
Trade receivables which have significant increase in credit risk	-	-
Trade receivables credit impaired	-	-
Total trade receivables	1,270.28	1,053.09
Less: Loss allowance	(5.88)	(7.10)
Net trade receivables	1,264.40	1,045.99
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties (refer note 37)	69.39	47.58
Less: Loss allowance	-	(5.80)
	69.39	41.78
Movement in loss allowance on trade receivables		
Opening balance	7.10	12.07
Amount written off	-	-
Loss allowance / (reversal), net	(1.22)	(4.97)
Closing balance	5.88	7.10
The Company's exposure to credit risks and loss allowances related to trade receivables are disclosed in note 35.		

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

12(a) Ageing schedule

As at March 31, 2025

Particulars	Outstanding for the following period from the due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
(i) Considered good	959.90	276.89	25.86	6.46	0.65	0.52	1,270.28
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
(i) Considered good	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
Total	959.90	276.89	25.86	6.46	0.65	0.52	1,270.28
Less: Loss allowance							5.88
Total trade receivable							1,264.40

As at March 31, 2024

Particulars	Outstanding for the following period from the due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
(i) Considered good	851.35	170.30	25.45	2.62	1.96	1.41	1,053.09
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
(i) Considered good	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
Total	851.35	170.30	25.45	2.62	1.96	1.41	1,053.09
Less: Loss allowance							7.10
Total trade receivable							1,045.99

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

	As at March 31, 2025	As at March 31, 2024
13 (a) Cash and cash equivalents		
Balances with banks		
- On Current account	12.75	11.11
- Deposits with original maturity of less than three months	0.05	0.05
Cash on hand	0.23	0.21
	13.03	11.37
(b) Bank balances other than cash and cash equivalents		
Earmarked balances with banks - dividend warrant accounts	3.85	3.99
	3.85	3.99

The company's exposure to credit risk and material risk are disclosed in note 35.

14 Share capital and other equity

A Share capital

Authorised

25,00,00,000 (March 31, 2024: 25,00,00,000) equity shares of ₹ 1/- each

25.00 25.00

Issued, subscribed and paid-up

21,01,28,370 (March 31, 2024: 21,01,28,370) equity shares of ₹ 1/- each fully paid-up

21.01 21.01

	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period				
Equity shares				
At the commencement and end of the year	21,01,28,370	21.01	21,01,28,370	21.01
b) Shares held by ultimate holding company/ holding company / subsidiaries / associates				
Equity shares				
Equity shares of ₹ 1/- each fully paid up held by TVS Sundram Fasteners Private Limited, Chennai	9,83,19,780	9.83	10,16,15,280	10.16

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

14 Share capital and other equity (Contd.)

	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% holding	No. of shares	% holding
c) Particulars of shareholders holding more than 5% of the aggregate shares				
Equity shares of ₹ 1/- each fully paid up held by				
TVS Sundram Fasteners Private Limited, Chennai	9,83,19,780	46.79%	10,16,15,280	48.36%
SBI Funds Management Limited	1,22,19,226	5.82%	11,13,734	0.53%
Amansa Holdings Private Limited	1,08,12,902	5.15%	1,10,50,511	5.26%

d) Shares held by promoters / promoter group at the end of the year

As at March 31, 2025

Name of the shareholder	No. of shares	% of total shares	% of change during the year
TVS Sundram Fasteners Private Limited	9,83,19,780	46.79%	(1.57%)
Sri Suresh Krishna	36,040	0.02%	-
Smt Usha Krishna	74,613	0.04%	-
Ms Arathi Krishna	47,040	0.02%	-
Ms Arundathi Krishna	51,840	0.02%	-
Suresh Krishna HUF	6,400	0.00%	-
UFL Properties Private Limited	1,00,174	0.05%	-
Lakshminarayana Ancillaries Private Limited	9,656	0.00%	-

As at March 31, 2024

Name of the shareholder	No. of shares	% of total shares	% of change during the year
TVS Sundram Fasteners Private Limited	10,16,15,280	48.36%	-
Sri Suresh Krishna	36,040	0.02%	-
Smt Usha Krishna	74,613	0.04%	-
Ms Arathi Krishna	47,040	0.02%	-
Ms Arundathi Krishna	51,840	0.02%	-
Suresh Krishna HUF	6,400	0.00%	-
UFL Properties Private Limited	1,00,174	0.05%	-
Lakshminarayana Ancillaries Private Limited	9,656	0.00%	-

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

14 Share capital and other equity (Contd.)

e) Rights, preferences and restrictions

Equity shares

The Company has only one class of equity shares having a par value of ₹ 1/- per share. Each holder of equity share is entitled to one vote per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The Company declares and pays dividends in Indian Rupees. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- f) There are no bonus shares or buy-back of shares or shares issued for consideration other than cash during a period of five years immediately preceding financial year ended March 31, 2025 and March 31, 2024.

g) Capital management

The Company's capital management objective is to ensure adequate return to the shareholder by maintaining the optimal capital structure. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. It sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

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

		As at March 31, 2025	As at March 31, 2024
Total debt		596.51	376.04
Cash and cash equivalents		(13.03)	(11.37)
Adjusted net debt	A	583.48	364.67
Total equity		3,645.59	3,279.22
Equity	B	3,645.59	3,279.22
Net debt to equity	C = (A/B)*100	16.01%	11.12%

B Other equity - Reserves and surplus

(a) Dividends

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

First interim dividend of ₹ 3.00/- (March 31, 2024: ₹ 2.68/-) per equity share for the respective years

Year ended March 31, 2025	Year ended March 31, 2024
63.04	56.31
63.04	56.31

- (b) After the reporting dates the following interim dividend was declared by the directors; this dividend has not been recognised as liability.

Second interim dividend of ₹ 4.20/- (March 31, 2024: ₹ 4.17) per equity share

88.25	87.62
88.25	87.62

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

14 Share capital and other equity (Contd.)**(c) Nature and purpose of reserves****General reserve**

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

C Analysis of items of OCI (net of tax)**Fair valuation of equity instruments**

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the equity till the same is derecognised/disposed off.

15 Borrowings

	As at March 31, 2025		As at March 31, 2024	
	Non-current	Current	Non-current	Current
Financial liabilities at amortised cost				
a) Secured				
Working capital facility from banks (refer note (i) below)	-	79.51	-	94.89
	-	79.51	-	94.89
b) Unsecured				
Term loan from banks (refer note (ii) below)	-	-	41.71	-
Working capital facility from bank (refer note (i) below)	-	517.00	-	239.44
	-	517.00	41.71	239.44
c) Current maturities of long term borrowings	-	-	(41.71)	41.71
Total	-	596.51	-	376.04

(i) Working capital loan from banks

The Company has various working capital facilities aggregating to ₹ 189.51 (March 31, 2024: ₹ 109.33) outstanding carrying interest rate of 7.80% to 9.30% p.a. (March 31, 2024: 9.30% p.a.) These facilities are repayable on demand, partly secured by pari-passu first charge on current assets viz., stocks of raw materials, work-in-progress and finished goods.

Preshipment packing credit loan is availed in ₹ amounting to ₹ 407.00 (March 31, 2024: ₹ 225.00). The loan is unsecured, is repayable within 360 days and carries interest in the range of 7.68% to 8.20% (March 31, 2024: 5.58% to 5.77% per annum).

(ii) Term loan from banks

The Company had availed External Commercial Borrowing (ECB) loan from a bank amounting to USD 15 million, repayable over 3 equal yearly instalments of USD 5 million each commencing from July 2021. This loan was unsecured and its interest rate was linked to LIBOR + agreed spread p.a.. The loan was repaid in full during the year ended March 31, 2024.

The Company had availed another External Commercial Borrowing (ECB) loan from a bank amounting to USD 15 million, repayable over 3 equal yearly instalments of USD 5 million each commencing from August 2022. This loan is unsecured and its interest rate is linked to SOFR + agreed spread p.a. The loan was repaid in full in the current year. Outstanding amount as at March 31, 2024 was USD 5 million equivalent to ₹ 41.71.

The Company's exposure to liquidity, interest rate and currency risk related to borrowings are disclosed in note 35.

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

15 Borrowings (Contd.)

(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities

	As at March 31, 2025	As at March 31, 2024
Other equity	3,624.58	3,258.21
Current borrowings (including interest thereon)	597.62	335.57
Non-current borrowings	-	41.71
Lease liabilities	5.19	6.95
	4,227.39	3,642.44

Particulars	Liabilities from financing activities				Total
	Other equity	Current borrowings	Non-current borrowings	Lease liabilities	
Net debt as at April 01, 2024	3,258.21	335.57	41.71	6.95	3,642.44
Proceeds from short-term borrowings	-	1,496.89	-	-	1,496.89
Repayment of short-term borrowings	-	(1,234.71)	-	-	(1,234.71)
Repayment of long-term borrowings	-	-	(41.71)	-	(41.71)
Dividend paid	(150.66)	-	-	-	(150.66)
Payment of lease liabilities	-	-	-	(1.76)	(1.76)
Interest paid	-	(18.23)	(0.99)	(0.61)	(19.83)
Total changes from financing cash flows	(150.66)	243.95	(42.70)	(2.37)	48.22
Interest expense	-	18.10	0.99	0.61	19.70
Equity related	517.03	-	-	-	517.03
Net debt as at March 31, 2025	3,624.58	597.62	-	5.19	4,227.39

Particulars	Liabilities from financing activities				Total
	Other equity	Current borrowings	Non-current borrowings	Lease liabilities	
Net debt as at April 01, 2023	2,885.65	312.83	123.27	8.52	3,330.27
Proceeds from short-term borrowings	-	466.25	-	-	466.25
Repayment of short-term borrowings	-	(444.73)	-	-	(444.73)
Repayment of long-term borrowings	-	-	(82.25)	-	(82.25)
Dividend paid	(120.61)	-	-	-	(120.61)
Payment of lease liabilities	-	-	-	(2.43)	(2.43)
Interest paid	-	(13.29)	(4.38)	(0.85)	(18.52)
Total changes from financing cash flows	(120.61)	8.23	(86.63)	(3.28)	(202.29)
Interest expense	-	12.76	4.38	0.85	17.99
New leases	-	-	-	0.86	0.86
Interest accrued	-	1.24	-	-	1.24
Other adjustments including foreign exchange fluctuations	-	0.51	0.69	-	1.20
Equity related	493.17	-	-	-	493.17
Net debt as at March 31, 2024	3,258.21	335.57	41.71	6.95	3,642.44

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

15 Borrowings (Contd.)**(iv) Other notes**

- a) Term loans were applied for the purpose they were obtained. Further, short term loans availed have not been utilised for long term purposes by the Company.
- b) The quarterly returns or statements of current assets filed by the Company for the sanctioned working capital limits with banks or financial institutions are in agreement with the books of accounts.
- c) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

16 Lease liabilities

	As at March 31, 2025		As at March 31, 2024	
	Non-current	Current	Non-current	Current
Lease liabilities (also refer note 39)	3.88	1.31	5.18	1.77
	3.88	1.31	5.18	1.77

17 Provisions

	As at March 31, 2025		As at March 31, 2024	
	Non-current	Current	Non-current	Current
Provision for employee benefits				
Provision for gratuity *	1.36	9.52	1.10	7.48
Provision for compensated absences	5.51	2.41	6.01	1.79
Provision for others	-	13.91	-	14.27
	6.87	25.84	7.11	23.54

* also includes provision towards group terminal benefits

a) Provision for employee benefits**Defined benefit plans:**

The Company operates post-employment defined benefit plans comprising of gratuity plan, group terminal benefit plan and an exempted provident fund managed through trust. The post employment benefit in the form of gratuity is managed and administered by Life Insurance Corporation of India. The provident fund contributions to trust are managed through trust investments in addition to contribution of a portion of its provident fund liability to employees provident fund organisation. The group terminal benefit plan is made available to certain class of employees and the same is unfunded. The Company obtains an actuarial valuation from an independent actuary measured using projected unit credit method to determine the liability as at the reporting date.

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

17 Provisions (Contd.)

The post-employment defined benefit plans operated by the Company are as follows:

i) Gratuity

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Gratuity.

The Company has its defined benefit gratuity plan as per the Payment of Gratuity Act, 1972. Under this legislation, employee who has completed five years of service is entitled to specific benefit. The level of benefit provided depends on the employee's length of service and salary at retirement/ termination age. The gratuity plan is a funded plan and the Company makes its contributions to a recognised fund in India.

The Company expects to pay ₹ 8.97 in contributions to its defined benefit plans in 2025-26.

The Company's Gratuity plan valuation report includes employee benefits of the Company, its subsidiaries and its Holding company. Based on an entity specific valuation data obtained from the actuary in this respect, the amounts are recognised in the Company's standalone financial statements. The following table sets out such amounts recognised in Company's standalone financial statements:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Amount recognised in statement of profit and loss	4.30	3.92
Amount recognised in other comprehensive income	1.73	1.68
Total expense	6.03	5.60
Net employee benefit expense		
Recognised in statement of profit and loss		
Current service cost	4.04	3.77
Interest cost on benefit obligation	0.34	0.22
Sub - total	4.38	3.99
Amount allocated to related entities	(0.08)	(0.07)
Amount recognised in statement of profit and loss	4.30	3.92
Recognised in other comprehensive income		
Actuarial loss arising from change in financial assumptions	1.87	0.24
Actuarial (gain) / loss arising from experience adjustments	(0.11)	1.47
Sub - total	1.76	1.71
Amount allocated to related entities	(0.03)	(0.03)
Amount recognised in other comprehensive income	1.73	1.68
The following table sets out the defined obligation and funded status including its related entities	As at March 31, 2025	As at March 31, 2024
Net defined obligation		
Present value of defined benefit obligation	68.25	62.05
Fair value of plan assets	(59.28)	(55.14)
	8.97	6.91

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

17 Provisions (Contd.)

a) Provision for employee benefits (Contd.)

Changes in present value of the defined benefit obligation are as follows:

	Year ended March 31, 2025	Year ended March 31, 2024
Balance at the beginning of the year	62.05	57.25
Interest cost	4.31	4.00
Current service cost	4.04	3.77
Benefits paid	(4.24)	(4.66)
Actuarial loss on obligation	2.09	1.69
Balance at the end of the year	68.25	62.05

Changes in the fair value of plan assets are as follows:

Balance at the beginning of the year	55.14	52.24
Expected return on plan assets	3.97	3.78
Actuarial loss / (gain) on plan assets	0.33	(0.01)
Contribution made by the employer	4.08	3.93
Benefits paid	(4.24)	(4.80)
Balance at the end of the year	59.28	55.14

Plan assets comprises of :

% of Investment with insurer	100.00	100.00
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Principal actuarial assumptions used

Discount rate	6.60%	7.20%
Salary escalation rate	7.00%	7.00%
Attrition rate	12.00%	12.00%
Mortality rate is in accordance with the Indian Assured Lives Mortality (2012-14) ultimate table		

Classification

- Current	8.97	6.91
- Non-current	-	-

Sensitivities	Year ended March 31, 2025		Year ended March 31, 2024	
	Increase	Decrease	Increase	Decrease
A. Discount rate				
> Sensitivity level	1.00%	1.00%	1.00%	1.00%
Defined benefit obligation	71.48	65.46	59.38	64.96
> Impact on defined benefit obligation	(3.23)	2.79	(2.67)	2.91
B. Salary escalation rate				
> Sensitivity level	1.00%	1.00%	1.00%	1.00%
Defined benefit obligation	70.83	66.01	64.37	59.88
> Impact on defined benefit obligation	2.58	(2.24)	2.32	(2.17)
C. Attrition rate				
> Sensitivity level	1.00%	1.00%	1.00%	1.00%
Defined benefit obligation	68.28	68.39	62.07	62.02
> Impact on defined benefit obligation	0.03	0.14	0.02	(0.03)

The weighted-average duration of the defined benefit obligation is 5.49 years (March 31, 2024: 5.47 years)

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

17 Provisions (Contd.)

a) Provision for employee benefits (Contd.)

ii) Group terminal benefit

Group terminal benefit relates to post employment benefit paid to certain class of employees upon their retirement / death. The level of benefit provided depends on the employee's length of service at retirement / termination age. The following table sets out the status of the group terminal benefit plan and the amounts recognised in the Company's standalone financial statements as at balance sheet date:

	Year ended March 31, 2025	Year ended March 31, 2024
Amount recognised in statement of profit and loss	0.21	0.21
Amount recognised in other comprehensive income	0.35	0.10
Total expense	0.56	0.31
Net employee benefit expense		
Recognised in statement of profit and loss		
Current service cost	0.10	0.11
Interest cost on benefit obligation	0.11	0.10
Amount recognised in statement of profit and loss	0.21	0.21
Recognised in other comprehensive income		
Actuarial loss arising from financial assumptions	0.04	0.01
Actuarial loss arising from experience adjustments	0.31	0.09
Amount recognised in other comprehensive income	0.35	0.10
Changes in present value of the defined benefit obligation are as follows:		
Defined benefit obligation at the beginning of the year	1.67	1.55
Interest cost	0.11	0.11
Current service cost	0.10	0.11
Benefits paid	(0.32)	(0.20)
Actuarial loss on obligation	0.35	0.10
Defined benefit obligation at the end of the year	1.91	1.67
Principal actuarial assumptions used		
Discount rate	6.60%	7.20%
Attrition rate	12.00%	12.00%
Remaining working lives for selected class of employees (in year)	5.15	5.13
Mortality rate is in accordance with the Indian Assured Lives Mortality (2012-14) ultimate table		
Classification		
- Current	0.55	0.57
- Non-current	1.36	1.10

The weighted-average duration of the plan is 5.78 years

Note: The impact on defined benefit obligation, if any arising from change in underlying assumptions are not considered as significant and accordingly, sensitivities have not been presented.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

17 Provisions (Contd.)

a) Provision for employee benefits (Contd.)

iii) Provident Fund

All eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and employer (at a determined rate) contribute monthly. The Company also contributes as specified under the law, in case of certain class of employees, to a provident fund trust set up and to respective Regional Provident Fund Commissioner. The Company's contribution to the Provident Fund, where set up as a trust, is liable for future provident fund benefits to the extent of its annual contribution and any shortfall in fund assets based on government specified minimum rates of return relating to current period service and recognises such contributions and shortfall, if any as an expense in the year incurred. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest. Such contributions made into the fund and to the regional provident fund commissioner during the year are recognised as an expense in the statement of profit and loss.

	As at March 31, 2025	As at March 31, 2024
Principal actuarial assumptions used		
Discount rate	6.60%	7.20%
Interest rate declared by EPFO	8.25%	8.25%
Remaining working lives (in years)	6.54	6.80

iv) Compensated absences

The Company's net obligation in respect of Compensated absences is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted, if any. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method.

	Year ended March 31, 2025	Year ended March 31, 2024
Recognised in statement of profit and loss:		
Current service cost	0.54	0.81
Interest cost on benefit obligation	0.54	0.50
Net actuarial gain recognised	(0.58)	(0.13)
	0.50	1.18
Principal actuarial assumptions used:		
	As at March 31, 2025	As at March 31, 2024
Discount rate	6.60%	7.20%
Salary escalation rate	7.00%	7.00%
Attrition rate	12.00%	12.00%
b) Provision for others (refer note below)		
Movement of Provisions for others as follows:		
Balance at the beginning of the year	14.27	15.06
Provision made / (reversed) during the year, net	(0.36)	(0.79)
Balance at the end of the year	13.91	14.27

Note:

Provision for others primarily includes provision made towards statutory liabilities.

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

18 Income Tax

A Amount recognised in statement of profit and loss

Current tax (a)

Current period

Tax relating to earlier years

Deferred tax (b)

Attributable to - origination and reversal of temporary differences

Tax expense (a) + (b)

Year ended March 31, 2025	Year ended March 31, 2024
164.49	159.59
(13.54)	(4.53)
12.63	4.30
163.58	159.36

B Income tax recognised in other comprehensive income

Particulars	As at March 31, 2025			As at March 31, 2024		
	Amount	Tax (expense) / benefit	Net of tax	Amount	Tax (expense) / benefit	Net of tax
Fair value gain on equity instruments	(5.75)	7.33	1.58	18.94	(4.15)	14.79
Remeasurements loss on defined benefit liability	(2.08)	0.52	(1.56)	(1.78)	0.45	(1.33)
Total	(7.83)	7.85	0.02	17.16	(3.70)	13.46

C Reconciliation of effective tax rate

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	%	Amount	%	Amount
Profit before tax		680.59		639.07
Tax using the Company's domestic tax rate	25.17%	171.29	25.17%	160.84
Effect of:				
- CSR expenditure disallowance	0.46%	3.16	0.45%	2.89
- Tax relating to earlier years	(1.99%)	(13.54)	(0.71%)	(4.53)
- Others	0.39%	2.67	0.03%	0.16
Effective tax rate / tax expense	24.04%	163.58	24.94%	159.36

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

18 Income Tax (Contd.)**D Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

Particulars	Deferred tax assets		Deferred tax liabilities		Net deferred tax (assets) / liabilities	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Property, plant and equipment, intangible assets and investment property	-	-	127.21	121.09	127.21	121.09
Investments measured at fair value through OCI	-	-	11.02	18.35	11.02	18.35
Provision for employee benefits	(2.52)	(1.96)	-	-	(2.52)	(1.96)
Loss allowance on trade receivables	(1.49)	(1.80)	-	-	(1.49)	(1.80)
Others	-	(1.10)	5.14	-	5.14	(1.10)
	(4.01)	(4.86)	143.37	139.44	139.36	134.58

Movement in temporary differences for the year ended March 31, 2025

Particulars	Balance as at April 1, 2024	Recognised in profit and loss during 2024-25	Recognised in OCI during 2024-25	Other adjustments	Balance as at March 31, 2025
Property, plant and equipment, intangible assets and investment property	121.09	6.12	-	-	127.21
Investments measured at fair value through OCI	18.35	-	(7.33)	-	11.02
Provision for employee benefits	(1.96)	(0.04)	(0.52)	-	(2.52)
Loss allowance on trade receivables	(1.80)	0.31	-	-	(1.49)
Others	(1.10)	6.24	-	-	5.14
	134.58	12.63	(7.85)	-	139.36

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

18 Income Tax (Contd.)

Movement in temporary differences for the year ended March 31, 2024

Particulars	Balance as at April 1, 2023	Recognised in profit and loss during 2023-24	Recognised in OCI during 2023-24	Other adjustments	Balance as at March 31, 2024
Property, plant and equipment, intangible assets and investment property	122.60	(1.51)	-	-	121.09
Investments measured at fair value through OCI	14.20	-	4.15	-	18.35
Provision for employee benefits	(1.28)	(0.23)	(0.45)	-	(1.96)
Loss allowance on trade receivables	(3.05)	1.25	-	-	(1.80)
Others	(5.88)	4.79	-	(0.01)	(1.10)
	126.59	4.30	3.70	(0.01)	134.58

E Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future long term capital gain will be available against which the Company can use the benefits therefrom:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Long term capital loss #	10.02	2.52	7.08	1.78

The long term capital loss amount to ₹ 2.94 expires in assessment year 2032-33 and ₹ 7.08 in assessment year 2031-32

19 Other tax liabilities, net

Provision for taxation, net of advance income tax

As at March 31, 2025		As at March 31, 2024	
Non-current	Current	Non-current	Current
5.34	9.77	5.34	28.36
5.34	9.77	5.34	28.36

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

	As at March 31, 2025	As at March 31, 2024
20 Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note below)	66.97	86.31
Total outstanding dues of creditors other than micro enterprises and small enterprises	368.27	350.50
	435.24	436.81
Of the above, trade payable to related parties (refer note 37)	5.62	1.85
Disclosure required under Section 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006		
i. Principal amount remaining unpaid to any supplier as at the end of the year; interest due thereon remaining unpaid to any supplier as at the end of the year	66.97	86.31
ii. the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the year;	-	-
iii. the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
iv. the amount of interest accrued and remaining unpaid at the end of the year and	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Total	66.97	86.31

20(a) Ageing schedule

As at March 31, 2025

Particulars	Not due	Outstanding for following periods from the due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues						
(i) MSME	62.45	4.52	-	-	-	66.97
(ii) Others	172.43	94.40	0.74	0.35	0.05	267.97
Disputed dues						
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
Unbilled dues	100.30	-	-	-	-	100.30
Total	335.18	98.92	0.74	0.35	0.05	435.24

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

20(a) Ageing schedule (Contd.)

As at March 31, 2024

Particulars	Not due	Outstanding for following periods from the due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues						
(i) MSME	77.22	9.05	0.03	0.01	-	86.31
(ii) Others	152.64	95.80	1.00	0.45	0.30	250.19
Disputed dues						
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
Unbilled dues	100.31	-	-	-	-	100.31
Total	330.17	104.85	1.03	0.46	0.30	436.81

21 Other financial liabilities

a. Financial liabilities at fair value through profit or loss

	As at March 31, 2025		As at March 31, 2024	
	Non-current	Current	Non-current	Current
Derivative liabilities	-	0.22	-	0.19
Premium on financial guarantee	-	0.22	-	0.96

b. Financial liabilities at amortised cost

Interest accrued but not due on borrowings	-	1.11	-	1.24
Liability towards supplier bills discounted	-	22.36	-	15.56
Unclaimed dividend (refer note 13)	-	3.85	-	3.99
Employee benefits payable	-	36.78	-	35.90
Retention money	-	5.20	3.48	7.32
Other payables*	-	17.79	-	15.90
	-	87.53	3.48	81.06

* includes managerial commission of ₹ 12.00 (March 31, 2024 ₹ 10.30) (also refer note 37)

The Company's exposure to currency risk and liquidity risk related to other financial liability are disclosed in note 35.

22 Other current liabilities

	As at March 31, 2025	As at March 31, 2024
Advance from customers	3.10	6.16
Statutory dues	23.74	9.69
	26.84	15.85

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

	Year ended March 31, 2025	Year ended March 31, 2024
23 Revenue from operations		
a) Sale of products	5,042.04	4,748.63
b) Sale of services	0.83	0.99
c) Other operating revenues (refer note (i) below)	166.87	156.03
	5,209.74	4,905.65
Note:		
(i) Other operating revenues		
(i) Scrap sales	110.38	105.35
(ii) Export incentives	13.62	12.81
(iii) Others	42.87	37.87
	166.87	156.03
(ii) Disaggregation of revenue from contracts with customers		
In the following disclosure, revenue from contract with customers have been disaggregated based on type of revenue and customers		
a) Sale of products		
(i) Domestic (including retail sales)	3,457.95	3,339.20
(ii) Exports	1,584.09	1,409.43
	5,042.04	4,748.63
b) Sale of services	0.83	0.99
c) Scrap sales	110.38	105.35
d) Total revenue from contracts with customers (a+b+c)	5,153.25	4,854.97
e) Other operating revenues		
- Export incentives	13.62	12.81
- Others	42.87	37.87
Total other operating revenue (e)	56.49	50.68
Total revenue from operations (d + e)	5,209.74	4,905.65
(iii) Contract balances		
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers, as applicable		
Receivables which are included in trade receivables (refer note 12)	1,264.40	1,045.99
Contract liabilities - advance from customers (refer note 22)	3.10	6.16
(iv) Reconciliation of revenue recognised with contract price		
Revenue as per contracted price	5,184.26	4,834.31
Adjusted for:		
Rebates, discounts, commission, etc.,	(142.22)	(85.68)
Total revenue from contract with customers	5,042.04	4,748.63
(v) Remaining performance obligation as at March 31, 2025 or at March 31, 2024 have an original expected duration of one year or less, as allowed by Ind AS 115		
(vi) Invoices are issued according to contractual terms which is specific to each customers and is usually payable within 45 days to 90 days		

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

	Year ended March 31, 2025	Year ended March 31, 2024
24 Other income		
Interest income on financial assets at amortised cost		
- loans to subsidiaries	0.62	0.65
- on others	2.78	2.42
Net foreign exchange gain	2.99	6.98
Dividend income from		
- subsidiary companies	2.28	2.40
- other companies	1.01	0.84
Gain on sale of investments	0.03	1.55
Reversal of loss allowance towards trade receivables	1.22	4.97
Insurance claims	1.16	22.58
Other non-operating income	9.50	4.94
	21.59	47.33
25 Cost of materials consumed		
Opening inventory of raw materials and components	245.76	243.22
Add : Purchases made during the year	2,269.65	2,154.10
Less: Closing inventory of raw materials and components	261.01	245.76
	2,254.40	2,151.56
26 Changes in inventories of finished goods and work-in-progress		
A) Opening inventory:		
Work-in-progress	179.87	182.43
Finished goods	295.00	286.59
	474.87	469.02
B) Closing inventory:		
Work-in-progress	233.95	179.87
Finished goods	363.18	295.00
	597.13	474.87
C) Increase / Decrease in inventory:		
Work-in-progress	(54.08)	2.56
Finished goods	(68.18)	(8.41)
Total (A - B)	(122.26)	(5.85)
27 Employee benefits expense		
Salaries, wages and bonus	307.84	297.43
Expenses relating to post-employment benefit plans (refer note 17)	4.51	4.13
Contribution to provident and other funds (refer note below)	12.95	12.27
Staff welfare expenses	41.31	33.88
	366.61	347.71

Note:

The amount recognised as expense towards provident fund contribution aggregated to ₹ 11.57 (March 31, 2024: ₹ 11.11).

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

	Year ended March 31, 2025	Year ended March 31, 2024
28 Finance costs		
Interest expense		
- on financial liabilities measured at amortised cost	33.85	20.15
- on lease liabilities (refer note 39)	0.61	0.85
- on others	0.39	0.12
Exchange differences regarded as an adjustment to borrowing costs	0.43	0.68
Less: Borrowing costs capitalised (also refer note below)	(15.58)	(3.81)
	19.70	17.99
Note: The capitalisation rate used to determine the amount of borrowing costs to be capitalised is weighted average interest rate applicable to the company's borrowing, being 7.65% p.a. (March 31, 2024: 6.04% p.a.).		
29 Depreciation and amortisation expense		
Depreciation on property, plant and equipment (refer note 5(a))	172.65	164.55
Depreciation on investment property (refer note 5(c))	0.06	-
Amortisation of right-of-use assets (refer note 5(d) and note 39)	2.15	2.93
Amortisation of intangible assets (refer note 5(e))	0.94	0.83
	175.80	168.31
30 Other expenses		
Consumption of stores, tools and spares	593.63	508.03
Power and fuel	256.99	226.62
Rent (refer note 39)	13.47	11.16
Repairs and maintenance		
- buildings	58.11	49.76
- plant and equipment	65.14	60.05
- others	9.64	9.45
Sub-contract expenses	570.92	502.80
Auditor's remuneration (refer note below)	1.10	1.09
Expenditure on corporate social responsibility (refer note 33)	12.28	10.81
Freight and cartage outward	159.54	139.64
Loss on sale of property, plant and equipment, net	1.04	1.99
Miscellaneous expenses (Under this head there are no expenditure which is in excess of 1% of revenue from operations)	127.13	112.79
	1,868.99	1,634.19
Note:		
Auditor's remuneration		
As auditor		
Statutory audit	0.57	0.57
Tax audit	0.04	0.04
Limited review of quarterly results	0.35	0.35
Others including certification	0.08	0.08
Reimbursement of expenses	0.06	0.05
	1.10	1.09

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

		Year ended March 31, 2025	Year ended March 31, 2024
31 Earnings per share (EPS)			
Net profit attributable to equity shareholders	(A)	517.01	479.71
Weighted average number of equity shares outstanding as at reporting date	(B)	21,01,28,370	21,01,28,370
Basic earnings per equity share (in ₹)	(A/B)	24.60	22.83

Diluted earnings per share

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

32 Other statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- (iii) The Company has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to any persons or entities, including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise that the Intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries other than in the ordinary course of business.
- (iv) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (v) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vi) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period except the following:

Chargeholder Name	Registrar location	Days of delay*	As at March 31, 2025	As at March 31, 2024
Government of Tamilnadu	Chennai	-	2.80	2.80

* The Company is awaiting for No-objection certificate from concerned chargeholders for filing the requisite satisfaction of charges with ROC since April 2014.

- (vii) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (viii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year other than merger of Sunfast TVS Limited and TVS Engineering Limited with the Company in the previous year.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

32 Other statutory information (Contd.)

- (ix) Transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 are as follows:-

Name of the struck off Company	Nature of transaction	As at March 31, 2025	As at March 31, 2024	Relationship with the Struck off Company
Scanstar Inspection Technology Private Limited	Payable for Purchase of goods	-	0.10	Third party supplier
Rvee Business Solution Private Limited	Payable for Purchase of goods	-	0.01	Third party supplier

- (x) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets.

33 Expenditure on corporate social responsibility (CSR)

	Year ended March 31, 2025	Year ended March 31, 2024
a) Amount required to be spent by the Company during the year	12.27	10.81
b) Amount approved by the Board to be spent during the year	12.28	10.81
c) Amount spent during the year (in cash):		
(i) Construction / acquisition of asset	-	-
(ii) On purposes other than (i) above		
a) Education	7.13	4.52
b) Healthcare	0.62	2.40
c) Mental health education	2.45	1.83
d) Others	2.08	2.06
	12.28	10.81
d) Unspent obligations as the end of the year	-	-
e) Total of previous years unspent obligations	-	-
f) Details of unspent obligation	NA	NA
g) Details of related party transactions	Refer note 1 below	Refer note 1 below
h) The movements in the provision for unspent CSR (relating to ongoing project) is as follows:		
Opening balance	-	0.29
Amount required to be spent during the year	-	-
Amount spent during the year	-	0.29
Closing balance	-	-

Note 1 : The above expenditure includes contribution of ₹ 1.85 (March 31, 2024 : ₹ 1.70) to Krishna Educational Society, over which the Company has significant influence (also refer note 37).

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

34 Ratios as per the schedule III requirements:

a) Current ratio = Current assets divided by Current liabilities

Particulars	March 31, 2025	March 31, 2024
Current assets	2,346.54	1,960.99
Current liabilities	1,183.04	963.43
Ratio	1.98	2.04
% change from previous year	(2.94%)	

Reason for change more than 25% : Not applicable

b) Debt-Equity Ratio = Total debt divided by total equity where total debt represents aggregate of current and non-current borrowings

Particulars	March 31, 2025	March 31, 2024
Total debt	596.51	376.04
Total equity	3,645.59	3,279.22
Ratio	0.16	0.11
% change from previous year	45.45%	

Reason for change more than 25% : Change attributable to increase in working capital and profits made during the year.

c) Debt Service Coverage Ratio = Earnings available for debt services divided by total interest and principal repayments

Particulars	March 31, 2025	March 31, 2024
Profit after tax	517.01	479.71
Add:		
Depreciation and amortisation expense	175.80	168.31
Finance cost	19.70	17.99
Earnings available for debt services	712.51	666.01
Interest payment on borrowings	33.85	20.15
Principal payment of lease liabilities	1.76	2.43
Principal repayments of long term borrowings	41.71	82.25
Total interest and principal repayments	77.32	104.83
Ratio	9.22	6.35
% change from previous year	45.20%	

Reason for change more than 25% : Change attributable to settlement of long-term borrowings in the current year.

d) Return on equity ratio / Return on investment ratio = Profit after tax divided by average total equity

Particulars	March 31, 2025	March 31, 2024
Profit after tax	517.01	479.71
Average total equity (refer note below)	3,462.41	3,092.94
Ratio	14.93%	15.51%
% change from previous year	(3.74%)	

Note: Average shareholder's equity = (Total equity as at beginning of respective year + total equity as at end of respective year) divided by 2.

Reason for change more than 25% : Not applicable

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

34 Ratios as per the schedule III requirements: (Contd.)**e) Inventory turnover ratio = Turnover divided by average inventory**

Particulars	March 31, 2025	March 31, 2024
Turnover (refer note 1 below)	5,196.12	4,892.84
Average inventory (refer note 2 below)	868.33	788.92
Ratio	5.98	6.20
% change from previous year	(3.55%)	

Note:

1. Turnover represents revenue from operations excluding export incentives.
2. Average inventory = (Total inventory as at beginning of respective year + total inventory as at end of respective year) divided by 2.

Reason for change more than 25% : Not applicable

f) Trade receivables turnover ratio = Sales divided by average trade receivables

Particulars	March 31, 2025	March 31, 2024
Turnover (refer note 1 below)	5,196.12	4,892.84
Average trade receivables (refer note 2 below)	1,155.20	995.72
Ratio	4.50	4.91
% change from previous year	(8.35%)	

Note:

1. Turnover represents revenue from operations excluding export incentives
2. Average trade receivables = (Total trade receivables as at beginning of respective year + total trade receivables as at end of respective year) divided by 2.

Reason for change more than 25% : Not applicable

g) Trade payables turnover ratio = Purchases divided by average trade payables

Particulars	March 31, 2025	March 31, 2024
Purchases (refer note 1 below)	3,434.20	3,164.93
Average trade payables (refer note 2 below)	436.02	432.42
Ratio	7.88	7.32
% change from previous year	7.65%	

Note:

1. Purchases includes purchase of materials, consumption of stores, tools and spares and sub-contractor expenses.
2. Average trade payables = (Total Trade Payables as at beginning of respective year + Total Trade Payables as at end of respective year) divided by 2.

Reason for change more than 25% : Not applicable

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

34 Ratios as per the schedule III requirements: (Contd.)

h) Net capital turnover ratio = Revenue from operations divided by working capital

Particulars	March 31, 2025	March 31, 2024
Revenue from operations	5,209.74	4,905.65
Working capital (refer note below)	1,163.50	997.56
Ratio	4.48	4.92
% change from previous year	(8.94%)	

Note: Working capital = Current assets - Current liabilities

Reason for change more than 25% : Not applicable

i) Net profit ratio = Net profit after tax divided by Revenue from operations

Particulars	March 31, 2025	March 31, 2024
Net profit after tax	517.01	479.71
Revenue from operations	5,209.74	4,905.65
Ratio	9.92%	9.78%
% change from previous year	1.43%	

Reason for change more than 25% : Not applicable

j) Return on Capital employed = Earnings before interest and taxes (EBIT) divided by capital employed

Particulars	March 31, 2025	March 31, 2024
Earnings before interest and taxes (refer note 1 below)	700.29	657.06
Capital employed (refer note 2 below)	4,386.65	3,796.79
Ratio	15.96%	17.31%
% change from previous year	(7.80%)	

Note:

1. EBIT = Profit before taxes + finance cost

2. Capital employed = Total equity + total debt + deferred tax liabilities + Lease liabilities

Reason for change more than 25% : Not applicable

k) Return on investments = Income generated from invested funds divided by Average invested funds in treasury investments

Particulars	March 31, 2025	March 31, 2024
Income generated from invested funds	0.03	0.39
Invested funds in treasury investments	11.67	7.12
Ratio	0.26%	5.49%
% change from previous year	(95.26%)	

Reason for change more than 25% : Change attributable to market volatility

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

35 Financial instruments - Fair values and risk management

A Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy

Particulars	Note	March 31, 2025				March 31, 2024			
		FVTPL	FVOCI	Amortised cost	Total	FVTPL	FVOCI	Amortised cost	Total
Financial assets									
Investments (excluding investments in subsidiaries)	6	-	100.39	11.39	111.78	-	106.14	21.70	127.84
Loans	7	-	-	15.92	15.92	-	-	15.63	15.63
Security deposits	8	-	-	38.78	38.78	-	-	45.49	45.49
Claims receivable	8	-	-	29.27	29.27	-	-	24.87	24.87
Advances recoverable	8	-	-	0.75	0.75	-	-	0.34	0.34
Interest receivable	8	-	-	2.32	2.32	-	-	1.93	1.93
Trade receivables	12	-	-	1,264.40	1,264.40	-	-	1,045.99	1,045.99
Cash and cash equivalents	13 (a)	-	-	13.03	13.03	-	-	11.37	11.37
Bank balance other than cash and cash equivalents	13 (b)	-	-	3.85	3.85	-	-	3.99	3.99
Total financial assets		-	100.39	1,379.71	1,480.10	-	106.14	1,171.31	1,277.45
Financial liabilities									
Borrowings and interest thereon	15 & 21	-	-	597.62	597.62	-	-	377.28	377.28
Trade payables	20	-	-	435.24	435.24	-	-	436.81	436.81
Derivative liabilities	21	0.22	-	-	0.22	0.19	-	-	0.19
Premium on financial guarantee	21	0.22	-	-	0.22	0.96	-	-	0.96
Liability towards supplier bills discounted	21	-	-	22.36	22.36	-	-	15.56	15.56
Unclaimed dividend	21	-	-	3.85	3.85	-	-	3.99	3.99
Employee benefits payable	21	-	-	36.78	36.78	-	-	35.90	35.90
Retention money	21	-	-	5.20	5.20	-	-	10.80	10.80
Other payables	21	-	-	17.79	17.79	-	-	15.90	15.90
Total financial liabilities		0.44	-	1,118.84	1,119.28	1.15	-	896.24	897.39

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

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

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

B Accounting classification and fair values (Contd.)

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Particulars	Note	March 31, 2025				March 31, 2024			
		Carrying amount	Fair Value			Carrying amount	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets									
Investments (excluding investments in subsidiaries)	6	111.78	24.11	-	76.28	127.84	19.14	-	87.00
Loans #	7	15.92	-	-	-	15.63	-	-	-
Security deposits #	8	38.78	-	-	-	45.49	-	-	-
Claims receivable #	8	29.27	-	-	-	24.87	-	-	-
Advances recoverable #	8	0.75	-	-	-	0.34	-	-	-
Interest receivable #	8	2.32	-	-	-	1.93	-	-	-
Trade receivables #	12	1,264.40	-	-	-	1,045.99	-	-	-
Cash and cash equivalents #	13 (a)	13.03	-	-	-	11.37	-	-	-
Bank balance other than cash and cash equivalents #	13 (b)	3.85	-	-	-	3.99	-	-	-
Total financial assets		1,480.10	24.11	-	76.28	1,277.45	19.14	-	87.00
Financial liabilities									
Borrowings and interest thereon # 15 & 21		597.62	-	-	-	377.28	-	-	-
Trade payables #	20	435.24	-	-	-	436.81	-	-	-
Derivative liabilities	21	0.22	-	0.22	-	0.19	-	0.19	-
Premium on financial guarantee	21	0.22	-	0.22	-	0.96	-	0.96	-
Liability towards supplier bills discounted #	21	22.36	-	-	-	15.56	-	-	-
Unclaimed dividend #	21	3.85	-	-	-	3.99	-	-	-
Employee benefits payable #	21	36.78	-	-	-	35.90	-	-	-
Retention money #	21	5.20	-	-	-	10.80	-	-	-
Other payables #	21	17.79	-	-	-	15.90	-	-	-
Total financial liabilities		1,119.28	-	0.44	-	897.39	-	1.15	-

For those financial assets and liabilities, which are not carried at its fair value, disclosure of fair value is not required as the carrying amounts approximates the fair values.

There has been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2024 and March 31, 2025.

Reconciliation of Level 3 fair values	Amount
Balance as at April 1, 2023	67.74
Investments made during the year	1.14
Gains included in Statement of profit and loss	20.40
Balance as at March 31, 2024	87.00
Loss included in Statement of profit and loss	(10.72)
Balance as at March 31, 2025	76.28

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

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

B Accounting classification and fair values (Contd.)

Measurement of fair values

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in balance sheet including the related valuation techniques used:

Type	Valuation technique used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investments	Market comparison technique: The valuation model is based on market multiple derived from quoted prices of companies comparable to the investee and the expected EBITDA of the investee. The estimate is adjusted for the effect of nonmarketability of the equity securities.	- EBITDA margin - Adjusted market multiple - Adjustment for non-marketability of equity securities	The estimated fair value would increase / (decrease) if: - EBITDA margin were higher / (lower) - Adjusted market multiple were higher / (lower) - Adjustment for non-marketability of equity securities were lower / (higher)
Derivative liabilities	Market comparison technique: The fair value is determined using quoted forward exchange rates at the reporting dates based on information obtained from respective bankers.	Not applicable	Not applicable

C Financial risk management

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

- Market risk
- Credit risk
- Liquidity risk

Financial risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Company's risk management policies. The Company's senior management advises on financial risks and the appropriate financial risk governance framework for the Company.

The Company's risk management policies established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through establishment of standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support the operations of its group companies. The Company's principal financial assets include loans, trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The Company uses derivative financial instruments, such as foreign exchange forward contracts that are entered to hedge foreign currency risk exposure. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

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

Financial risk management (Contd.)

The sources of risks which the company is exposed to and their management is given below:

a) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings. The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which arise from both its operating and investing activities.

i) Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings, import of raw materials and spare parts, capital expenditure, export sales and the Company's net investments in foreign subsidiaries.

Currency risk (foreign exchange risk) arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of Ind AS, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

The Company manages its foreign currency risk by hedging transactions through forward contracts, for the repayment of short and long term borrowings and payables arising out of procurement of raw materials and other components. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. The amounts shown are those reported translated at the closing rate. Unhedged foreign currency risk exposure at the end of the reporting period has been expressed in **Rupees**.

	Short-term exposure				Long-term exposure			
	USD	GBP	EUR and others	Total	USD	GBP	EUR and others	Total
March 31, 2025								
Trade receivables	308.74	25.48	95.59	429.81	-	-	-	-
Cash and cash equivalents	1.14	-	-	1.14	-	-	-	-
Trade payables	(9.97)	(1.21)	(12.22)	(23.40)	-	-	-	-
Others including loans	(0.45)	-	-	(0.45)	0.09	9.82	-	9.91
	299.91	24.27	83.37	407.55	0.09	9.82	-	9.91
March 31, 2024								
Trade receivables	393.58	31.72	96.08	521.38	-	-	-	-
Cash and cash equivalents	1.66	-	-	1.66	-	-	-	-
Trade payables	(6.27)	(0.90)	(13.04)	(20.21)	-	-	-	-
Borrowings	(41.71)	-	-	(41.71)	-	-	-	-
Others including loans	(0.45)	-	-	(0.45)	0.08	9.23	-	9.31
	346.81	30.82	83.04	460.67	0.08	9.23	-	9.31

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

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

Foreign currency sensitivity

The following table illustrates the sensitivity of profit and equity with respect to the Company's financial assets and financial liabilities and in relation to the fluctuation in the respective currencies 'all other things being equal'.

If the Indian Rupee had strengthened/ weakened against the respective currency by 5% during the year ended March 31, 2025 (March 31, 2024: 5%), then this would have had the following impact on profit before tax and equity:

The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

	Strengthening		Weakening	
	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2024
Increase / (decrease) in profit and equity				
USD	(15.00)	(17.34)	15.00	17.34
GBP	(1.70)	(2.00)	1.70	2.00
EUR and others	(4.17)	(4.15)	4.17	4.15
	(20.87)	(23.50)	20.87	23.50

Derivative instruments

The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposure arising from receipt of collections from export customers, payable to suppliers and repayment of External commercial borrowings to a foreign bank. The counterparties of these contracts are generally banks. These derivative financial instruments are determined using quoted forward exchange rates at the time of booking the contract and can be confirmed based on information obtained from respective bankers.

	Year ended March 31, 2025		Year ended March 31, 2024	
	Less than 180 days	More than 180 days	Less than 180 days	More than 180 days
<i>Receivables</i>				
Forward exchange contracts maturing				
Net exposure	77.04	-	75.11	-
Contract rate	85.60	-	83.45	-
Net exposure	5.76	-	-	-
Contract rate	95.94	-	-	-
	Year ended March 31, 2025		Year ended March 31, 2024	
	Less than 180 days	More than 180 days	Less than 180 days	More than 180 days
<i>Payables</i>				
Forward exchange contracts maturing				
Net exposure	13.00	-	-	-
Contract rate	86.70	-	-	-
Net exposure	0.88	-	-	-
Contract rate	90.73	-	-	-
Net exposure	0.31	-	-	-
Contract rate	110.05	-	-	-

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

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

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The Company has 15.42% (March 31, 2024: Nil%) of its borrowings at a fixed rate of interest.

Interest rate exposure

Particulars	Floating rate instruments	Fixed rate instruments	Total
Financial assets	-	53.19	53.19
Financial liabilities	(504.51)	(92.00)	(596.51)
As at March 31, 2025	(504.51)	(38.81)	(543.32)
Financial assets	-	59.46	59.46
Financial liabilities	(376.04)	-	(376.04)
As at March 31, 2024	(376.04)	59.46	(316.58)

Interest rate sensitivity

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% for the year ended March 31, 2025 and March 31, 2024. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

Impact in statement of profit and loss		As at March 31, 2025	As at March 31, 2024
Increase	+1%	(5.05)	(3.76)
Decrease	-1%	5.05	3.76
Impact in equity		As at March 31, 2025	As at March 31, 2024
Increase	+1%	(3.78)	(2.82)
Decrease	-1%	3.78	2.82

The Company does not expect any change in interest rates on fixed rate borrowings and accordingly have not presented any sensitivities on such borrowings. The Company also does not expect any significant impact of changes in the market interest rates.

Equity price risk

The Company has invested in listed and unlisted equity instruments. All investments in equity portfolio are reviewed and approved by the Board of Directors.

	As at March 31, 2025	As at March 31, 2024
At the reporting date, the exposure to equity securities at fair value	100.39	106.14

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

35 Financial instruments - Fair values and risk management (Contd.)**Sensitivity analysis – Equity price risk**

The following table illustrates the sensitivity of profit and equity to a reasonably possible changes in equity price of +/- 5% for the year ended March 31, 2025 and March 31, 2024. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a changes in the equity price for each period, and the financial instruments held at each reporting date that are sensitive to changes in equity price. All other variables are held constant.

<i>Impact in other comprehensive income</i>		As at March 31, 2025	As at March 31, 2024
Increase	+5%	5.02	5.31
Decrease	-5%	(5.02)	(5.31)
<i>Impact in equity</i>		As at March 31, 2025	As at March 31, 2024
Increase	+5%	3.76	3.98
Decrease	-5%	(3.76)	(3.98)

b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including, foreign exchange transactions and other financial instruments.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Company's trade receivables, certain loans and advances and other financial assets. The Company enters into long term contracts with its customers whereby it mitigates the risk exposure on high risk customers. Further, none of the customers contributes to more than 10% of the Company's total revenues as continuous efforts are made in expanding its customer base. Outstanding customer receivables are regularly monitored and reviewed by the Audit committee periodically.

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

Particulars	Reference	Carrying Amount	
		As at March 31, 2025	As at March 31, 2024
Trade receivables	(i)	1,264.40	1,045.99
Investments	(ii)	111.78	127.84
Loans	(iii)	15.92	15.63
Cash and cash equivalents	(iv)	13.03	11.37
Bank balances other than cash and cash equivalents	(iv)	3.85	3.99
Security deposits	(v)	38.78	45.49
Claims receivable	(v)	29.27	24.87
Advances recoverable	(v)	0.75	0.34
Interest receivable	(v)	2.32	1.93
Total		1,480.10	1,277.45

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

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

b) Credit risk (Contd.)

(i) Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including end-user customers, their geographic location, industry, trading history with the Company and existence of previous financial difficulties. With respect to other financial assets, the Company does not expect any credit risk against such assets except as already assessed. The Company is monitoring the economic environment in the country and is taking actions to limit its exposure to customers with customers experiencing particular economic volatility.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. The Company has adopted a practical measure of computing the expected credit loss allowance for trade receivable and other financial assets, which comprise large number of small balances, based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information including consideration for increased likelihood of credit risk. Further, the Company also makes an allowance for doubtful debts on a case to case basis.

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

	As at March 31, 2025	As at March 31, 2024
Not more than 180 days	1,236.79	1,021.65
More than 180 days	33.49	31.44
Sub-total	1,270.28	1,053.09
Less: Loss allowance in accordance with expected credit loss model	5.88	7.10
Total	1,264.40	1,045.99

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

Particulars	As at March 31, 2025				As at March 31, 2024			
	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Not due	0.00%	959.90	-	-	0.03%	851.35	0.26	-
Less than 6 months	0.10%	276.89	0.27	-	0.05%	170.3	0.08	-
6 months to one year	4.45%	25.86	1.15	-	19.21%	25.45	4.89	-
More than one year	58.45%	7.63	4.46	-	31.22%	5.99	1.87	-
Total trade receivables	0.46%	1,270.28	5.88	-	0.67%	1053.09	7.10	-

(ii) Investments

Investments of surplus funds are made only with approval of Board of Directors. Investments primarily include investments in equity instruments of multiple listed/unlisted entities and power generation companies.

(iii) Loans

The balance is primarily constituted by loans given to related parties and to its employees. The Company does not expect any loss from non-performance by these counter-parties.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

35 Financial instruments - Fair values and risk management (Contd.)**b) Credit risk (Contd.)**

	As at March 31, 2025	As at March 31, 2024
Loans to related parties	14.41	13.97
Loans to employees	1.51	1.66
Net carrying amount	15.92	15.63

(iv) Cash and cash equivalents and Bank balances other than cash and cash equivalents

The Company has its cash and bank balances deposited with credit worthy banks as at the reporting date. The Company does not expect any loss from non-performance by these counter-parties.

(v) Others

Other financial assets comprising of security deposits, claims receivables, interest receivable and advance recoverable primarily consists of deposits with TNEB for obtaining Electricity connections, rental deposits given for lease of premises amongst others. The Company does not expect any loss from non-performance by these counter-parties.

c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's objective is to maintain a current ratio with an optimal mix of short term loans and long term loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months and the management is confident that it can roll over its debt with existing lenders. The Board of Directors periodically reviews the Company's business requirements vis-a-vis the source of funding.

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

As at March 31, 2025	Carrying amount	Less than 180 days	More than 180 days
Borrowings and interest thereon	597.62	560.62	37.00
Retention money	5.20	5.20	-
Trade payables	435.24	435.24	-
Liability towards supplier bills discounted	22.36	22.36	-
Unclaimed dividend	3.85	3.85	-
Employee benefits payable	36.78	36.78	-
Other payables	17.79	17.79	-
Total	1,118.84	1,081.84	37.00

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

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

c) Liquidity risk (Contd.)

As at March 31, 2024	Carrying amount	Less than 180 days	More than 180 days
Borrowings and interest thereon	377.28	378.74	-
Retention money	10.80	10.80	-
Trade payables	436.81	436.81	-
Liability towards supplier bills discounted	15.56	15.56	-
Unclaimed dividend	3.99	3.99	-
Employee benefits payable	35.90	35.90	-
Other payables	15.90	15.90	-
Total	896.24	897.70	-

D Offsetting financial assets and financial liabilities

The Company does not have any financial instruments that are offset or are subject to enforceable master netting arrangements and other similar agreements

36 Contingencies and commitments

a) Contingent liabilities

- Claims against the company not acknowledged as debt

Legal claims

- Sales tax / Entry tax

- Excise duty / Customs duty / Service tax / GST

- Income-tax

- Others

As at March 31, 2025	As at March 31, 2024
12.00	11.89
17.83	16.78
5.91	5.88
1.00	1.00
36.74	35.55

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

- (ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in these standalone financial statements.

The Company is involved in taxation matters that arise from time to time in the ordinary course of business. Judgment is required in assessing the range of possible outcomes for some of these tax matters, which could change substantially over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents. Based on its internal assessment supported by external legal counsel views, where the management considered necessary, the Company believes that it will be able to sustain its positions if challenged by the authorities and accordingly no additional provision is required for these matters.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

36 Contingencies and commitments (Contd.)

Management is of the view that above matters will not have any material adverse effect on the Company's financial position and results of operations.

	As at March 31, 2025	As at March 31, 2024
- Guarantees		
Guarantees including financial guarantees issued to subsidiaries and utilised (Total guarantees issued to subsidiaries - ₹ 85.00 (March 31, 2024: ₹ 299.97))	31.34	115.95
- Other money for which the Company is contingently liable		
On letters of credit	3.55	22.05
On partly paid shares of The Adyar Property Holding Company Limited (aggregating to ₹ 1,225/-)*	0.00	0.00
* Amount less than ₹ 0.01		
b) Contingent assets		
Claim of additional compensation against land acquisition	0.23	0.23
c) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for Property, plant and equipment	93.19	118.89

37 Related party disclosures**Related Parties:****(I) Where control exists:****(A) Ultimate holding company**

(1) TVS Sundram Fasteners Private Limited, Chennai, India

(B) Subsidiary companies**Indian subsidiaries**

- (1) Sundram Fasteners Investments Limited, Chennai,
- (2) TVS Upasana Limited, Chennai,
- (3) Sundram Non-Conventional Energy Systems Limited, Chennai,
- (4) TVS Next Limited, Chennai,

Foreign subsidiaries

- (1) Sundram International Limited, UK and
- (2) Sundram International Inc, Michigan, USA

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

37 Related party disclosures (Contd.)

(C) Step down subsidiary companies

Foreign subsidiaries

- (1) Sundram Fasteners (Zhejiang) Limited, Zhejiang, People's Republic of China (Subsidiary of Sundram International Limited, UK);
- (2) Cramlington Precision Forge Limited, Northumberland, United Kingdom (Subsidiary of Sundram International Limited, UK); and
- (3) TVS Next Inc., Michigan, USA (Subsidiary of TVS Next Limited, Chennai, India)

(D) Others

Post employment benefit plan

- (1) Sundram Fasteners Limited Gratuity Fund
- (2) Sundram Fasteners Limited Senior Staff Superannuation Fund and
- (3) Sundram Fasteners Limited Staff Provident Fund (Employees)

Enterprises over which KMP are able to exercise significant influence

- (1) Krishna Educational Society
- (2) Suresh Krishna HUF
- (3) UFL Properties Private Limited
- (4) Lakshminarayana Ancillaries Private Limited
- (5) Madras Engineering Industries Private Limited
- (6) Southern Roadways Private Limited

(II) Other related parties:

(A) Key Management Personnel (KMP)

- (1) Mr Suresh Krishna
- (2) Ms Arathi Krishna
- (3) Ms Arundathi Krishna
- (4) Mr R Dilip Kumar* and
- (5) Mr G Anand Babu*

(B) Non-executive directors

- (1) Mr S Mahalingam
- (2) Mr Heramb R Hajarnavis
- (3) Mr B Muthuraman (upto September 25, 2024)
- (4) Ms Preethi Krishna
- (5) Dr. Nirmala Lakshman
- (6) Mr R. Vijaya Raghavan (from September 26, 2024)

(C) Relatives of KMP

- (1) Ms Usha Krishna
- (2) Ms Preethi Krishna and
- (3) Mr. K Ramesh

* Key Managerial Personnel as per Companies Act, 2013

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

37 Related party disclosures (Contd.)

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

Nature of transaction	Subsidiary companies	Ultimate holding company	Key management personnel	Relatives of key management personnel	Others
Purchases					
Goods and materials (including reimbursement of expenses)	11.30 (10.01)	-	-	-	-
Fixed Assets	0.60 (0.12)	-	-	-	-
Sales					
Goods and materials	22.23 (21.86)	110.60 (114.08)	-	-	0.95 (1.06)
Services					
Rendered	0.12 (0.02)	-	-	-	-
Received	13.72 (14.87)	-	-	-	8.64 (5.02)
Finance					
Interest on inter-corporate loans	0.64 (0.65)	-	-	-	-
Dividend received	2.28 (2.40)	-	-	-	-
Dividend paid	-	71.87 (58.33)	0.10 (0.08)	0.05 (0.04)	0.08 (0.07)
Others					
Leasing income / hire purchase arrangements	0.01 (0.01)	0.23 (0.10)	1.00 (1.00)	-	-
Leasing expense / hire purchase arrangements	-	-	0.11 (0.10)	0.05 (0.05)	-
Guarantees and collaterals furnished or availed	57.20 (31.67)	-	-	-	-
Guarantee Commission	0.29 (0.32)	-	-	-	-
Post employee benefit contribution	-	-	-	-	12.76 (12.18)
CSR Contribution	-	-	-	-	1.85 (1.70)
Reversal of impairment loss on Investments	12.50 -	-	-	-	-
Reversal of expected credit loss on trade receivables	5.80 (5.00)	-	-	-	-
Management contracts (including commission)	-	-	18.43 (16.36)	0.13 (0.13)	-

Sundram Fasteners Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

37 Related party disclosures (Contd.)

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

Nature of transaction	Subsidiary companies	Ultimate holding company	Key management personnel	Relatives of key management personnel	Others
Sitting fees to KMP / sitting fees and commission to non-executive directors	-	-	-	-	0.54
	-	-	-	-	(0.54)
Reimbursement paid	0.13	4.49	-	-	-
	-	(3.66)	-	-	-
Reimbursement received	0.64	-	-	-	-
	-	-	-	-	-
Outstanding balances					
Investments	261.09	-	-	-	-
	(248.52)	-	-	-	-
Loan	14.41	-	-	-	-
	(13.97)	-	-	-	-
Interest receivable	1.39	-	-	-	-
	(1.09)	-	-	-	-
Due to the Company	19.16	50.14	-	-	0.09
	(20.35)	(27.15)	-	-	(0.08)
Due by the Company	4.98	-	-	-	0.64
	(1.77)	-	-	-	(0.08)
Guarantees given outstanding	31.34	-	-	-	-
	(115.95)	-	-	-	-

(Previous year figures are in brackets)

(IV) Terms and conditions of transactions with related parties

Transactions with related parties are at arm's length and all the outstanding balances are unsecured (also refer note 41).

38 Particulars of loans, guarantees and investments under Section 186 of the Companies Act, 2013 during the financial year ended March 31, 2025

Name of the body corporate	Nature of transaction	Amount of transaction	Purpose for which the loan / security / acquisition of shares / guarantee utilised by recipient
Sundaram Overnight Fund Direct Growth Scheme of Sundaram Asset Management Co Limited, Chennai	Investment in mutual funds	231.00	Treasury investments

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

39 Leases

The Company has taken various premises including godowns, offices, flats, machinery and other assets under lease for which lease agreements are generally cancellable in nature and are renewable by mutual consent on agreed upon terms.

The following are the disclosures that has been made pursuant to Ind AS 116 requirements:

(i) Right-of-use assets

Refer note 5 (d) for detailed break-up of right-of-use assets and amortisation thereon.

(ii) Lease liabilities	As at March 31, 2025	As at March 31, 2024
Maturity analysis - contractual undiscounted cash flows		
Not later than one year	1.77	2.38
Later than one year and not later than five years	4.27	6.03
More than five years	-	-
Total undiscounted lease liabilities	6.04	8.41
Lease liabilities		
Current	1.31	1.77
Non-current	3.88	5.18
Total lease liabilities (refer note 16)	5.19	6.95
(iii) Amounts recognised in profit or loss	Year ended March 31, 2025	Year ended March 31, 2024
Interest expense on lease liabilities (refer note 28)	0.61	0.85
Amortisation of right-of-use assets (refer note 5(d))	2.15	2.93
Expenses relating to short-term leases (refer note 30)	13.47	11.16
(iv) Amounts recognized in the statement of cash flows from financing activities		
Principal payment of lease liabilities	1.76	2.43

40 Segment Reporting

In accordance with Ind AS 108, segment information with respect to geographic segment has been provided in the consolidated financial statements of the Company and therefore no separate disclosures have been given in these standalone financial statements.

41 Transfer Pricing

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

42 Events after the reporting period

The Board of Directors of the Company has declared interim dividend in its meeting held on April 30, 2025 as disclosed under note 14B(b).

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

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm's registration number: 101248W/W-100022

SAMPAD GUHA THAKURTA

Partner

Membership No.: 060573

Place : Chennai

Date : April 30, 2025

ARATHI KRISHNA

Managing Director

(DIN: 00517456)

R DILIP KUMAR

Chief Financial Officer

(DIN: 00240372)

For and on behalf of the Board of Directors of

SUNDRAM FASTENERS LIMITED

(CIN: L35999TN1962PLC004943)

SURESH KRISHNA

Chairman

(DIN: 00046919)

ARUNDATHI KRISHNA

Joint Managing Director

(DIN: 00270935)

G ANAND BABU

Senior Manager - Finance & Company Secretary

(ACS Membership No: A19848)

Consolidated Financial Statement

2024-25

Independent Auditor's Report

To the Members of Sundram Fasteners Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Sundram Fasteners Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2025, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2025, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the *Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of report of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Tax contingencies

Refer Notes 3.12, 18 and 36 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group is involved in various direct and indirect tax litigations that are pending with various tax authorities disclosed / provided for in the consolidated financial statements of the Company based on facts and circumstances of each of these litigations. In this regard, determination of tax provisions and assessment of contingent liabilities involves judgment with respect to various tax positions on deductibility of transactions, interpretation of laws and regulations etc. Judgment is also required in assessing the range of possible outcomes for these matters.	In view of the significance of the matter, we applied the following key audit procedures: - Assessed the design, implementation and operating effectiveness of key controls in respect of the Group's assessment of possible outcome of tax litigations; - Involved our tax specialists and evaluated and challenged the underlying judgements used in respect of estimation of provisions, exposures and contingencies;

Sundram Fasteners Limited

The key audit matter	How the matter was addressed in our audit
The Group makes an assessment to determine the outcome of these matters and records an accrual or discloses this as a contingent liability in accordance with applicable accounting standards. Accordingly, judgement is required in assessing the level of provision or contingent liability in these matters and hence are key areas of focus in our audit.	• Considered third party advice received by the Group in past periods where applicable, status of recent and current tax assessments, outcome of previous claims, judgmental positions taken in tax returns and developments in tax environment. • Evaluated the adequacy of disclosures on tax provisions and contingent liabilities made in these financial statements.

Revenue recognition

Refer Notes 3.2 and 23 to the consolidated financial statements

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

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and

estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

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

Other matter

- a. We did not audit the financial statements of seven subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of ₹ 924.81 crores as at 31 March 2025, total revenues (before consolidation adjustments) of ₹ 594.08 crores and net cash inflows (before consolidation adjustments) amounting to ₹ 12.54 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those and the reports of the other auditors except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 and that the back-up of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis for one subsidiary.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

-
- e. On the basis of the written representations received from the directors of the Holding Company as on 1 April 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- B. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiaries, as noted in the “Other Matters” paragraph:
- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2025 on the consolidated financial position of the Group. Refer Note 36 to the consolidated financial statements.
 - b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2025.
 - c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2025.
 - d. (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 32 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 32 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The second interim dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

The first interim dividend declared and paid by the Holding Company / certain subsidiary companies during the year and until the date of this audit report is in accordance with Section 123 of the Act.

The second interim dividend declared by the Holding Company until the date of this audit report is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend. However, the said dividend was not paid on the date of this audit report.

- f. Based on our examination which included test checks and that performed by the auditor of the subsidiaries, the Holding Company and its subsidiary companies, have used accounting software for maintaining its books of account which have a feature of audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the audit trail was not enabled (i) in case of the Holding Company at the database level to log any direct data changes for the period from April 01, 2024 to August 12, 2024 and November 27, 2024 to December 15, 2024, one subsidiary for the period April 01, 2024 to August 12, 2024; (ii) in case of one subsidiary at the application level for certain fields / tables relating to all the significant processes for the period April 01, 2024 to August 12, 2024. Further, where audit trail (edit log) facility was enabled and operated throughout the year, we and the auditor of such subsidiaries did not come across any instance of audit trail feature being tampered with. Additionally for the periods audit trail was enabled and operating effectively, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

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

for B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Sampad Guha Thakurta

Partner

Membership No.: 060573

ICAI UDIN: 25060573BMOKEQ6672

Place : Chennai

Date : April 30, 2025

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Sundram Fasteners Limited for the year ended 31 March 2025

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

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO) :

Sr. No	Name of the entities	CIN	Holding Company/ Subsidiary	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Sundram Fasteners Investments Limited	U65991TN1992PLC022618	Subsidiary	Clause (i) (c)
2	TVS Upasana Limited	U65991TN1992PLC022619	Subsidiary	Clause (i) (c)
3	TVS Next Limited	U72300TN1994PLC029467	Subsidiary	Clause (ii) (b)

for B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Sampad Guha Thakurta

Partner

Place : Chennai

Date : April 30, 2025

Membership No.: 060573

ICAI UDIN: 25060573BMOKEQ6672

B S R & Co. LLP **Chartered Accountants**

KRM Tower, 1st & 2nd Floors, No. 1, Harrington Road,
Chetpet, Chennai 600 031, India
Telephone: +91 44 4608 3100
Fax: +91 44 4608 3199

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Sundram Fasteners Limited for the year ended 31 March 2025

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

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Sundram Fasteners Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of report of the other auditors on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the

safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Place : Chennai
Date : April 30, 2025

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

for B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022
Sampad Guha Thakurta
Partner
Membership No.: 060573
ICAI UDIN: 25060573BMOKEQ6672

Sundram Fasteners Limited

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2025

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

	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	5 (a)	2,146.24	2,000.52
Capital work-in-progress	5 (b)	194.86	163.86
Investment property	5 (c)	5.71	2.68
Right-of-use assets	5 (d)	95.61	89.85
Goodwill	5 (e)	3.34	3.34
Other intangible assets	5 (e)	2.53	2.93
Intangible assets under development	5 (f)	0.67	0.25
Financial assets			
- Investments	6A	114.05	130.97
- Loans	7	1.06	1.19
- Other financial assets	8	40.36	47.71
Deferred tax assets, net	18	1.22	0.58
Other tax assets, net	9	61.74	54.92
Other non-current assets	10	103.56	98.46
Total non-current assets		2,770.95	2,597.26
Current assets			
Inventories	11	1,070.19	947.77
Financial assets			
- Investments	6B	6.20	6.31
- Trade receivables	12	1,455.96	1,247.25
- Cash and cash equivalents	13 (a)	36.74	22.51
- Bank balances other than cash and cash equivalents	13 (b)	11.99	12.81
- Loans	7	0.58	0.62
- Other financial assets	8	60.09	60.07
Other tax assets, net	9	8.32	4.86
Other current assets	10	106.74	89.07
Total current assets		2,756.81	2,391.27
Total assets		5,527.76	4,988.53
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14A	21.01	21.01
Other equity		3,789.30	3,399.72
Total equity attributable to owners of the company		3,810.31	3,420.73
Non-controlling interest		22.21	20.60
Total equity		3,832.52	3,441.33
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	15	79.10	81.24
- Lease liabilities	16	21.53	13.92
- Other financial liabilities	21	2.21	5.84
Provisions	17	11.49	12.42
Deferred tax liabilities, net	18	152.31	145.63
Other tax liabilities, net	19	5.34	5.34
Total non-current liabilities		271.98	264.39
Current Liabilities			
Financial liabilities			
- Borrowings	15	717.02	546.48
- Lease liabilities	16	5.83	4.90
- Trade payables	20	70.01	88.59
-total outstanding dues of micro enterprises and small enterprises; and		435.91	450.26
-total outstanding dues of creditors other than micro enterprises and small enterprises		104.24	102.59
- Other financial liabilities	21	41.76	28.58
Other current liabilities	22	28.08	25.21
Provisions	17	20.41	36.20
Current tax liabilities, net	19	1,423.26	1,282.81
Total current liabilities		1,695.24	1,547.20
Total liabilities		5,527.76	4,988.53
Total equity and liabilities		5,527.76	4,988.53

Material accounting policies

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

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm's registration No.: 101248W/W-100022

SAMPAD GUHA THAKURTA

Partner

Membership No.: 060573

Place : Chennai

Date : April 30, 2025

ARATHI KRISHNA

Managing Director

(DIN: 00517456)

R DILIP KUMAR

Chief Financial Officer

(DIN: 00240372)

3 and 4

For and on behalf of the Board of Directors of

SUNDRAM FASTENERS LIMITED

(CIN: L35999TN1962PLC004943)

SURESH KRISHNA

Chairman

(DIN: 00046919)

ARUNDATHI KRISHNA

Joint Managing Director

(DIN: 00270935)

G ANAND BABU

Senior Manager - Finance & Company Secretary

(ACS Membership No: A19848)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

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

	Note	Year ended March 31, 2025	Year ended March 31, 2024
Income			
Revenue from operations	23	5,955.42	5,666.31
Other income	24	28.32	54.16
Total income		5,983.74	5,720.47
Expenses			
Cost of materials consumed	25	2,465.05	2,372.15
Changes in inventories of finished goods and work-in-progress	26	(111.51)	(15.33)
Employee benefits expense	27	566.12	553.72
Finance costs	28	33.55	31.99
Depreciation and amortisation expense	29	223.91	213.33
Other expenses	30	2,091.62	1,869.07
Total expenses		5,268.74	5,024.93
Profit before tax		715.00	695.54
Tax expense	18		
a) Current tax		161.78	165.38
b) Deferred tax		11.47	4.52
Total tax expense		173.25	169.90
Profit for the year		541.75	525.64
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
(i) Re-measurement losses on defined benefit liability		(1.59)	(2.34)
(ii) Fair value (loss) / gains on equity instruments		(5.76)	19.47
(iii) Income tax effect on above		7.73	(3.62)
		0.38	13.51
Items that will be reclassified to profit or loss			
(i) Exchange difference on translation of foreign operations		0.87	(9.72)
(ii) Income tax effect on above		-	-
		0.87	(9.72)
Total other comprehensive income		1.25	3.79
Total comprehensive income for the year		543.00	529.43
Net profit attributable to:			
Owners of the Company		539.10	521.68
Non-controlling interest		2.65	3.96
Total net profit		541.75	525.64
Other comprehensive income attributable to:			
Owners of the Company		1.14	3.95
Non-controlling interest		0.11	(0.16)
Total other comprehensive income		1.25	3.79
Total comprehensive income attributable to:			
Owners of the Company		540.24	525.63
Non-controlling interest		2.76	3.80
Total comprehensive income		543.00	529.43
Earnings per equity share	31		
Basic (in ₹)		25.66	24.83
Diluted (in ₹)		25.66	24.83

Material accounting policies

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

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm's registration No.: 101248W/W-100022

SAMPAD GUHA THAKURTA

Partner

Membership No.: 060573

Place : Chennai

Date : April 30, 2025

ARATHI KRISHNA

Managing Director

(DIN: 00517456)

R DILIP KUMAR

Chief Financial Officer

(DIN: 00240372)

3 and 4

For and on behalf of the Board of Directors of

SUNDRAM FASTENERS LIMITED

(CIN: L35999TN1962PLC004943)

SURESH KRISHNA

Chairman

(DIN: 00046919)

ARUNDATHI KRISHNA

Joint Managing Director

(DIN: 00270935)

G ANAND BABU

Senior Manager - Finance & Company Secretary

(ACS Membership No: A19848)

Sundram Fasteners Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

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

A. Equity share capital	Note	Amount
Balance as at April 1, 2024	14A	21.01
Changes in equity share capital due to prior period errors		-
Restated balance as at April 1, 2024		21.01
Changes in equity share capital during the year		-
Balance as at March 31, 2025		21.01
Balance as at April 1, 2023	14A	21.01
Changes in equity share capital due to prior period errors		-
Restated balance as at April 1, 2023		21.01
Changes in equity share capital during the year		-
Balance as at March 31, 2024		21.01

B. Other equity

Particulars	Attributable to owners of the company					Total other equity	Non-controlling interest	Total
	Reserves and surplus			Items of other comprehensive income				
				Items that will not be reclassified to profit and loss	Items that will be reclassified to profit and loss			
	General reserve	Special reserve	Retained earnings					
Balances as at April 1, 2024	2,644.65	0.87	610.33	80.88	62.99	3,399.72	20.60	3,420.32
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2024	2,644.65	0.87	610.33	80.88	62.99	3,399.72	20.60	3,420.32
Profit for the year	-	-	539.10	-	-	539.10	2.65	541.75
Other comprehensive income for the year	-	-	(1.30)	1.57	0.87	1.14	0.11	1.25
Total comprehensive income for the year	-	-	537.80	1.57	0.87	540.24	2.76	543.00
Transactions with owners of the Company								
Dividends (refer note 14B(a))	-	-	(150.66)	-	-	(150.66)	(1.15)	(151.81)
Total transactions with owners of the Company	-	-	(150.66)	-	-	(150.66)	(1.15)	(151.81)
Transfer from retained earnings	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-
Balance as at March 31, 2025	2,644.65	0.87	997.47	82.45	63.86	3,789.30	22.21	3,811.51
Balances as at April 1, 2023	2,444.65	0.87	410.85	65.62	72.71	2,994.70	18.36	3,013.06
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2023	2,444.65	0.87	410.85	65.62	72.71	2,994.70	18.36	3,013.06
Profit for the year	-	-	521.68	-	-	521.68	3.96	525.64
Other comprehensive income for the year	-	-	(1.59)	15.26	(9.72)	3.95	(0.16)	3.79
Total comprehensive income for the year	-	-	520.09	15.26	(9.72)	525.63	3.80	529.43
Transactions with owners of the Company								
Dividends (refer note 14B(a))	-	-	(120.61)	-	-	(120.61)	(1.56)	(122.17)
Total transactions with owners of the Company	-	-	(120.61)	-	-	(120.61)	(1.56)	(122.17)
Transfer from retained earnings	200.00	-	(200.00)	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-
Balance as at March 31, 2024	2,644.65	0.87	610.33	80.88	62.99	3,399.72	20.60	3,420.32

Material accounting policies

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

3 and 4

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

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm's registration No.: 101248W/W-100022

SAMPAD GUHA THAKURTA

Partner

Membership No.: 060573

ARATHI KRISHNA

Managing Director

(DIN: 00517456)

R DILIP KUMAR

Chief Financial Officer

(DIN: 00240372)

SURESH KRISHNA

Chairman

(DIN: 00046919)

ARUNDATHI KRISHNA

Joint Managing Director

(DIN: 00270935)

G ANAND BABU

Senior Manager - Finance & Company Secretary

(ACS Membership No: A19848)

Place : Chennai

Date : April 30, 2025

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025

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

	Note	Year ended March 31, 2025	Year ended March 31, 2024
A. Cash flows from operating activities			
Profit before tax		715.00	695.54
Adjustments for:			
Depreciation and amortisation expense	29	216.38	205.93
Amortisation of right-of-use assets	29	7.53	7.40
Unrealised foreign exchange gain, net		(0.25)	(2.76)
Mark to market loss on derivative instruments		0.03	0.19
Finance costs	28	33.55	31.99
Interest income	24	(5.67)	(4.96)
Dividend income	24	(1.06)	(0.88)
Loss on sale of property, plant and equipment, net		0.93	2.27
Gain on sale of investments in mutual funds, net	24	(0.03)	(1.78)
Fair value loss / (gain) on financial instruments at fair value through profit or loss		0.11	(2.79)
Allowance towards expected credit loss on trade receivables		4.93	0.22
Operating profit before working capital changes		971.45	930.37
Adjustments for changes in working capital:			
Increase in inventories		(118.61)	(27.94)
Increase in financial assets		(206.02)	(156.98)
Increase in other assets		(12.75)	(17.42)
(Decrease) / increase in financial liabilities		(33.00)	11.36
Increase in other liabilities and provisions		7.18	0.90
Cash generated from operating activities		608.25	740.29
Income taxes paid, net		(184.98)	(151.57)
Net cash from operating activities		423.27	588.72
B. Cash flows from investing activities			
Purchase of property, plant and equipment, investment property and other intangible assets (including capital work-in-progress, capital advances and retention payables)		(395.72)	(399.54)
Proceeds from sale of property, plant and equipment		1.90	1.57
Acquisition of investments		(231.00)	(1,868.95)
Proceeds from sale of investments		231.16	1,858.02
Bank deposits made with maturity more than 3 months but less than 12 months		-	(14.09)
Bank deposits redeemed with maturity more than 3 months but less than 12 months		4.50	30.58
Dividend received		1.06	0.75
Interest received		6.98	4.00
Net cash used in investing activities		(381.12)	(387.66)

Sundram Fasteners Limited

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

	Note	Year ended March 31, 2025	Year ended March 31, 2024
C. Cash flows from financing activities			
Principal payment of lease liabilities		(4.99)	(8.09)
Proceeds from short - term borrowings		1,544.27	467.10
Repayment of short - term borrowings		(1,327.20)	(446.81)
Proceeds from long - term borrowings		2.00	-
Repayment of long term borrowings		(55.61)	(93.58)
Dividend paid		(151.81)	(122.17)
Interest paid		(34.21)	(31.54)
Net cash used in financing activities		(27.55)	(235.09)
D. Net cash flows during the year (A+B+C)		14.60	(34.03)
E. Cash and cash equivalents at the beginning of the year		22.51	57.53
F. Effect of exchange differences on cash and cash equivalents held in foreign currency		(0.37)	(0.99)
G. Cash and cash equivalents at the end of the year (D+E+F)		36.74	22.51
		As at March 31, 2025	As at March 31, 2024
Reconciliation of the cash and cash equivalents as per the cash flow statement			
Balances with banks in current accounts	13 (a)	36.33	22.24
Deposits with original maturity of less than three months	13 (a)	0.17	0.05
Cash on hand	13 (a)	0.24	0.22
		36.74	22.51

Material accounting policies

3 and 4

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

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

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm's registration No.: 101248W/W-100022

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Joint Managing Director

(DIN: 00270935)

G ANAND BABU

Senior Manager - Finance & Company Secretary
(ACS Membership No: A19848)

Place : Chennai

Date : April 30, 2025

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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

① Corporate information

Sundram Fasteners Limited ('the Company / the parent company') is a public limited company domiciled in India, with its registered office situated at No. 98-A, VII Floor, Dr. Radhakrishnan Salai, Mylapore, Chennai 600004. The Company has been incorporated under the provisions of the Companies Act, 1956 and its equity shares are listed on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE') in India. These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as 'the Group'). The Group is primarily engaged in manufacture and sale of bolts and nuts, water pumps, sintered products, cold extruded components, hot and warm forged parts, radiator caps and other parts which have applications mainly in automobile industry.

② Basis of preparation

2.1 Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013, ('the Act') and other relevant provisions of the Act.

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

The consolidated financial statements for the year ended March 31, 2025 (including comparatives) are approved for issue by the Board on April 30, 2025.

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

2.2 Functional and presentation currency

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

2.3 Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for the following items:

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

2.4 Use of estimates and judgments

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

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 3(7) and 39: Leases - whether an arrangement contains a lease;
- Note 3(8) and 35: Financial instruments: Classification and measurement

Assumptions and estimation uncertainty

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

- Note 3(3), 3(4) and 3(5): Useful lives of property, plant and equipment, intangible assets and investment property
- Note 3(8), 3(9), 6, 12 and 35: Impairment test on financial and non-financial assets; key assumptions underlying recoverable amounts;
- Note 3(10), 3(12), 17(b), 18 and 35: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources including provision for income taxes and related contingencies
- Note 17(a): measurement of defined benefit obligation; key actuarial assumptions;

2.5 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. The inputs used to measure the fair value of assets or liabilities fall into different levels of the fair value hierarchy. Accordingly, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the low level input that is significant to the entire measurement.

Management uses various valuation techniques to determine fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management based on its assumptions on observable data as far as possible but where it not available, the management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (also refer note 35). The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.6. Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

③ Material accounting policies

These consolidated financial statements have been prepared applying material accounting policies and measurement bases summarized below.

1. Basis of consolidation

Business combinations

In accordance with Ind AS 103, the Group accounts for business combinations using the acquisition

method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured subsequently and settlement is accounted for within equity. Other contingent consideration is re-measured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Business combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where that control is not transitory are accounted for as per the pooling of interest method. The business combination is accounted for as if the business combination had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved, and they appear in the consolidated financial statements of the Group in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Consolidation procedure followed is as under:

Items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries are combined like to like basis. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

ii. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost.

iv. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transactions gain or loss) arising from intra-group transactions, are eliminated.

2. Revenue recognition

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

2.1 Sale of products:

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied

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

2.2 Revenue from rendering of services:

Revenue from rendering of services is recognized over time as services are recognised in an amount that reflects the consideration expected to be received in exchange for those services.

2.3 Interest and dividend income:

Dividend income is recognised in statement of profit and loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

2.4 Rental income:

The Group earns rental income from operating leases of its investment property (also refer note 5 (c)). Rental income from investment property is recognised in statement of profit and loss on a straight-line basis over the term of the lease.

3. Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognised as asset if, and only if it is probable that future economic benefits associated with an item will flow to the Group and cost of such item can be measured reliably.

3.1 Recognition and measurement:

Freehold land is carried at historical cost less any accumulated impairment losses. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises:

- purchase price, including import duties and non-refundable taxes on purchase (goods and service tax, value added tax), after deducting trade discounts and rebates.
- any directly attributable cost of bringing the item to its working condition for its intended use estimated costs of dismantling and removing the item and restoring the site on which it is located.
- The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain/ loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

The cost of property, plant and equipment at April 01, 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

3.2 Subsequent expenditure:

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

3.3 Depreciation:

- a. Depreciation is recognized on a straight-line basis, over useful life of buildings and other equipment as prescribed under Schedule II of Companies Act, 2013, except in respect of certain assets, where useful life is different from those prescribed under Schedule II.
- b. Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shifts) as evaluated on technical assessment and in accordance with Part A of Schedule II to the Companies Act, 2013 on a straight-line basis.
- c. The estimated useful life of the property, plant and equipment on technical assessment followed by the Group is furnished below:

Asset category	Management estimate of useful life (in years)
Buildings	3-60
Plant and machinery	8-30
Furniture and fixtures	8-10
Office equipment	3-10
Vehicles	8-10

- d. The residual value for all the above assets are retained at 5% of the cost.
- e. Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if necessary, for each reporting period.
- f. On property, plant and equipment added/ disposed off during the year, depreciation is charged on pro-rata basis for the period for which the asset was purchased and used.

4. Intangible assets and research and development expenditure

Intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

4.1 Subsequent expenditure:

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill is recognised in statement of profit and loss as incurred.

4.2 Amortisation:

Intangible assets comprising of Computer software are amortised on a straight-line basis over the estimated useful life of 3 to 5 years. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if necessary, for each reporting period. Goodwill is not amortised.

4.3 Research and development expenditure

Expenditure are mainly on research activities and the same is recognised in the statement of profit and loss as incurred.

5. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses if any.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Investment property is derecognised either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

The Group has depreciated investment property as evaluated on technical assessment and in accordance with Schedule II to the Companies Act, 2013, on a straight-line basis. Any gain or loss on disposal of an investment property is recognised in the statement of profit and loss.

The fair values of investment property is disclosed in the notes. Fair values is determined by an

independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Transfers to (or from) investment property are made only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

6. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of raw materials and stock-in-trade, cost comprises of cost of purchase. In the case of finished goods and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

7. Leases

7.1 Assets held under leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

7.2 Assets taken on lease

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative standalone prices.

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change

in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in –substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets and lease liabilities separately on the face of the balance sheet.

7.3 Short-term leases

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

7.4 Assets leased out

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Other income'.

8. Financial instruments

8.1 Recognition and initial measurement:

Trade receivables are initially recognised when they are originated. A trade receivable without a significant financing component is initially measured at the transaction price.

All other financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit and loss which are measured initially at fair value.

The 'trade payable' is in respect of the amount due on account of goods purchased in the normal course

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

of business. They are recognised at their transaction and services availed value if the transaction does not contain significant financing component.

8.2 Financial assets:

8.2.1 Classification and subsequent measurement of financial assets:

For the purpose of subsequent measurement, financial assets are classified and measured based on the entity's business model for managing financial asset and contractual cash flow characteristics of financial asset at:

- a. Those measured at amortised cost.
- b. Those to be measured at fair value through other comprehensive Income (FVTOCI) and;
- c. Those to be measured at fair value through profit and loss (FVTPL)

a. Financial assets at amortised cost

Includes assets that are held within a business model where objective is to hold financial assets to collect contractual cash flows and contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

These assets are measured subsequently at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses, if any and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

b. Financial assets at Fair Value Through Other Comprehensive Income

Includes assets that are held within a business model where objective is both collecting contractual cash flows and selling financial assets along with contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding. The Group has made an irrevocable election to present in other comprehensive income changes in fair value of an investment in an equity instrument that is not held for trading. This selection is made on an instrument-by-instrument basis.

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit and loss unless it clearly represents a recovery of part of cost of the investment. Other net gains and losses are

recognised in OCI and are not reclassified to the statement of profit and loss.

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

c. Financial assets at Fair Value Through Profit and Loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortised cost or FVTOCI. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in the statement of profit and loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance in respect of FVTPL at each reporting period is evaluated based on expected credit losses for next 12 months and credit risk exposure. The Group also measures loss allowance for financial instrument at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The allowance shall be recognised in statement of profit and loss.

8.2.2 Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness. These arrangements have been entered into to mitigate currency exchange risk arising from certain legally binding sales and purchase orders denominated in foreign currency. For the reporting periods under review, the Group has not designated any forward currency contracts as hedging instruments.

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

8.2.3 De-recognition of financial assets

A financial asset is derecognised only when;

- a. The Group has transferred the rights to receive cash flows from the financial asset or
- b. The Group retains the contractual rights to receive the cash flows of the financial asset, but expects a contractual obligation to pay the cash flows to one or more recipients.

Where entity has transferred an asset, the Group examines and assesses whether it has transferred substantially all risk and rewards of ownership of financial asset. In such cases, financial asset is derecognised. Where entity has not transferred substantially all risks and rewards of ownership of financial asset, such financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risk and rewards of ownership of the financial asset, the financial asset is derecognised, if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the same is continued to be recognised to the extent of continuing involvement in the financial asset.

8.3 Financial Liabilities

8.3.1 Classification of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss or at amortised cost. The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

8.3.2 Subsequent measurement

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

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because, the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of

Ind-AS 109 and the amount recognised less cumulative amortisation.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the statement of profit and loss are included within finance costs or finance income.

8.3.3 De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

8.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

9. Impairment

9.1 Impairment of financial instruments

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

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty;
- a breach of contract such as a default or being past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

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

Loss allowances for trade receivables are measured at amount equal to lifetime expected credit losses. Lifetime expected credit losses are credit losses resulting from all possible default events over expected life of financial instrument.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information. The Group assumes that credit risk on a financial asset has increased significantly if it is past due.

The Group considers a financial asset to be in default when:

- the recipient is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is past due.

9.1.1 Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

9.1.2 Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

9.1.3 Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

9.2 Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine recoverable amount. Such a reversal is made only to an extent that asset's carrying amount does not exceed carrying amount that would have been determined, net of depreciation/ amortisation, if no impairment loss was recognised.

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

10. Income taxes

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under *Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets*.

Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax:

Deferred tax is recognised in respect of temporary difference between carrying amount of assets and liabilities for financial reporting purposes and corresponding amounts used for tax purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has

sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised/ recognised, are reviewed at each reporting date and are recognised/ reduced to an extent that it is probable/ no longer probable respectively that related tax benefit will be realised.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by same tax authority on same taxable entity, or on different tax entities, but they intend to settle such tax liabilities and assets on net basis or its tax assets and liabilities will be realised simultaneously.

11. Post-employment benefits and short-term employee benefits

11.1 Short term employee benefit obligations:

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

11.2 Other long term employee benefit obligations:

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Group's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. Such benefit is discounted to determine its present value. The obligation is measured annually by qualified actuary using projected unit credit method.

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

Remeasurements are recognised in profit or loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

11.3 Post-employment obligation:

The Group operates the post-employment schemes comprising of defined benefit and contribution plans such as gratuity and group terminal benefit plan, provident fund contributions for its eligible employees.

11.3.1 Gratuity/ group terminal benefit plan:

The liability or asset recognised in balance sheet in respect of these defined benefit obligation is the present value of defined benefit obligation at the end of reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an Independent actuary using projected unit credit method. The present value of defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on the government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is included in employee benefit expenses in the statement of profit and loss. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in present value of the defined benefit obligation resulting from plan amendment or curtailment are recognised immediately in the statement of profit and loss.

11.3.2 Provident Fund:

The eligible employees of the Group are entitled to receive benefits in respect of provident fund, partly a defined benefit obligation and partly a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employee's salary. The provident fund contributions are made partly to employee provident fund organisation and partly to an irrevocable trust set up by the Group. The Group is liable for annual contributions and any shortfall in the fund assets based on the Government specified

minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year in which it is incurred.

12 Provisions and contingent liabilities

12.1 Provisions:

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

12.1.1 Provision for warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighing of all possible outcomes by their associated probabilities.

12.1.2 Onerous contract

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

12.2 Contingent liability:

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

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12.3 Contingent assets:

Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

13 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are considered for the effects of all dilutive potential equity shares.

14 Cash and cash equivalents and cash flow statement

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

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is appropriately classified for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short-term, highly liquid investments maturing within three months from the date of acquisition.

15 Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The Group is primarily engaged in manufacture and sale of bolts and nuts, water pumps, sintered products, cold extruded components, hot and warm forged parts, radiator caps and other parts which largely have applications primarily in automobile industry and thus the Group has only one reportable segment in products and services.

The segment information with respect to geographic segments have been provided in these consolidated financial statements.

16 Government grants

Government grants and subsidies are recognised when there is reasonable assurance that the conditions attached to them will be complied and grant/subsidy will be received. Government grants relating to income are deferred and recognized in the statement of profit and loss over the period necessary to match them with the costs that they intended to compensate and presented in other operating revenues. Grants that compensate the Group for expenses incurred are recognised in the statement of profit and loss as other operating revenue on a systematic basis in the periods in which such expenses are recognised.

17 Foreign currency transactions and foreign operations

Foreign currency transactions

In preparing consolidated financial statements, transactions in currencies other than Group's functional currency (i.e. foreign currencies) are recognised at rates of exchange prevailing on date of transactions or an average rate if average rate approximates actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at exchange rate when fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at exchange rate at the date of the transaction. Exchange differences are recognised in the statement of profit and loss.

Foreign operations

The assets and liabilities of foreign operations (subsidiaries, associates, joint arrangements, branches) including goodwill and fair value adjustments arising on acquisition, are translated into Rs., the functional currency of the Group, at the

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exchange rates at the reporting date. The income and expenses of foreign operations are translated into Rs. at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Foreign currency translation differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

18 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset

which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

④

Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Group w.e.f. April 1, 2024. The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its consolidated financial statements.

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5 (a) Property, plant and equipment

Reconciliation of carrying amount

Gross block	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Leasehold Improvement	Office equipments	Vehicles	Total
As at April 1, 2023	42.76	463.72	2,481.98	17.00	-	36.88	13.59	3,055.93
Additions	-	35.05	248.73	0.50	-	4.69	3.53	292.50
Disposals	-	(0.58)	(14.13)	(0.02)	-	(0.27)	(0.63)	(15.63)
Exchange difference on translation of foreign operations	-	(2.25)	(7.73)	0.06	-	(0.20)	(0.01)	(10.13)
As at March 31, 2024	42.76	495.94	2,708.85	17.54	-	41.10	16.48	3,322.67
Additions	-	52.03	289.93	2.00	5.87	5.99	1.99	357.81
Disposals	-	(0.00)	(8.61)	(0.05)	-	(0.63)	(0.05)	(9.34)
Exchange difference on translation of foreign operations	-	1.30	8.07	0.10	-	0.13	0.01	9.61
As at March 31, 2025	42.76	549.27	2,998.24	19.59	5.87	46.59	18.43	3,680.75

Accumulated depreciation

As at April 1, 2023	-	91.25	1,002.36	7.58	-	25.46	6.12	1,132.77
Depreciation for the year	-	17.26	179.59	1.68	-	4.09	1.82	204.44
Disposals	-	(0.46)	(10.05)	(0.01)	-	(0.23)	(0.56)	(11.31)
Exchange difference on translation of foreign operations	-	(0.62)	(3.03)	0.04	-	(0.13)	(0.01)	(3.75)
As at March 31, 2024	-	107.43	1,168.87	9.29	-	29.19	7.37	1,322.15
Depreciation for the year	-	18.43	187.84	1.76	0.37	4.21	1.86	214.47
Disposals	-	(0.00)	(5.80)	(0.04)	-	(0.57)	(0.04)	(6.45)
Exchange difference on translation of foreign operations	-	0.41	3.78	0.06	-	0.09	(0.00)	4.34
As at March 31, 2025	-	126.27	1,354.69	11.07	0.37	32.92	9.19	1,534.51

Net block

As at March 31, 2024	42.76	388.51	1,539.98	8.25	-	11.91	9.11	2,000.52
As at March 31, 2025	42.76	423.00	1,643.55	8.52	5.50	13.67	9.24	2,146.24

a) Plant and equipment includes net block of assets held by third parties amounting to ₹ 10.12 (March 31, 2024: ₹ 9.55).

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

c) Refer note 36(c) for capital commitments.

d) Freehold land pending registration: ₹ 2.56 (March 31, 2024: ₹ 2.56) (refer note 5(a)(i) below).

e) Disclosure of reconciliation between cash flows and notes

	As at March 31, 2025	As at March 31, 2024
Cash flows from investing activities		
Additions to property, plant and equipment, intangible assets, investment property and intangible assets under development	(360.49)	(290.51)
Movement in capital work-in-progress (refer note 5(b))	(31.00)	(99.47)
Movement in capital advances (refer note 10)	3.15	(23.63)
Movement in retention money payables (refer note 21)	(5.60)	9.92
Borrowing costs (refer note 28)	(15.58)	(3.93)
Other movements	13.80	8.08
Acquisition of property, plant and equipment, intangible assets, investment property and intangible assets under development	(395.72)	(399.54)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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5 (a)(i) Title deeds of Immovable property not held in the name of the group

The title deeds of all the immovable properties (other than properties where the group is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the group except as disclosed below:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Date since which the property is being held	Reason for not being held in the name of the group
Property, plant and equipment	Freehold land	0.05	J Ashwini Kumar	No	2-Dec-04	Refer note below
Investment property	Freehold land	2.51	M/s. UFL Properties Limited	No (also refer note 37)	13-Feb-02	Refer note below

Note:

The registration of the freehold land in the name of the Group is pending. However, full consideration has been paid to the seller with possession of these properties available with the Group.

5 (b) Capital work-in-progress (CWIP)

CWIP	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
As at April 01, 2023	-	27.25	37.14	-	-	-	64.39
Additions	-	41.80	338.25	0.27	0.11	-	380.43
Capitalised during the year	-	(34.94)	(246.02)	-	-	-	(280.96)
As at March 31, 2024	-	34.11	129.37	0.27	0.11	-	163.86
Additions	-	30.70	337.03	0.99	6.39	-	375.11
Capitalised during the year	-	(52.03)	(284.96)	(1.17)	(5.95)	-	(344.11)
As at March 31, 2025	-	12.78	181.44	0.09	0.55	-	194.86

5 (b)(i) Ageing details

As at March 31, 2025

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	154.65	37.65	2.56	-	194.86
Projects temporarily suspended	-	-	-	-	-
Total	154.65	37.65	2.56	-	194.86

As at March 31, 2024

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	146.03	10.35	2.79	4.69	163.86
Projects temporarily suspended	-	-	-	-	-
Total	146.03	10.35	2.79	4.69	163.86

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

5 (b)(ii) Capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

There are no projects as on March 31, 2025 and March 31, 2024, where the costs have exceeded the original plan approved by the Board of Directors.

The following table summarises projects whose completion is overdue alongwith expected completion schedule for such projects.

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025					
Projects in progress					
Projects at MWC and Sricity plants	147.05	-	-	-	147.05
Civil work at Autolec plants	8.12	-	-	-	8.12
SQF, furnace and endo Generator	0.69	-	-	-	0.69
Others	11.91	-	-	-	11.91
Projects temporarily suspended	-	-	-	-	-
Total	167.77	-	-	-	167.77

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024					
Projects in progress					
EV project at MWC and Sricity plants	48.48	-	-	-	48.48
Expansion projects at Wind Energy Fasteners plant	35.97	-	-	-	35.97
Furnace installation at Madurai plant	9.12	-	-	-	9.12
Automated material handling system at Padi plant	5.12	-	-	-	5.12
BEV project at Sricity	4.36	-	-	-	4.36
Compaction boundary at Uttarakhand plant	1.58	-	-	-	1.58
Others	8.69	-	-	-	8.69
Projects temporarily suspended	-	-	-	-	-
Total	113.32	-	-	-	113.32

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

5 (c) Investment property

Reconciliation of carrying amount

Gross block	Land	Building	Total
As at April 1, 2023	2.68	0.05	2.73
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2024	2.68	0.05	2.73
Additions	-	3.09	3.09
Disposals	-	-	-
As at March 31, 2025	2.68	3.14	5.82

Accumulated depreciation

As at April 1, 2023	-	0.05	0.05
Depreciation for the year	-	-	-
Disposals	-	-	-
As at March 31, 2024	-	0.05	0.05
Depreciation for the year	-	0.06	0.06
Disposals	-	-	-
As at March 31, 2025	-	0.11	0.11

Net block

As at March 31, 2024	2.68	-	2.68
As at March 31, 2025	2.68	3.03	5.71

Notes:

1. Amounts recognised in profit or loss

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Rental income from the investment property	0.26	0.11
Less: Expenses that contribute to the rental income (including repairs and maintenance)	-	-
Profit before depreciation	0.26	0.11
Less: Depreciation	(0.06)	-
Profit	0.20	0.11

2. Fair value hierarchy and valuation technique

The fair value of investment properties amounted to ₹ 11.01 (March 31, 2024 : ₹ 6.71). These disclosures are based on external information available with the Group including valuation reports obtained from an independent valuer specialised in valuing these types of investment properties and registered as a valuer as defined under Rule 2 of the Companies (registered valuers and valuation) Rules, 2017. The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

3. The Group has no restrictions on the realisability of its investment property.

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

5 (d) Right-of-use assets

Reconciliation of carrying amount

Gross block	Land under long term lease	Buildings (including land)	Total
As at April 1, 2023	78.68	46.52	125.20
Additions	0.11	0.86	0.97
Derecognition	-	-	-
Exchange difference on translation of foreign operations	(0.53)	-	(0.53)
As at March 31, 2024	78.26	47.38	125.64
Additions	0.03	13.03	13.06
Derecognition	-	(22.77)	(22.77)
Other adjustments (lease modification)	-	-	-
Exchange difference on translation of foreign operations	0.29	-	0.29
As at March 31, 2025	78.58	37.64	116.22
Accumulated amortisation			
As at April 1, 2023	4.25	24.19	28.44
Amortisation	1.01	6.39	7.40
Derecognition	-	-	-
Exchange difference on translation of foreign operations	(0.06)	0.01	(0.05)
As at March 31, 2024	5.20	30.59	35.79
Amortisation	1.01	6.52	7.53
Derecognition	-	(22.77)	(22.77)
Exchange difference on translation of foreign operations	0.04	0.02	0.06
As at March 31, 2025	6.25	14.36	20.61
Net block			
As at March 31, 2024	73.06	16.79	89.85
As at March 31, 2025	72.33	23.28	95.61

5 (e) Goodwill and Other intangible assets

Gross block	Goodwill	Other intangible assets - Software	Total
As at April 1, 2023	3.34	8.08	11.42
Additions	-	1.45	1.45
Exchange difference on translation of foreign operations	-	(0.06)	(0.06)
As at March 31, 2024	3.34	9.47	12.81
Additions	-	1.44	1.44
Exchange difference on translation of foreign operations	-	0.04	0.04
As at March 31, 2025	3.34	10.95	14.29

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

5 (e) Goodwill and Other intangible assets (Contd.)

Gross block	Goodwill	Other intangible assets - Software	Total
Accumulated amortisation			
As at April 1, 2023	-	5.10	5.10
Amortisation for the year	-	1.49	1.49
Exchange difference on translation of foreign operations	-	(0.05)	(0.05)
As at March 31, 2024	-	6.54	6.54
Amortisation for the year	-	1.85	1.85
Exchange difference on translation of foreign operations	-	0.03	0.03
As at March 31, 2025	-	8.42	8.42
Net block			
As at March 31, 2024	3.34	2.93	6.27
As at March 31, 2025	3.34	2.53	5.87

The goodwill had arisen in an earlier year pursuant to amalgamation of its then step down subsidiary TVS Next Private Limited with TVS Next Limited. Such goodwill arising from acquisition of step down subsidiary from a third party is being subjected to annual impairment testing by the Group. Based on such assessment performed, there were no impairment indicators identified during the year ended March 31, 2025 and March 31, 2024.

5 (f) Intangible assets under development (IAUD)

Particulars	Software	Total
As at April 1, 2023	0.55	0.55
Additions	0.49	0.49
Capitalised during the year	(0.79)	(0.79)
As at March 31, 2024	0.25	0.25
Additions	0.67	0.67
Capitalised during the year	(0.25)	(0.25)
As at March 31, 2025	0.67	0.67

5 (f)(i) Ageing details

As at March 31, 2025

IAUD	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.67	-	-	-	0.67
Projects temporarily suspended	-	-	-	-	-
Total	0.67	-	-	-	0.67

As at March 31, 2024

IAUD	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.25	-	-	-	0.25
Projects temporarily suspended	-	-	-	-	-
Total	0.25	-	-	-	0.25

The Group does not have any IAUD which is overdue or has exceeded its cost compared to its original plan other than for one project as per original plan, the overall cost of the project was assessed to be ₹ 0.50. However the same was subject to reassessment and the budgets were revised to INR 0.70. The project whose completion is overdue is expected to be completed in less than one year.

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

	As at March 31, 2025	As at March 31, 2024
6A Non-current Investments		
I) Investments measured at fair value through other comprehensive income		
Investments in equity instruments		
(i) Quoted		
a) 1,31,000 (March 31, 2024: 1,31,000) fully paid equity shares of ₹ 1/- (March 31, 2024: ₹ 1/-) each in HDFC Bank Limited, Mumbai	23.95	18.97
b) 20,439 (March 31, 2024: 20,439) fully paid equity shares of ₹ 10/- each in IDBI Bank Limited, Mumbai	0.16	0.17
c) 6,188 (March 31, 2024: 6,188) fully paid equity shares of ₹ 5/- each in India Nippon Electricals Limited, Chennai	0.37	0.47
d) 7,800 (March 31, 2024: 7,800) fully paid equity shares of ₹ 10/- each in Sundaram Brake Linings Limited, Chennai	0.57	0.59
	25.05	20.20
(ii) Unquoted		
a) 1,25,000 (March 31, 2024: 1,25,000) equity shares of ₹ 10/- each in Madras Engineering Industries Private Limited, Chennai	62.06	72.78
b) 2,777 (March 31, 2024: 2,777) equity shares of ₹ 10/- each in Ki Mobility Solutions Private Limited, Chennai	14.22	14.22
	76.28	87.00
Total of (I)	101.33	107.20
II) Investments measured at cost		
(A) Investment in venture capital fund		
a) 168 units (March 31, 2024: 168 units) of ₹ 100/- each in the ICICI Emerging Sectors Fund, Bengaluru **	0.00	0.00
(B) Other investments		
a) 35 (March 31, 2024: 35) equity shares of ₹ 100/- each (₹ 65/- paid up) in The Adyar Property Holding Co. Limited aggregating to ₹ 2,275/- **	0.00	0.00
b) Capital Contribution in PGSD engineering LLP, New Delhi **	0.00	0.00
Total of (II)	0.00	0.00
III) Investments measured at amortised cost		
Investments in equity instruments		
Unquoted		
(i) Power generation companies*		
a) 12,935 (March 31, 2024: 12,935) Class A equity shares of ₹ 10/- each and 2,84,169 (March 31, 2024: 2,84,169) Class B equity shares of ₹ 10/- each in PPS Enviro Power Private Limited., Hyderabad, less impairment loss of ₹ 1.19 (March 31, 2024: ₹ 1.19)	-	-
b) 23,85,762 (March 31, 2024: 23,85,762) equity shares of ₹ 10/- each in Clarion Wind Farm Private Limited, Chennai	2.39	2.39
c) 12,28,233 (March 31, 2024: 12,28,233) equity shares of ₹ 10/- each in Beta Wind Farm Private Limited, Chennai	2.33	2.33
d) 6,42,306 (March 31, 2024: 6,42,306) equity shares of ₹ 10/- each in Watsun Infra Build Private Limited, Ahmedabad	0.63	0.63

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

	As at March 31, 2025	As at March 31, 2024
6A Non-current Investments (Contd.)		
e) Nil (March 31, 2024: 1,40,000) equity shares of ₹ 10/- each in MMS Steel and Power Private Limited, Chennai	-	0.14
f) 31,000 (March 31, 2024: 31,000) equity shares of ₹ 10/- each in Clean Switch India Private Limited, Hyderabad	0.03	0.03
g) 28,80,000 (March 31, 2024: 28,80,000) equity shares of ₹ 10/- each in First Energy TN 1 Private Limited, Pune	1.43	2.77
h) 47,40,000 (March 31, 2024: 47,40,000) equity shares of ₹ 1/- each in First Energy TN4 Private Limited, Chennai	1.69	4.74
i) 17,51,000 (March 31, 2024: 17,51,000) equity shares of ₹ 1/- each in First Energy 6 Private Limited, Chennai	0.62	1.75
j) 84,44,500 (March 31, 2024: 84,44,500) equity shares of ₹ 10/- each in First Energy 5 Private Limited, Chennai	3.05	8.44
k) 55,000 (March 31, 2024: 55,000) Class B equity shares of ₹ 10/- each in Clean Switch India Private Limited, Hyderabad	0.06	0.06
l) 4,85,574 (March 31, 2024: 4,85,574) Class B equity shares of ₹ 10/- each in Gamma Green Power Private Limited, Chennai	0.49	0.49
*The right to sell / transfer these shares are subject to terms and conditions of respective shareholder agreement.		
Total of (III)	12.72	23.77
Total of (I+II+III)	114.05	130.97
6B Current Investments		
I) Investments measured at fair value through statement of profit or loss		
Investments in equity instruments		
Quoted		
a) 1,320 (March 31, 2024: 1,320) equity shares of ₹ 1/- each fully paid up in State Bank of India	0.10	0.10
b) 1 (March 31, 2024: 1) equity share of ₹ 5/- each fully paid up in Maruti Suzuki India Limited, New Delhi **	0.00	0.00
c) 1,000 (March 31, 2024: 1,000) equity shares of ₹ 2/- each, fully paid up in Sterling Tools Limited	0.03	0.03
d) 83 (March 31, 2024: 83) equity shares of ₹ 10/- each, fully paid up in Lakshmi Precision Screws Limited **	0.00	0.00
e) 500 (March 31, 2024: 500) equity shares of ₹ 2/- each, fully paid up in Simmonds-Marshall Limited **	0.01	0.00
f) 50 (March 31, 2024: 50) equity shares of ₹ 2/- each, fully paid up in Bharat Forge Limited	0.01	0.01
g) 13,900 (March 31, 2024: 13,900) equity shares of ₹ 10/- each, fully paid up in Sundaram Brake Linings Limited	1.02	0.94

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

	As at March 31, 2025	As at March 31, 2024
6B Current Investments (Contd.)		
h) 1,994 (March 31, 2024: 1,994) equity shares of ₹ 5/- each, fully paid up in Sundaram Clayton Limited	0.44	0.28
i) 1,994 (March 31, 2024: 1,994) equity shares of ₹ 5/- each, fully paid up in TVS Holdings Limited (formerly known as Sundaram Clayton Limited)	1.71	1.63
j) 1,994 (March 31, 2024: 1,994) equity shares of ₹ 5/- each, fully paid up in ZF Commercial Vehicle Control Systems India (formerly known as WABCO-INDIA Limited)	2.59	3.03
k) 2,952 (March 31, 2024: 2,952) equity shares of ₹ 10/- each, fully paid up in India Motor Parts and Accessories Limited	0.29	0.29
Total of (I)	6.20	6.31
II) Unquoted		
a) 231 (March 31, 2024: 231) non convertible 0.1% redeemable preference shares of ₹ 10/- each, fully paid up in Sundaram Clayton Limited **	0.00	0.00
Total of (II)	0.00	0.00
Total of (I+II)	6.20	6.31
** Amount less than ₹ 0.01		
Aggregate amount of quoted investments and market value thereof	31.25	26.51
Aggregate value of unquoted investments	89.00	110.77
Aggregate amount of impairment in value of investments	1.19	1.19

	As at March 31, 2025		As at March 31, 2024	
	Non-current	Current	Non-current	Current
7 Loans				
(Unsecured considered good, unless otherwise stated)				
Loans to employees	1.06	0.58	1.19	0.62
	1.06	0.58	1.19	0.62

The Group's exposure to credit risk and market risk are disclosed in note 35.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

	As at March 31, 2025		As at March 31, 2024	
	Non-current	Current	Non-current	Current
8 Other financial assets				
(Unsecured considered good, unless otherwise stated)				
Security deposits	40.35	1.73	47.71	1.91
Advances recoverable	-	-	-	0.01
Deposit with bank having original maturity more than 12 months	-	27.03	-	30.49
Claims receivable	-	29.27	-	24.87
Other receivables*	0.01	2.06	0.00	2.79
	40.36	60.09	47.71	60.07

*Amount less than ₹ 0.01

The Group's exposure to credit risk and market risk are disclosed in note 35.

	As at March 31, 2025		As at March 31, 2024	
	Non-current	Current	Non-current	Current
9 Other tax assets, net				
Advance income tax, net of provision	61.74	8.32	54.92	4.86
	61.74	8.32	54.92	4.86
10 Other assets				
Prepaid expenses	10.57	22.60	1.10	23.21
Capital advance	61.15	-	64.30	-
Balance with statutory / government authorities	31.84	13.64	33.06	20.04
Export incentives and other receivables	-	21.99	-	21.02
Advances to suppliers	-	48.51	-	24.80
	103.56	106.74	98.46	89.07

	As at March 31, 2025	As at March 31, 2024
11 Inventories		
(Valued at lower of cost and net realisable value)		
Raw materials and components (includes goods in transit of ₹ 8.77 (March 31, 2024 : ₹ 22.52))	273.52	273.23
Work-in-progress	287.20	239.38
Finished goods	414.94	348.34
Stores and spares	34.04	33.59
Loose tools	60.49	53.23
	1,070.19	947.77

Notes:

- For the carrying value of inventories pledged as securities for borrowings, refer note 15.
- Inventories of finished goods have been reduced by ₹ 25.70 (31 March 2024: ₹ 25.21) as a result of the write-down to net realisable value. (including allowance towards slow-moving and non-moving inventories).
- The write-downs and reversals are included in changes in inventories of finished goods.

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

	As at March 31, 2025	As at March 31, 2024
12 Trade receivables		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,462.90	1,249.88
Trade receivables which have significant increase in credit risk	-	-
Trade receivables credit impaired	-	2.24
Total trade receivables	1,462.90	1,252.12
Loss allowance		
Less: Loss allowance	(6.94)	(4.87)
Net trade receivables	1,455.96	1,247.25
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties (refer note 37)	50.23	27.23
Loss allowance	-	-
	50.23	27.23
Movement in loss allowance of trade receivables		
Opening balance	4.87	4.62
Amount written off	(2.86)	-
Loss allowance	4.93	0.22
Exchange difference on translation of foreign operations	-	0.03
Closing balance	6.94	4.87

The Group's exposure to credit risks and loss allowance related to trade receivables are disclosed in note 35.

12(a) Ageing schedule

As at March 31, 2025

Particulars	Outstanding for following periods from the due date of payment							Total
	Unbilled Dues	Not Due	Less than 6 months 6 months	-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables								
(i) Considered good	9.34	1,079.96	341.84	28.85	0.15	2.16	0.60	1,462.90
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-
Disputed Trade receivables								
(i) Considered good	-	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-
Total	9.34	1,079.96	341.84	28.85	0.15	2.16	0.60	1,462.90
Less: Loss allowance on trade receivables								(6.94)
Total trade receivables								1,455.96

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

As at March 31, 2024

Particulars	Outstanding for following periods from the due date of payment							Total
	Unbilled Dues	Not Due	Less than 6 months 6 months	1-2 years -1 year	2-3 years	More than 3 years		
Undisputed Trade receivables								
(i) Considered good	7.05	900.13	309.17	22.54	5.82	3.35	1.82	1,249.88
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	2.24	2.24
Disputed Trade receivables								
(i) Considered good	-	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-
Total	7.05	900.13	309.17	22.54	5.82	3.35	4.06	1,252.12
Less: Loss allowance on trade receivables								(4.87)
Total trade receivables								1,247.25

13 (a) Cash and cash equivalents

Balances with banks

Balances with banks in current accounts

Deposits with original maturity of less than three months

Cash on hand

	As at March 31, 2025	As at March 31, 2024
	36.33	22.24
	0.17	0.05
	0.24	0.22
	36.74	22.51
	3.85	3.99
	8.14	8.82
	11.99	12.81

The Group's exposure to credit risk and market risk are disclosed in note 35.

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

		As at March 31, 2025	As at March 31, 2024	
14 Share capital and other equity				
A Share capital				
Authorised				
25,00,00,000 (March 31, 2024: 25,00,00,000) equity shares of ₹ 1/- each		25.00	25.00	
Issued, subscribed and fully paid-up				
21,01,28,370 (March 31, 2024: 21,01,28,370) equity shares of ₹ 1/- each fully paid-up		21.01	21.01	
		21.01	21.01	

	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period				
Equity shares				
At the commencement and end of the year	21,01,28,370	21.01	21,01,28,370	21.01
b) Shares held by holding / ultimate holding company/associates				
Equity shares				
Equity shares of ₹ 1/- each fully paid up held by TVS Sundram Fasteners Private Limited, Chennai	9,83,19,780	9.83	10,16,15,280	10.16
	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% holding	No. of shares	% holding
c) Particulars of shareholders holding more than 5% of the aggregate shares in the Company				
Equity shares of ₹ 1/- each fully paidup held by				
TVS Sundram Fasteners Private Limited, Chennai	9,83,19,780	46.79%	10,16,15,280	48.36%
SBI Funds Management Limited	1,22,19,226	5.82%	11,13,734	0.53%
Amansa Holdings Private Limited	1,08,12,902	5.15%	1,10,50,511	5.26%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

14 Share capital and other equity (Contd.)**d) Shares held by promoters at the end of the year****As at March 31, 2025**

Promoter name	No. of shares	% of total shares	% of change during the year
TVS Sundram Fasteners Private Limited, Chennai	9,83,19,780	46.79%	(1.57%)
Sri Suresh Krishna	36,040	0.02%	-
Smt Usha Krishna	74,613	0.04%	-
Ms Arathi Krishna	47,040	0.02%	-
Ms Arundathi Krishna	51,840	0.02%	-
Suresh Krishna HUF	6,400	0.00%	-
UFL Properties Private Limited	100,174	0.05%	-
Lakshminarayana Ancillaries Private Limited	9,656	0.00%	-

As at March 31, 2024

Promoter name	No. of shares	% of total shares	% of change during the year
TVS Sundram Fasteners Private Limited, Chennai	10,16,15,280	48.36%	-
Sri Suresh Krishna	36,040	0.02%	-
Smt Usha Krishna	74,613	0.04%	-
Ms Arathi Krishna	47,040	0.02%	-
Ms Arundathi Krishna	51,840	0.02%	-
Suresh Krishna HUF	6,400	0.00%	-
UFL Properties Private Limited	100,174	0.05%	-
Lakshminarayana Ancillaries Private Limited	9,656	0.00%	-

e) Rights, preferences and restrictions**Equity shares**

The Company has only one class of equity shares having a par value of ₹ 1/- per share. Each holder of equity share is entitled to one vote per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The Company declares and pays dividends in Indian Rupees. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- f) There are no bonus shares or buy-back of shares or shares issued for consideration other than cash during a period of five years immediately preceding financial year ended March 31, 2025 and March 31, 2024.

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

14 Share capital and other equity (Contd.)

g) Capital management

The Group's capital management objectives is to ensure adequate return to the shareholder by maintaining the optimal capital structure. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. It sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

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

The Group's net debt to adjusted equity ratio i.e. capital gearing ratio was as follows:

		As at March 31, 2025	As at March 31, 2024
Total debt (bank and other borrowings) (refer note 15)		796.12	627.72
Cash and cash equivalents (refer note 13)		(36.74)	(22.51)
Net debt	A	759.38	605.21
Total Equity attributable to equity holders of the parent		3,810.31	3,420.73
Total equity	B	3,810.31	3,420.73
Net debt to equity	C = (A/B)*100	19.93%	17.69%

B Other equity

a) Dividends

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

	Year ended March 31, 2025	Year ended March 31, 2024
Attributable to Owners of the Company		
First interim dividend of ₹ 3.00/- (March 31, 2024: ₹ 2.68/-) per equity share for the respective years	63.04	56.31
	63.04	56.31
Attributable to Non-controlling interests		
Dividend of ₹ 35/- (March 31, 2024: ₹ 40/-) per equity share declared by subsidiary Sundram Non-Conventional Energy Systems Limited	0.82	0.90
Dividend of ₹ 0.34/- (March 31, 2024: ₹ 0.68/-) per equity share declared by subsidiary TVS Next Limited	0.33	0.66
	1.15	1.56
	64.19	57.87

- b) After the reporting dates the following interim dividend was declared by the directors; this dividend has not been recognised as a liability.

	Year ended March 31, 2025	Year ended March 31, 2024
Second Interim dividend of ₹ 4.20/- (March 31, 2024: ₹ 4.17) per equity share	88.25	87.62
	88.25	87.62

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

14 Share capital and other equity (Contd.)**c) Nature and purpose of reserves****(i) General reserve**

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

(ii) Special reserve

Special reserve has been created out of the profits of Sundram Fasteners Investments Limited, wholly owned subsidiary of the Company in order to comply with certain statutory provisions.

C Analysis of items of OCI (net of tax)**a) Fair valuation of equity instruments**

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the equity till the same is derecognised or disposed off.

b) Exchange difference on translation of foreign operations

This comprises of exchange differences arising from translation of financial statements/financial information of foreign operations.

	As at March 31, 2025		As at March 31, 2024	
	Non-current	Current	Non-current	Current
15 Borrowings				
Financial liabilities at amortised cost				
a) Secured				
Term loans from banks (refer note (i) below)	85.99	54.67	94.81	88.40
Working capital facility from banks (refer note (ii) below)	-	138.46	-	150.18
	85.99	193.13	94.81	238.58
Current maturities of long term borrowings	(6.89)	6.89	(13.57)	13.57
	79.10	200.02	81.24	252.15
b) Unsecured				
Term loan from banks (refer note (i) below)	-	-	41.71	-
Working capital facility from bank (refer note (ii) below)	-	517.00	-	252.62
	-	517.00	41.71	252.62
Current maturities of long term borrowings	-	-	(41.71)	41.71
	-	517.00	-	294.33
Total	79.10	717.02	81.24	546.48

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

15 Borrowings (Contd.)

(i) Term loan from banks include

Secured

- (a) An outstanding term loan from a bank amounting to ₹ 14.54 (March 31, 2024: ₹ 28.12) carrying interest rates ranging from 8.30% to 10.50% (March 31, 2024: 7.50% to 10.50%) p.a. The loans are secured by exclusive mortgage on the factory land and building at SIPCOT, Oragadam-Vallam, first pari pasu charge on movable fixed assets of one of the Group company and corporate guarantee given by the holding company. One of the group company has availed a Guaranteed Emergency Credit Line (GECL) from a bank with a principal repayment moratorium period of 12 months, which is secured by guarantee from NCGTC Ministry of Finance, Government of India and second charge on current assets.
- (b) An outstanding term loan from a bank amounting to RMB 106 million, being equivalent to ₹ 124.44 (March 31, 2024: RMB 137 million, being equivalent to ₹ 157.28) is secured by land use right, factory buildings, plant and equipments relating to the business for which the loan has been taken and repayable over next 2 years. The interest rate is linked to Base Rate + agreed spread per annum.

Unsecured

- (c) The Holding company had availed External Commercial Borrowing (ECB) loan from a bank amounting to USD 15 million, repayable over 3 equal yearly instalments of USD 5 million each commencing from July 2021. This loan was unsecured and its interest rate was linked to LIBOR + agreed spread p.a.. The loan was repaid in full during the year ended March 31, 2024.
- (d) The Holding company had availed another External Commercial Borrowing (ECB) loan from a bank amounting to USD 15 million, repayable over 3 equal yearly instalments of USD 5 million each commencing from August 2022. This loan is unsecured and its interest rate is linked to SOFR + agreed spread p.a. This loan was repaid in full in the current year (March 31, 2024: USD 5 million, equivalent to ₹ 41.71).

(ii) Working capital loan from banks include

Secured

- (a) The Holding company has various working capital facilities aggregating to ₹ 189.51 (March 31, 2024: ₹ 109.33) outstanding carrying interest rate of 7.80% to 9.30% p.a. (March 31, 2024: 9.30 % p.a) These facilities are repayable on demand, partly secured by pari-passu first charge on current assets viz., stocks of raw materials, work-in-progress and finished goods.
- (b) The outstanding working capital facility amounting to ₹ 24.82 (March 31, 2024: ₹ 22.92) carrying interest rates ranging between 5.86% to 8.74% p.a. (March 31, 2024: 5.15% - 10.55% p.a.). The facilities are repayable on demand and secured by hypothecation of current assets consisting of receivables, raw materials, work-in-progress and finished goods of one of the Group company and corporate guarantee given by the holding Company.
- (c) One of the group company has availed term loans aggregating to ₹ 2.00 from a bank during the current year, carrying interest rates based on MCLR rates in the range of 9.20% to 9.25%, whereby the principal amount of the loan is repayable over 12 equal quarterly instalment of ₹ 0.17, in addition to interest. The loan is secured by way of a charge against the movable fixed assets of the group company. Further, they have availed various working capital facilities from banks amounting to ₹ 2.48 carrying interest rates based on MCLR rates in the range of 9.20% to 9.25% (March 31, 2024: 9.20% to 9.65%). The facilities are repayable on demand and is secured by current assets of the group company.
- (d) The outstanding working capital facilities of GBP 2.86 million equivalent to ₹ 31.65 (March 31, 2024: GBP 2.90 million equivalent to ₹ 30.22) carrying interest rate being base rate + agreed spread per annum and repayable during the next year. These are secured by fixed and floating charges over all the assets and undertaking including all present and future freehold and leasehold property, book and other debts, chattels and goodwill and uncalled capital, both present and future.

Unsecured

- (e) Preshipment packing credit loan is availed in ₹ amounting to ₹ 407.00 (March 31, 2024: ₹ 225.00). The loan is unsecured, is repayable within 360 days and carries interest in the range of 7.68 % to 8.20 % (March 31, 2024: 5.58% to 5.77% per annum)
 - (f) One of the group company had availed working capital facility comprising of export packing credit, from a bank, aggregating to ₹ 11 during the year ended March 31, 2024. The loan is unsecured, is repayable within 270 days or expiry of the contract, whichever is earlier and carries interest rate of 6.20% p.a.
- The Group's exposure to liquidity, interest rate and currency risk related to borrowings are disclosed in note 35.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

15 Borrowings (Contd.)

(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities

	As at March 31, 2025	As at March 31, 2024
Other equity (including non-controlling interest)	3,811.52	3,420.32
Current borrowings	710.13	491.20
Non-current borrowings	85.99	136.52
Lease liabilities	27.36	18.83
	4,635.00	4,066.87

Particulars	Liabilities from financing activities				Total
	Other equity (including non- controlling interest)	Current borrowings	Non- current borrowings	Lease liabilities	
Balance as at April 01, 2024	3,420.32	491.20	136.52	18.83	4,066.87
Proceeds from short-term borrowings	-	1,544.27	-	-	1,544.27
Repayment of short-term borrowings	-	(1,327.20)	-	-	(1,327.20)
Proceeds from long-term borrowings	-	-	2.00	-	2.00
Repayment of long-term borrowings	-	-	(55.61)	-	(55.61)
Dividend paid	(151.81)	-	-	-	(151.81)
Payment of lease liabilities	-	-	-	(4.99)	(4.99)
Interest paid	-	(28.90)	(3.12)	(2.19)	(34.21)
Total changes from financing cash flows	(151.81)	188.17	(56.73)	(7.18)	(27.55)
New leases	-	-	-	13.06	13.06
Other movements	-	2.52	3.08	0.46	6.06
Interest expense	-	28.24	3.12	2.19	33.55
Equity related	543.01	-	-	-	543.01
Balance as at March 31, 2025	3,811.52	710.13	85.99	27.36	4,635.00
Balance as at April 01, 2023	3,013.06	471.61	234.41	24.26	3,743.35
Payment of lease liabilities	-	-	-	(8.09)	(8.09)
Proceeds from short-term borrowings	-	467.10	-	-	467.10
Repayment of short-term borrowings	-	(446.81)	-	-	(446.81)
Repayment of long-term borrowings	-	-	(93.58)	-	(93.58)
Dividend paid	(122.17)	-	-	-	(122.17)
Interest paid	-	(21.22)	(8.81)	(1.51)	(31.54)
Total changes from financing cash flows	(122.17)	(0.93)	(102.39)	(9.60)	(235.09)
New leases	-	-	-	0.87	0.87
Other movements	-	(1.15)	(4.31)	1.79	(3.67)
Interest expense	-	21.67	8.81	1.51	31.99
Equity related	529.43	-	-	-	529.43
Balance as at March 31, 2024	3,420.32	491.20	136.52	18.83	4,066.87

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

15 Borrowings (Contd.)

Note

- a) Term loans were applied for the purpose for which they were obtained. Further, short term loans availed have not been utilised for long term purposes by the Group.
- b) The Quarterly returns or statements of current assets filed by the entities within the group, as applicable for the sanctioned working capital limits with banks or financial institutions are in agreement with the books of accounts for the year ended March 31, 2025 and March 31, 2024 except as mentioned below in one of the Group company:

Quarter end	Particulars	Amount as per books of account	Amount as per quarterly statement	Reason for differences	Whether subsequently rectified?
Q1	Book debts	21.06	20.45	Differences arising is on account of adjustments made in connection with book closure process.	No
Q2	Book debts	27.17	25.73		No

- c) None of the entities incorporated in India within the Group have been declared as wilful defaulter by any bank or financial institution or government or any government authority.

16 Lease liabilities

Lease liabilities (also refer note 39)

As at March 31, 2025		As at March 31, 2024	
Non-current	Current	Non-current	Current
21.53	5.83	13.92	4.90
21.53	5.83	13.92	4.90

17 Provisions

Provision for employee benefits
 Provision for gratuity *
 Provision for compensated absences
 Provision for others

As at March 31, 2025		As at March 31, 2024	
Non-current	Current	Non-current	Current
4.94	11.42	5.15	8.75
6.55	2.75	7.27	2.19
-	13.91	-	14.27
11.49	28.08	12.42	25.21

* also includes provision towards group terminal benefits

a) Provision for employee benefits

Defined benefit plans:

The Group operates post-employment defined benefit plans comprising of gratuity plan, group terminal benefit plan and an exempted provident fund managed through trust. The post employment benefit in the form of gratuity is managed and administered by Life Insurance Corporation of India. The provident fund contributions to trust are managed through trust investments. The group terminal benefit plan is made available to certain class of employees and the same is unfunded. The Group obtains, wherever applicable, an actuarial valuation from an independent actuary using projected unit credit method to determine the liability as at the reporting date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

17 Provisions (Contd.)

The post-employment defined benefit plans operated by the Group are as follows:

i) Gratuity

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Gratuity.

The Group, for its applicable companies, has its defined benefit gratuity plan as per the Payment of Gratuity Act, 1972. Under this legislation, employee who has completed five years of service is entitled to specific benefit. The level of benefit provided depends on the employee's length of service and salary at retirement/ termination age. The gratuity plan is a funded plan and the Group makes its contributions to a recognised fund in India.

The Group expects to pay ₹ 9.07 in contributions to its defined benefit plans in 2025-26.

Based on actuarial valuation obtained, the following table sets out the amounts recognised in the Group's financial statements as at balance sheet date:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Amount recognised in statement of profit and loss	5.59	4.95
Amount recognised in other comprehensive income	1.24	2.24
Total expense	6.83	7.19
Net employee benefit expense		
Recognised in statement of profit and loss		
Current service cost	4.89	4.36
Interest cost on benefit obligation	0.70	0.59
Amount recognised in statement of profit and loss	5.59	4.95
Recognised in other comprehensive income		
Actuarial loss arising from change in financial assumptions	1.35	0.71
Actuarial (gain) / loss arising from experience adjustments	(0.11)	1.53
Amount recognised in other comprehensive income	1.24	2.24
The following table sets out the defined obligation and funded status including that relating to its related entities:		
	As at March 31, 2025	As at March 31, 2024
Net defined obligation		
Present value of defined benefit obligation	73.77	67.41
Fair value of plan assets	(59.32)	(55.18)
	14.45	12.23
Changes in present value of the defined benefit obligation are as follows:		
Balance at the beginning of the year	67.41	61.53
Interest cost	4.67	4.38
Current service cost	4.89	4.36
Benefits paid	(4.80)	(5.09)
Actuarial loss on obligation	1.60	2.23
Balance at the end of the year	73.77	67.41

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

17 Provisions (Contd.)

	As at March 31, 2025	As at March 31, 2024
Changes in the fair value of plan assets are as follows:		
Balance at the beginning of the year	55.18	52.38
Expected return on plan assets	3.97	3.78
Actuarial gain / (loss) on asset	0.36	(0.01)
Contribution made by the employer	4.08	3.93
Benefits paid	(4.27)	(4.90)
Balance at the end of the year	59.32	55.18
Plan assets comprises of :		
% of Investment with insurer	100.00	100.00
Principal actuarial assumptions used		
Discount rate	6.50% - 6.70%	7.20%
Salary escalation rate	7.00% - 10.00%	7.00%
Attrition rate	9.00% - 37.00%	12.00%
Classification		
- Current	10.87	8.18
- Non-current	3.58	4.05

Sensitivities

	Year ended March 31, 2025		Year ended March 31, 2024	
	Increase	Decrease	Increase	Decrease
A - Discount rate				
> Sensitivity level	0.50% to 1.00%	0.50% to 1.00%	0.50% to 1.00%	0.50% to 1.00%
> Impact on defined benefit obligation	(3.23)	2.79	(2.67)	2.91
B - Salary escalation rate				
> Sensitivity level	0.50% to 1.00%	0.50% to 1.00%	0.50% to 1.00%	0.50% to 1.00%
> Impact on defined benefit obligation	2.58	(2.24)	2.32	(2.17)
C - Attrition rate				
> Sensitivity level	0.50% to 1.00%	0.50% to 1.00%	0.50% to 1.00%	0.50% to 1.00%
> Impact on defined benefit obligation	0.03	0.14	0.04	(0.05)

The weighted-average duration of the defined benefit obligation is 2.90 years to 5.49 years (March 31, 2024: 3.88 years to 5.47 years).

ii) Group terminal benefit

Group terminal benefit relates to post employment benefit paid to certain class of employees upon their retirement/death. The level of benefit provided depends on the employee's length of service at retirement/termination age. The following table sets out the status of the group terminal benefit plan and the amounts recognised in the Company's financial statements as at balance sheet date:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

17 Provisions (Contd.)

	Year ended March 31, 2025	Year ended March 31, 2024
Net employee benefit expense		
Recognised in statement of profit and loss		
Current service cost	0.10	0.11
Interest cost on benefit obligation	0.11	0.10
Amount recognised in statement of profit and loss	0.21	0.21
Recognised in other comprehensive income		
Actuarial loss arising from change in financial assumptions	0.04	0.01
Actuarial loss arising from experience adjustments	0.31	0.09
Amount recognised in other comprehensive income	0.35	0.10
Changes in present value of the defined benefit obligation are as follows:	As at March 31, 2025	As at March 31, 2024
Defined benefit obligation at the beginning of the year	1.67	1.55
Interest cost	0.11	0.11
Current service cost	0.10	0.11
Benefits paid	(0.32)	(0.20)
Actuarial loss on obligation	0.35	0.10
Defined benefit obligation at the end of the year	1.91	1.67
Principal actuarial assumptions used		
Discount rate	6.60%	7.20%
Attrition rate	12.00%	12.00%
Remaining working lives for selected class of employees (in year)	5.15	5.13
Classification		
- Current	0.55	0.57
- Non-current	1.36	1.10

Note: The impact on defined benefit obligation, if any arising from change in underlying assumptions are not considered as significant and accordingly, sensitivities have not been presented.

All the above figures are aggregation of actuarial valuation report obtained with respect to the Company and the applicable domestic subsidiaries.

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

17 Provisions (Contd.)

iii) Provident fund

All eligible employees of the Group are entitled to receive benefits under provident fund, a defined contribution plan in which both the employee and employer (at a determined rate) contribute monthly. The Group also contributes as specified under the law, in case of certain class of employees, to a provident fund trust set up and to respective Regional Provident Fund Commissioner. The contribution to Provident Fund, where set up as a trust, is liable for future provident fund benefits to the extent of its annual contribution and any shortfall in fund assets based on government specified minimum rates of return relating to current period service and recognizes such contributions and shortfall, if any as an expense in the year incurred. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest. Such contributions made into the fund and to the regional provident fund commissioner during the year are recognized as an expense in the statement of profit and loss.

	As at March 31, 2025	As at March 31, 2024
Principal actuarial assumptions used		
Discount rate	6.60%	7.20%
Interest rate declared by EPFO	8.25%	8.25%
Remaining working lives (in years)	6.54	6.80

iv) Compensated absences

The Group's net obligation in respect of compensated absences is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method.

	Year ended March 31, 2025	Year ended March 31, 2024
Recognised in statement of profit and loss:		
Current service cost	1.09	1.29
Interest cost on benefit obligation	0.65	0.60
Net actuarial gain recognised	(1.06)	(0.24)
	0.68	1.65

	As at March 31, 2025	As at March 31, 2024
Principal actuarial assumptions used:		
Discount rate	6.60% - 6.90%	7.20% - 7.50%
Salary escalation rate	7.00% - 10.00%	7.00% - 10.00%
Attrition rate	1.00% - 12.00%	1.00% - 12.00%

b) Provision for others (refer note below)

Movement of Provisions for others as follows:

	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	14.27	15.06
Reversal made during the year, net	(0.36)	(0.79)
Balance at the end of the year	13.91	14.27

Note: Provision for others primarily includes provision made towards statutory liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

	Year ended March 31, 2025	Year ended March 31, 2024
18 Income tax		
A Amounts recognised in statement of profit and loss		
Current tax (a)		
Current period	175.02	170.29
Tax relating to earlier years	(13.24)	(4.91)
	161.78	165.38
Deferred tax (b)		
Attributable to - origination and reversal of temporary differences	11.47	4.52
Tax expense (a) + (b)	173.25	169.90

B Income tax recognised in other comprehensive income

Particulars	As at March 31, 2025			As at March 31, 2024		
	Amount	Tax (expense) / benefit	Net of tax	Amount	Tax (expense) / benefit	Net of tax
Items that will not be reclassified to profit or loss						
Fair value gain on equity instruments	(5.76)	7.33	1.57	19.47	(4.21)	15.26
Re-measurement gain on defined benefit plans	(1.59)	0.40	(1.19)	(2.34)	0.59	(1.75)
Total	(7.35)	7.73	0.38	17.13	(3.62)	13.51

C Reconciliation of effective tax rate

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	%	Amount	%	Amount
Profit before tax		715.00		695.54
Tax using the Company's domestic tax rate	25.17%	179.95	25.17%	175.07
Effect of:				
- CSR expenditure disallowance	0.45%	3.21	0.41%	2.84
- Tax relating to earlier years	(1.85%)	(13.24)	(0.71%)	(4.94)
- Others	0.47%	3.33	(0.44%)	(3.07)
Effective tax rate / tax expense	24.23%	173.25	24.43%	169.90

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

18 Income tax (Contd.)

D Recognised deferred tax assets and liabilities

(a) Deferred tax liabilities, net

Deferred tax assets and liabilities are attributable to the following:

Particulars	Deferred tax assets		Deferred tax liabilities		Net deferred tax (assets) / liabilities	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Property, plant and equipment, intangible assets and investment property	-	-	137.41	131.58	137.41	131.58
Investments measured at fair value through OCI	-	-	10.98	18.31	10.98	18.31
Provision for employee benefits	(3.10)	(2.51)	-	-	(3.10)	(2.51)
Others	-	-	8.61	2.14	8.61	2.14
	(3.10)	(2.51)	157.00	152.03	153.90	149.52
Minimum alternative tax	(1.59)	(3.89)	-	-	(1.59)	(3.89)
	(4.69)	(6.40)	157.00	152.03	152.31	145.63

Movement in temporary differences for the year ended March 31, 2025

Particulars	Balance as at April 1, 2024	Recognised in profit and loss during 2024-25	Recognised in OCI during 2024-25	Other adjustments	Balance as at March 31, 2025
Property, plant and equipment, intangible assets and investment property	131.58	5.83	-	-	137.41
Investments measured at fair value through OCI	18.31	-	(7.33)	-	10.98
Provision for employee benefits	(2.51)	(0.07)	(0.52)	-	(3.10)
Others	2.14	6.47	-	-	8.61
	149.52	12.23	(7.85)	-	153.90
Minimum alternative tax	(3.89)	-	-	2.30	(1.59)
	145.63	12.23	(7.85)	2.30	152.31

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

18 Income tax (Contd.)**Movement in temporary differences for the year ended March 31, 2024**

Particulars	Balance as at April 1, 2023	Recognised in profit and loss during 2023-24	Recognised in OCI during 2023-24	Other adjustments	Balance as at March 31, 2024
Property, plant and equipment, intangible assets and investment property	132.73	(1.15)	-	-	131.58
Investments measured at fair value through OCI	14.10	-	4.21	-	18.31
Provision for employee benefits	(1.79)	(0.29)	(0.43)	-	(2.51)
Others	(4.04)	6.25	(0.01)	(0.04)	2.14
	141.00	4.81	3.77	(0.04)	149.52
Minimum alternative tax	(4.17)	0.23	-	0.05	(3.89)
	136.83	5.04	3.77	0.01	145.63

(b) Deferred tax assets, net

Deferred tax assets and liabilities are attributable to the following:

Particulars	Deferred tax assets		Deferred tax liabilities		Net deferred tax (assets) / liabilities	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Property, plant and equipment and intangible assets	-	-	0.61	0.65	0.61	0.65
Provision for employee benefits	(0.80)	(0.80)	-	-	(0.80)	(0.80)
Others	(1.03)	(0.43)	-	-	(1.03)	(0.43)
	(1.83)	(1.23)	0.61	0.65	(1.22)	(0.58)

Movement in temporary differences for the year ended March 31, 2025

Particulars	Balance as at April 1, 2024	Recognised in profit and loss during 2024-25	Recognised in OCI during 2024-25	Other adjustments	Balance as at March 31, 2025
Property, plant and equipment and intangible assets	0.65	(0.04)	-	-	0.61
Provision for employee benefits	(0.80)	(0.12)	0.12	-	(0.80)
Others	(0.43)	(0.60)	-	-	(1.03)
	(0.58)	(0.76)	0.12	-	(1.22)

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

18 Income tax (Contd.)

Movement in temporary differences for the year ended March 31, 2024

Particulars	Balance as at April 1, 2023	Recognised in profit and loss during 2023-24	Recognised in OCI during 2023-24	Other adjustments	Balance as at March 31, 2024
Property, plant and equipment, intangible assets	0.74	(0.09)	-	-	0.65
Provision for employee benefits	(0.49)	(0.15)	(0.16)	-	(0.80)
Others	(0.37)	(0.05)	-	(0.01)	(0.43)
	(0.12)	(0.29)	(0.16)	(0.01)	(0.58)

E Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future long term capital gain will be available against which the company can use the benefits therefrom:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Long term capital loss *	10.02	2.52	7.08	1.78

* The long term capital loss amount to ₹ 2.94 expires in assessment year 2032-33 and ₹ 7.08 in assessment year 2031-32.

F As at the reporting dates, there was a deferred tax liability in respect of temporary differences related to investments in subsidiaries. However, this liability was not recognised because the Group controls the dividend policy of its subsidiaries — i.e., the Group controls the timing of reversal of the related taxable temporary differences and management is satisfied that they will not reverse in the foreseeable future.

19 Other tax liabilities, net

Provision for taxation, net of advance income tax

	As at March 31, 2025		As at March 31, 2024	
	Non-current	Current	Non-current	Current
	5.34	20.41	5.34	36.20
	5.34	20.41	5.34	36.20

20 Trade payables

Total outstanding dues of micro enterprises and small enterprises

Total outstanding dues of creditors other than micro enterprises and small enterprises

Of the above, trade payables to related parties (refer note 37)

	-	70.01	-	88.59
	-	435.91	-	450.26
	-	505.92	-	538.85
	-	0.64	-	0.08

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

20 Trade payables (Contd.)

Disclosure required under Section 22 of The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006

- The principal amount due thereon remaining unpaid to any supplier at the end of each accounting year and the amount of interest due thereon remaining unpaid to any supplier at the end of each accounting year
- The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year
- The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006
- The amount of interest accrued and remaining unpaid at the end of the accounting year and
- The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

	As at March 31, 2025	As at March 31, 2024
	70.01	88.59
	-	-
	-	-
	-	-
	-	-
	70.01	88.59

The above disclosures are provided by the group based on the information available with the group in respect of the registration status of its vendors/suppliers.

The Group's exposure to currency risks and liquidity risk related to trade payables are disclosed in note 35.

20(a) Ageing schedule

As at March 31, 2025

Particulars	Outstanding for following periods from the due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
(i) MSME	-	66.05	3.96	-	-	-	70.01
(ii) Others	101.90	164.10	161.48	6.61	0.34	1.48	435.91
Disputed dues							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
Total	101.90	230.15	165.44	6.61	0.34	1.48	505.92

As at March 31, 2024

Particulars	Outstanding for following periods from the due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
(i) MSME	-	79.50	9.05	0.03	0.01	-	88.59
(ii) Others	102.35	234.16	107.91	2.84	0.88	2.12	450.26
Disputed dues							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
Total	102.35	313.66	116.96	2.87	0.89	2.12	538.85

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

21 Other financial liabilities	As at March 31, 2025		As at March 31, 2024	
	Non-current	Current	Non-current	Current
Financial liabilities at amortised cost				
Derivative liabilities	-	0.22	-	0.19
Interest accrued but not due on borrowings	1.33	0.15	-	0.70
Liability towards supplier bills discounted	-	22.36	-	15.56
Unclaimed dividend (refer note 13)	-	3.85	-	3.99
Employee benefits payable	-	46.99	-	44.84
Retention money	-	5.20	3.48	7.32
Other payables*	0.88	25.47	2.36	29.99
	2.21	104.24	5.84	102.59

* includes managerial commission of ₹ 12.00 (March 31, 2024 : ₹ 10.30) (also refer note 37)

The Group's exposure to currency risks and liquidity risk related to other financial liabilities are disclosed in note 35.

22 Other current liabilities	As at March 31, 2025	As at March 31, 2024
Advance from customers	3.69	7.22
Statutory dues	38.07	21.36
	41.76	28.58

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

	Year ended March 31, 2025	Year ended March 31, 2024
23 Revenue from operations		
(a) Sale of products	5,704.20	5,419.06
(b) Sale of services	71.59	74.12
(c) Other operating revenue (refer note (i) below)	179.63	173.13
	5,955.42	5,666.31
Note:		
(i) Other operating revenue		
(i) Scrap sales	117.78	115.15
(ii) Export incentives	14.54	14.10
(iii) Others	47.31	43.88
	179.63	173.13
(ii) Disaggregation of revenue from contracts with customers		
In the following disclosure, revenue from contract with customers have been disaggregated based on type of revenue and customer markets		
a) Sale of products		
(i) Domestic (including retail sales)	3,890.60	3,719.47
(ii) Exports	1,813.60	1,699.59
	5,704.20	5,419.06
b) Sale of services	71.59	74.12
c) Scrap sales	117.78	115.15
d) Total revenue from contracts with customers (a+b+c)	5,893.57	5,608.33
e) Other operating revenues		
- Export incentives	14.54	14.10
- Others	47.31	43.88
Total other operating revenue (e)	61.85	57.98
Total revenue from operations (d + e)	5,955.42	5,666.31
(iii) Contract balances		
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers, as applicable		
Receivables which are included in trade receivables (refer note 12)	1,455.96	1,247.25
Contract liabilities - Advance from customers (refer note 22)	3.69	7.22
(iv) Reconciliation of revenue recognised with contract price		
Revenue as per contracted price	5,864.61	5,504.85
Adjusted for:		
Rebates, discounts, commission, etc.,	(160.41)	(85.80)
Total revenue from contract with customers	5,704.20	5,419.06
(v) Remaining performance obligation as at March 31, 2025 or at March 31, 2024 have an original expected duration of one year or less, as allowed by Ind AS 115		
(vi) Invoices are issued according to contractual terms which is specific to each customers which is usually payable within 45 to 120 days		

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

	Year ended March 31, 2025	Year ended March 31, 2024
24 Other income		
Interest income on financial assets at amortised costs		
- bank deposits	0.12	2.08
- others	5.55	2.88
Net foreign exchange gain	4.94	9.14
Dividend income	1.06	0.88
Fair value gain on financial instruments at fair value through profit or loss	-	2.79
Gain on sale of investments	0.03	1.78
Insurance claims	1.16	22.58
Other non-operating income	15.46	12.03
	28.32	54.16
25 Cost of materials consumed		
Opening stock of raw materials and components	273.23	269.03
Add: Purchases during the year	2,465.34	2,376.35
Less: Closing stock of raw materials and components	273.52	273.23
	2,465.05	2,372.15
26 Changes in inventories of finished goods and work-in-progress		
A) Opening inventory:		
Work-in-progress	239.38	236.50
Finished goods	348.34	337.97
Exchange rate fluctuation on account of foreign currency translation	2.53	(1.95)
	590.25	572.52
B) Closing inventory:		
Work-in-progress	287.20	239.38
Finished goods	414.94	348.34
Exchange rate fluctuation on account of foreign currency translation	(0.38)	0.13
	701.76	587.85
C) Increase / Decrease in inventories		
Work-in-progress	47.82	2.88
Finished goods	66.60	10.37
Exchange rate fluctuation on account of foreign currency translation	(2.91)	2.08
Total (A-B)	(111.51)	(15.33)
27 Employee benefits expense		
Salaries and wages	480.56	476.80
Expenses related to post-employment benefit plan (refer note 17)	5.80	5.16
Contribution to provident and other funds (refer note below)	28.70	27.67
Staff welfare expenses	51.06	44.09
	566.12	553.72

Note:

The amount recognised as expense towards provident fund contribution have been disclosed under "Contribution to provident and other funds".

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

	Year ended March 31, 2025	Year ended March 31, 2024
28 Finance costs		
Interest expense		
- on financial liabilities measured at amortised cost	43.52	31.48
- on lease liabilities	2.19	1.51
- others	2.92	2.17
Exchange differences regarded as an adjustment to borrowing cost	0.43	0.68
Other borrowing costs	0.07	0.08
Less: Borrowing costs capitalised (refer note below)	(15.58)	(3.93)
	33.55	31.99
Note: The Capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group being 7.65% - per annum (March 31, 2024: 6.04% - 9.00% per annum)		
29 Depreciation and amortisation expense		
Depreciation on property, plant and equipment (refer note 5(a))	214.47	204.44
Depreciation on investment property (refer note 5(c))	0.06	-
Depreciation on right-of-use assets (refer note 5(d) and note 39)	7.53	7.40
Amortisation on goodwill and intangible assets (refer note 5(e))	1.85	1.49
	223.91	213.33
30 Other expenses		
Consumption of stores, tools and spares	663.64	588.45
Power and fuel	287.18	259.12
Rent (refer note 39)	16.44	13.13
Rates and taxes	5.44	4.13
Repairs and maintenance		
- buildings	58.86	50.54
- plant and equipment	74.21	71.56
- others	11.36	10.21
Sub-contract expenses	610.15	551.84
Auditor's remuneration (refer note below)	2.03	2.03
Foreign exchange loss	0.12	0.19
Expenditure on corporate social responsibility (refer note 33)	12.76	11.30
Freight and cartage outward	167.62	146.88
Loss on sale of property, plant and equipment	0.93	2.27
Loss allowance on trade receivables	4.93	0.22
Miscellaneous expenses (Under this head there are no expenditure which is in excess of 1% of revenue from operations)	175.95	157.20
	2,091.62	1,869.07
Note:		
Auditor's remuneration*		
As auditor		
Statutory audit	1.19	1.38
Tax audit	0.08	0.07
Limited review of quarterly results	0.35	0.39
Others including certification	0.31	0.10
In other capacity		
Taxation matters	-	0.01
Other services	0.03	0.01
Reimbursement of expenses	0.07	0.07
	2.03	2.03

* Includes of payments made to auditors of subsidiaries

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

		Year ended March 31, 2025	Year ended March 31, 2024
31 Earnings per equity share (EPS)			
Net profit attributable to owners of the parent	(A)	539.10	521.68
Weighted average number of equity shares outstanding as at reporting date	(B)	210,128,370	210,128,370
Basic earnings per share (in ₹)	(A/B)	25.66	24.83

Diluted earnings per share

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

32 Other statutory information

- The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- The Group has not traded or invested in Crypto currency or virtual currency during the financial year.
- The Group has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to any persons or entities, including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period except the following:

Chargeholder Name	Registrar location	Period of delay*	As at March 31, 2025	As at March 31, 2024
Government of Tamilnadu*	Chennai	-	2.80	2.80

* The Company is awaiting for No-objection certificate from concerned chargeholders for filing the requisite satisfaction of charges with ROC since April 2014.

- Transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 are as follows:-

Name of the struck off company and nature of transaction	Relationship with the struck-off company	As at March 31, 2025	As at March 31, 2024
Scanstar Inspection Technology Private Limited - Payable for purchase of goods	Third party supplier	-	0.10
Rvee Business Solution Private Limited - Payable for purchase of goods	Third party supplier	-	0.01

* Amount less than ₹ 0.01

- The group has not revalued it's property, plant and equipment (including right-of-use assets) and intangible assets.
- The Group has complied with the number of layers prescribed under the Companies Act, 2013.
- The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

	Year ended March 31, 2025	Year ended March 31, 2024
33 Expenditure on corporate social responsibility (CSR) #		
a) Amount required to be spent by the Company during the year	12.73	11.30
b) Amount approved by the Board to be spent during the year	13.02	11.34
c) Amount spent during the year (in cash):		
(i) Construction / acquisition of asset	-	-
(ii) On purposes other than (i) above		
a) Education	7.70	4.59
b) Healthcare	0.58	2.87
c) Mental health education	2.45	1.83
d) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art	-	2.06
e) Others	2.25	-
	12.98	11.35
d) Shortfall at the end of the year	-	-
e) Total of previous years shortfall	-	-
f) Reason for shortfall	NA	NA
g) Details of related party transactions	Refer note 3 below	Refer note 3 below
h) The movements in the provision for unspent CSR (relating to ongoing project) is as follows:		
Opening balance	-	0.29
Amount required to be spent during the year	-	-
Amount spent during the year	-	0.29
Closing balance	-	-

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

34 Details of unspent obligations:

Note 1

Details of ongoing project and other than ongoing project

In case of Section 135(5) of the Companies Act (Ongoing project)			
Opening balance as at April 01, 2024 in separate CSR Unspent account	Amount required to be spent during the year	Amount spent during the year from CSR Unspent account	Closing balance as at March 31, 2025 in separate CSR unspent account
-	-	-	-

In case of Section 135(5) of the Companies Act (Ongoing project)			
Opening balance as at April 01, 2023 in separate CSR Unspent account	Amount required to be spent during the year	Amount spent during the year from CSR Unspent account	Closing balance as at March 31, 2024 in separate CSR unspent account
0.29	-	0.29	-

Note 2

Details of excess amount spent:

In case of Section 135(5) of the Companies Act (Other than Ongoing project)			
Opening balance as at April 01, 2024	Amount required to be spent during the year	Amount spent during the year from the Company's bank account	Closing balance as at March 31, 2025
0.04	0.47	0.68	0.25

In case of Section 135(5) of the Companies Act (Other than Ongoing project)			
Opening balance as at April 01, 2023	Amount required to be spent during the year	Amount spent during the year from the Company's bank account	Closing balance as at March 31, 2024
-	0.32	0.36	0.04

Note 3 : The above expenditure includes contribution of ₹ 1.85 (March 31, 2024 - ₹ 1.70) to Krishna Educational Society, over which the Group has significant influence (also refer note 37).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

35 Financial instruments - fair values and risk management

A Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

Particulars	Note	March 31, 2025				March 31, 2024			
		FVTPL	FVOCI	Amortised cost	Total	FVTPL	FVOCI	Amortised cost	Total
Financial assets									
Investments	6A & 6B	6.20	101.33	12.72	120.25	6.31	107.20	23.77	137.28
Loans	7	-	-	1.64	1.64	-	-	1.81	1.81
Security deposits	8	-	-	42.09	42.09	-	-	49.62	49.62
Advances recoverable	8	-	-	-	-	-	-	0.01	0.01
Deposit with bank having original maturity more than 12 months	8	-	-	27.03	27.03	-	-	30.49	30.49
Other financial assets	8	-	-	2.06	2.06	-	-	2.79	2.79
Claims receivable	8	-	-	29.27	29.27	-	-	24.87	24.87
Trade receivables	12	-	-	1,455.96	1,455.96	-	-	1,247.25	1,247.25
Cash and cash equivalents	13 (a)	-	-	36.74	36.74	-	-	22.51	22.51
Bank balance other than cash and cash equivalents	13 (a)	-	-	11.99	11.99	-	-	12.81	12.81
Total financial assets		6.20	101.33	1,619.50	1,727.03	6.31	107.20	1,415.93	1,529.44
Financial liabilities									
Borrowings and interest thereon	15 & 21	-	-	797.61	797.61	-	-	629.46	629.46
Trade payables	20	-	-	505.92	505.92	-	-	538.85	538.85
Derivative liabilities	21	0.22	-	-	0.22	0.19	-	-	0.19
Retention Money	21	-	-	5.20	5.20	-	-	10.80	10.80
Liability towards supplier bills discounted	21	-	-	22.36	22.36	-	-	15.56	15.56
Unclaimed dividend	21	-	-	3.85	3.85	-	-	3.99	3.99
Employee benefits payable	21	-	-	46.99	46.99	-	-	44.84	44.84
Other payables	21	-	-	26.35	26.35	-	-	31.30	31.30
Total financial liabilities		0.22	-	1,408.28	1,408.50	0.19	-	1,274.80	1,274.99

Fair value measurement hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

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

B Accounting classification and fair values (Contd.)

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

Particulars	Note	March 31, 2025				March 31, 2024			
		Carrying amount	Fair value			Carrying amount	Fair value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets									
Investments	6A & 6B	120.25	31.25	-	76.28	137.28	26.51	-	87.00
Loans #	7	1.64	-	-	-	1.81	-	-	-
Security deposits #	8	42.09	-	-	-	49.62	-	-	-
Advances recoverable #	8	-	-	-	-	0.01	-	-	-
Deposit with bank having original maturity more than 12 months #	8	27.03	-	-	-	30.49	-	-	-
Other financial assets #	8	2.06	-	-	-	2.79	-	-	-
Claims receivable #	8	29.27	-	-	-	24.87	-	-	-
Trade receivables #	12	1,455.96	-	-	-	1,247.25	-	-	-
Cash and cash equivalents #	13 (a)	36.74	-	-	-	22.51	-	-	-
Bank balance other than cash and cash equivalents #	13 (a)	11.99	-	-	-	12.81	-	-	-
Total financial assets		1,727.03	31.25	-	76.28	1,529.44	26.51	-	87.00
Financial liabilities									
Borrowings and interest thereon	15 & 21	797.61	-	-	-	629.46	-	-	-
Trade payables #	20	505.92	-	-	-	538.85	-	-	-
Derivative liabilities	21	0.22	-	0.22	-	0.19	-	-	-
Liability towards supplier bills discounted #	21	22.36	-	-	-	15.56	-	-	-
Unclaimed dividend #	21	3.85	-	-	-	3.99	-	-	-
Retention Money #	21	5.20	-	-	-	10.80	-	-	-
Employee benefits payable #	21	46.99	-	-	-	44.84	-	-	-
Other payables #	21	26.35	-	-	-	31.30	-	-	-
Total financial liabilities		1,408.50	-	0.22	-	1,274.99	-	-	-

For those financial assets and liabilities, which are not carried at its fair value, disclosure of fair value is not required as the carrying amounts approximates the fair values.

Reconciliation of Level 3 fair values	Amount
Balance as at April 1, 2023	67.74
Investments disposed during the year	1.14
Gains included in Statement of profit and loss	20.40
Balance as at March 31, 2024	87.00
Loss included in Statement of profit and loss	(10.72)
Balance as at March 31, 2025	76.28

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

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

Measurement of fair values

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in balance sheet including the related valuation techniques used:

Type	Valuation technique used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investments	Market comparison technique: The valuation model is based on market multiple derived from quoted prices of companies comparable to the investee and the expected EBITDA of the investee. The estimate is adjusted for the effect of non-marketability of the equity securities.	- EBITDA margin - Adjusted market multiple - Adjustment for non-marketability of equity securities	The estimated fair value would increase/ (decrease) if: - EBITDA margin were higher/ (lower) - Adjusted market multiple were higher/ (lower) - Adjustment for non-marketability of equity securities were lower/ (higher)
Derivative liabilities	Market comparison technique: The fair value is determined using quoted forward exchange rates at the reporting dates based on information obtained from respective bankers.	Not applicable	Not applicable

C Financial risk management

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

- Market risk
- Credit risk
- Liquidity risk

Financial risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Group's risk management policies. The Group's senior management advises on financial risks and the appropriate financial risk governance framework for the Group.

The Group's risk management policies established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Group's principal financial liabilities, other than derivatives, comprise of borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support the operations of its group companies. The Group's principal financial assets include loans, trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments, such as foreign exchange forward contracts to hedge foreign currency risk exposure. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

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

The sources of risks which the Group is exposed to and their management is given below:

a) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings. The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings, import of raw materials and spare parts, capital expenditure, export sales and the Group's net investments in foreign subsidiaries.

Currency risk (or foreign exchange risk) arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of Ind AS, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

The Group manages its foreign currency risk by hedging transactions through forward contracts, for the repayment of short and long term borrowings and payables arising out of procurement of raw materials and other components. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure.

Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated at the closing rate. Unhedged foreign currency risk exposure at the end of the reporting year has been expressed in *Rupees*.

	Short-term exposure				Long-term exposure			
	USD	GBP	EUR and others	Total	USD	GBP	EUR and others	Total
March 31, 2025								
Financial assets	321.69	6.49	96.35	424.53	-	-	-	-
Financial liabilities	(10.02)	-	(11.29)	(21.31)	0.09	9.82	-	9.91
	311.67	6.49	85.06	403.22	0.09	9.82	-	9.91
March 31, 2024								
Financial assets	406.01	11.69	97.40	515.10	-	-	-	-
Financial liabilities	(48.50)	(0.84)	(12.56)	(61.90)	-	-	-	-
	357.51	10.85	84.84	453.20	-	-	-	-

Foreign currency sensitivity

The following table illustrates the sensitivity of profit and equity with respect to the Group's financial assets and financial liabilities in relation to the fluctuation in the respective currency with 'all other things being equal'. If the Indian Rupee had strengthened/weakened against respective currencies by 5% and GBP or USD by 5% during the year ended March 31, 2025 (March 31, 2024: 5%), then this would have had the following impact on profit before tax and equity:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

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

The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date.

	Strengthening		Weakening	
	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2024
Increase / (decrease) in profit and equity				
USD	(15.59)	(17.88)	15.59	17.88
GBP	(0.82)	(0.54)	0.82	0.54
EUR and others	(4.25)	(4.24)	4.25	4.24
	(20.66)	(22.66)	20.66	22.66

Derivative instruments

The Group holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposure arising from receipt of collections from export customers and payment of import vendors. The counterparties of these contracts are generally banks. These derivative financial instruments are determined using quoted forward exchange rates at the reporting dates based on information obtained from respective bankers.

	Year ended March 31, 2025		Year ended March 31, 2024	
	Less than 180 days	More than 180 days	Less than 180 days	More than 180 days
<i>Receivables</i>				
Forward exchange contracts maturing				
Net exposure	77.04	-	75.11	-
Average ₹ / USD forward contract rate	85.60	-	83.45	-
Net exposure	5.76	-	-	-
Average ₹ / EUR forward contract rate	95.94	-	-	-
<i>Payables</i>				
Forward exchange contracts maturing				
Net exposure	13.00	-	-	-
Average ₹ / USD forward contract rate	86.70	-	-	-
Net exposure	0.88	-	-	-
Average ₹ / EUR forward contract rate	90.73	-	-	-
Net exposure	0.31	-	-	-
Average ₹ / GBP forward contract rate	110.05	-	-	-

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The Group has 15% (March 31, 2024: 3%) of its borrowings at a fixed rate of interest.

Interest rate exposure

Particulars	Floating rate instruments	Fixed rate instruments	Total
Financial assets	-	42.09	42.09
Financial liabilities	(694.12)	(102.00)	(796.12)
As at March 31, 2025	(694.12)	(59.91)	(754.04)

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

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

Particulars	Floating rate instruments	Fixed rate instruments	Total
Financial assets	-	49.62	49.62
Financial liabilities	(608.72)	(19.00)	(627.72)
As at March 31, 2024	(608.72)	30.62	(578.12)

Interest rate sensitivity

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% for the year ended March 31, 2025 and March 31, 2024. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

Impact in statement of profit and loss		As at March 31, 2025	As at March 31, 2024
Increase	+1%	6.94	6.09
Decrease	-1%	(6.94)	(6.09)

Impact in equity		As at March 31, 2025	As at March 31, 2024
Increase	+1%	5.21	4.57
Decrease	-1%	(5.21)	(4.57)

The Group does not expect any change in interest rates on fixed rate borrowings and accordingly have not presented any sensitivities on such borrowings. The Group does not expect any significant impact of changes in the market interest rates.

iii) Equity price risk

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

	As at March 31, 2025	As at March 31, 2024
At the reporting date, the exposure to listed and unlisted equity securities at fair value through profit and loss	6.20	6.31
At the reporting date, the exposure to listed and unlisted equity securities at fair value through OCI	101.33	107.20

Sensitivity analysis – Equity price risk

The following table illustrates the sensitivity of profit and equity to a reasonably possible changes in equity price of +/- 5% for the year ended March 31, 2025 and March 31, 2024. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a changes in the equity price for each period, and the financial instruments held at each reporting date that are sensitive to changes in equity price. All other variables are held constant

Impact in profit and loss account		As at March 31, 2025	As at March 31, 2024
Increase	+5%	0.31	0.32
Decrease	-5%	(0.31)	(0.32)

Impact in other comprehensive income		As at March 31, 2025	As at March 31, 2024
Increase	+5%	5.07	5.36
Decrease	-5%	(5.07)	(5.36)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

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

Impact in equity		As at	As at
		March 31, 2025	March 31, 2024
Increase	+5%	4.03	4.26
Decrease	-5%	(4.03)	(4.26)

b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including, foreign exchange transactions and other financial instruments.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Group's trade receivables, certain loans and advances and other financial assets. The Group enters into long term contracts with its customers whereby it mitigates the risk exposure on high risk customers. Further, none of the customers contributes to more than 10% of the Group's total revenues as continuous efforts are made in expanding its customer base. Outstanding customer receivables are regularly monitored and reviewed by the Audit committee periodically.

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

Particulars	Reference	Carrying amount	
		As at March 31, 2025	As at March 31, 2024
Trade receivables	(i)	1,455.96	1,247.25
Investments	(ii)	120.25	137.28
Loans	(iii)	1.64	1.81
Cash and cash equivalents	(iv)	36.74	22.51
Bank balances other than cash and cash equivalents	(iv)	11.99	12.81
Deposit with bank having original maturity more than 12 months	(iv)	27.03	30.49
Security deposits	(v)	42.09	49.62
Claims receivable	(v)	29.27	24.87
Other financial assets	(v)	2.06	2.79
Total		1,727.03	1,529.44

(i) Trade receivables (including unbilled revenue)

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including end-user customers, their geographic location, industry, trading history with the Group and existence of previous financial difficulties. With respect to other financial assets, the Group does not expect any credit risk against such assets except as already assessed. The Group is monitoring the economic environment in the country and is taking actions to limit its exposure to customers with customers experiencing particular economic volatility.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivable and other financial assets, which comprise large number of small balances, based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information including considerations for the likelihood of increased credit risk. Further, the Group also makes an allowance for doubtful debts on a case to case basis.

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

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

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

	As at March 31, 2025	As at March 31, 2024
Not more than 180 days	1,431.14	1,216.35
More than 180 days	31.76	35.77
Sub-total	1,462.90	1,252.12
Less: Loss allowance in accordance with expected credit loss model	(6.94)	(4.87)
Total	1,455.96	1,247.24

The Group management also assesses the credit losses on account of the financial guarantees extended by the Group. The Group management evaluates the credit risk associated with these companies, ability of them to repay the debts and probable exposure of the Company in case a group company fails to make payment when due in accordance with the original or modified terms of a debt instrument of such Group Company.

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

Particulars	Year ended March 31, 2025				Year ended March 31, 2024			
	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Not due	0.00%	1,079.96	0.01	-	0.04%	900.13	0.36	-
0 to 6 months	0.09%	341.84	0.30	-	0.05%	309.17	0.16	-
6 months to one year	16.34%	28.85	4.71	-	0.65%	22.54	0.15	-
More than one year	66.00%	2.91	1.92	-	48.72%	13.23	4.20	2.24
Sub-total	0.48%	1,453.56	6.94	-	0.57%	1,245.07	4.87	2.24
Add: Unbilled dues		9.34	-	-		7.05	-	-
Total trade receivables		1,462.90	6.94	-		1,252.12	4.87	-

(ii) Investments

Investments of surplus funds are made only with approval of Board of Directors. This primarily include investments in equity instruments of various listed entities, power generation companies, and other trade investments.

(iii) Loans

The balance is primarily constituted by loans given to its employees. The Group does not expect any loss from non-performance by these employees.

(iv) Cash and cash equivalents and bank balances other than cash and cash equivalents

The Group has its cash and bank balances deposited with credit worthy banks as at the reporting date. The Group does not expect any loss from non-performance by these counter-parties.

(v) Others

Other financial assets comprising of security deposits, interest receivable, claims receivable and advance recoverable primarily consists of deposits with TNEB for obtaining electricity connections, rental deposits given for lease of premises. The Group does not expect any loss from non-performance by these counter-parties.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

35 Financial instruments - fair values and risk management (Contd.)**c) Liquidity risk**

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Group management monitors the liquidity position of the Group through rolling forecasts on the basis of expected cash flows.

The Group's objective is to maintain a current ratio with an optimal mix of short term loans and long term loans. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months and the management is confident that it can roll over its debts with existing lenders. The board of directors periodically reviews the Group's business requirements vis-a-vis the source of funding.

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

	As at March 31, 2025			As at March 31, 2024		
	Carrying amount	Less than 180 days	More than 180 days	Carrying amount	Less than 180 days	More than 180 days
Borrowings*	797.61	611.77	185.84	629.46	510.53	118.93
Trade payables	505.92	505.92	-	538.85	538.85	-
Liability towards supplier bills discounted	22.36	22.36	-	15.56	15.56	-
Unclaimed dividend	3.85	3.85	-	3.99	3.99	-
Employee benefits payable	46.99	46.99	-	44.84	44.84	-
Retention money	5.20	5.20	-	10.80	10.80	-
Other payables	26.35	24.89	1.46	31.30	23.68	7.62
Total	1,408.28	1,220.98	187.30	1,274.80	1,148.25	126.55

*excluding contractual interest payment

D Offsetting financial assets and financial liabilities

The Group does not have any financial instruments that are offset or are subject to enforceable master netting arrangements and other similar agreements.

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

36 Contingencies and commitments

a) Contingent liabilities

- Claims against the Group not acknowledged as debt

Legal claims:

	As at March 31, 2025	As at March 31, 2024
- Sales tax / Entry tax	13.33	11.89
- Excise duty / Customs duty / Service tax	18.14	17.01
- Income-tax	5.91	5.93
- Others	1.00	1.00
	38.38	35.83

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

(ii) The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in this consolidated financial statements.

The matters disclosed above, the Group is involved in taxation matters that arise from time to time in the ordinary course of business. Judgement is required in assessing the range of possible outcomes for some of these tax matters, which could substantially over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents. Based on its internal assessment supported by external legal counsel views, where the management considered necessary, the Group believes that it will be able to sustain its positions if challenged by the authorities and accordingly no additional provision is required for these matters.

Management is of the view that above matters will not have any material adverse effect on the Group's financial position and results of operations.

- Money for which the Group is contingently liable

	As at March 31, 2025	As at March 31, 2024
- On letters of credit	4.05	22.05
- On partly paid shares of The Adyar Property Holding Company Limited (aggregating to ₹ 1,225/-)*	0.00	0.00

* Amount less than ₹ 0.01

b) Contingent assets

Claim of additional compensation against land acquisition	0.23	0.23
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c) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for	95.85	121.61
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

37 Related party disclosures

Related Parties :

(I) Where control exists:

(A) Ultimate holding company

- (1) TVS Sundram Fasteners Private Limited, Chennai, India

(II) Other Related Parties:

(A) Key Management Personnel (KMP)

- (1) Mr Suresh Krishna
- (2) Ms Arathi Krishna
- (3) Ms Arundathi Krishna
- (4) Mr R Dilip Kumar
- (5) Mr Anand Babu*
- (6) Mr Vinod Krishnan# and
- (7) Mr R Krishnan \$

(B) Non-executive directors

- (1) Mr S Mahalingam
- (2) Mr Heramb R Hajarnavis
- (3) Mr B Muthuraman (upto September 25, 2024)
- (4) Ms Preethi Krishna
- (5) Dr. Nirmla Lakshman
- (6) Mr. R Vijayaraghavan (from September 26, 2024)

(C) Relatives of KMP

- (1) Ms Usha Krishna
- (2) Ms Preethi Krishna

(D) Others

Post employment benefit plan

- (1) Sundram Fasteners Limited Gratuity Fund
- (2) Sundram Fasteners Limited Senior Staff Superannuation Fund and
- (3) Sundram Fasteners Limited Staff Provident Fund (Employees)

Enterprises over which KMP are able to exercise significant influence

- (1) Krishna Educational Society
- (2) Suresh Krishna HUF
- (3) UFL Properties Private Limited
- (4) Lakshminarayana Ancillaries Private Limited
- (5) Madras Engineering Industries Private Limited
- (6) Southern Roadways Private Limited

* Key Managerial Personnel as per Companies Act, 2013

Key Managerial Personnel of TVS Next Limited

\$ Key Managerial Personnel of TVS Upasana Limited

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

37 Related party disclosures (Contd.)

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

Nature of transaction	Ultimate holding company	Key management personnel	Relatives of key management personnel	Others
Sales				
Goods and materials	110.60 (114.08)	- -	- -	0.95 (1.06)
Services				
Received	- -	- -	- -	8.64 (5.02)
Finance				
Dividend paid	71.87 (58.33)	0.10 (0.08)	0.38 (0.69)	0.08 (0.07)
Others				
Leasing income / hire purchase arrangements	0.23 (0.10)	1.00 (1.00)	- -	- -
Leasing expense / hire purchase arrangements	- -	0.11 (0.10)	0.05 (0.05)	- -
Management contracts, including deputation of employees	- -	20.72 (18.74)	1.81 (1.81)	- -
Sitting fees to KMP / sitting fees and commission to non-executive directors	- -	- -	- -	0.54 (0.54)
Post employee benefit contribution	- -	- -	- -	12.76 (12.18)
CSR Contribution	- -	- -	- -	1.85 (1.70)
Reimbursement Paid	4.49 (3.66)	- -	- -	- -
Outstanding balances				
Due to the Group	50.14 (27.15)	- -	- -	0.09 (0.08)
Due by the Group	- -	- -	- -	0.64 (0.08)

(Previous year figures are in brackets)

(IV) Terms and conditions of transactions with related parties

- Transactions with related parties are at arm's length and all the outstanding balances are unsecured (refer note 41).

37(a) Particulars of loans, guarantees and investments under Section 186 of the Companies Act, 2013 during the financial year ended March 31, 2025

Name of the body corporate	Nature of transaction	Amount of transaction	Purpose for which the loan / security / acquisition of shares / guarantee utilised by recipient
Sundaram Overnight Fund Direct Growth Scheme of Sundaram Asset Management Co Limited, Chennai	Investment in mutual funds	231.00	Treasury investments

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

38 a) Group information**Information about subsidiaries**

The Group's subsidiaries as at March 31, 2025 and March 31, 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the Company	Principal activities	Country of incorporation	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
			March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Subsidiary companies						
TVS Upasana Limited, Chennai, India	Manufacture of spokes and nipples, automobile kits, dowels and rollers small screws, tools and cold extruded parts	India	100.00%	100.00%	0.00%	0.00%
TVS Next Limited, Chennai, India	Software services	India	67.65%	67.65%	32.35%	32.35%
TVS Next Inc. USA (wholly owned subsidiary of TVS Next Limited, Chennai)	Software services	The United States of America	67.65%	67.65%	32.35%	32.35%
Sundram Fasteners Investments Limited, Chennai, India	Financial services	India	100.00%	100.00%	0.00%	0.00%
Sundram Non-Conventional Energy Systems Limited, Chennai, India	Generation of power using other non-conventional sources	India	52.94%	52.94%	47.06%	47.06%
Sundram International Limited, UK	Non-trading holding company that holds investments in Cramlington Precision Forge Limited and Sundram Fasteners (Zhejiang) Limited	The United Kingdom	100.00%	100.00%	0.00%	0.00%
Cramlington Precision Forge Limited, United Kingdom (wholly owned subsidiary of Sundram International Limited, UK)	Manufacture of precision forged (warm) components for application in heavy vehicles for on-highway and off-highway applications	The United Kingdom	100.00%	100.00%	0.00%	0.00%
Sundram Fasteners (Zhejiang) Limited, China (wholly owned subsidiary of Sundram International Limited, UK)	Manufacture of high tensile fasteners and bearing housings	China	100.00%	100.00%	0.00%	0.00%
Sundram International Inc, Michigan, USA	Supply of special fasteners to General Motors, USA	The United States of America	100.00%	100.00%	0.00%	0.00%

Note :

Pursuant to the order dated February 19, 2024 by National Company Law Tribunal, Sunfast TVS Limited and TVS Engineering Limited (the "transferor companies") were merged with the Company with an appointed date of April 1, 2023. The order has been made effective on May 15, 2024, upon complying with all the relevant requirements under the Companies Act, 2013.

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

38 b) Additional information, as required under Schedule III to the Companies Act, 2013 of entities consolidated as subsidiaries, joint ventures and associates

Sl. No.	Name of the entity in the Group	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As a % of consolidated net assets	Amount	As a % of consolidated profit or (loss)	Amount*	As % of consolidated other comprehensive income	Amount*	As % of consolidated total comprehensive income	Amount*
	Parent Company								
1	Sundram Fasteners Limited								
	Balance as at March 31, 2025	95.12%	3,645.59	95.43%	517.02	1.57%	0.02	95.22%	517.04
	Balance as at March 31, 2024	95.29%	3,279.22	91.26%	479.71	355.19%	13.46	93.15%	493.17
	Indian subsidiaries								
2	Sundram Fasteners Investments Limited, Chennai								
	Balance as at March 31, 2025	0.19%	7.22	0.02%	0.11	(0.47%)	(0.01)	0.02%	0.10
	Balance as at March 31, 2024	0.21%	7.30	0.05%	0.26	12.44%	0.47	0.14%	0.73
3	TVS Upasana Limited, Chennai								
	Balance as at March 31, 2025	3.33%	127.43	1.64%	8.86	1.18%	0.01	1.63%	8.87
	Balance as at March 31, 2024	3.46%	119.08	1.51%	7.92	1.20%	0.05	1.50%	7.96
4	Sundram Non-Conventional Energy Systems Limited, Chennai								
	Balance as at March 31, 2025	0.12%	4.50	0.29%	1.55	-	-	0.28%	1.55
	Balance as at March 31, 2024	0.14%	4.70	0.52%	2.73	-	-	0.52%	2.73
5	TVS Next Limited, Chennai								
	Balance as at March 31, 2025	1.46%	55.84	1.01%	5.45	27.89%	0.35	1.09%	5.80
	Balance as at March 31, 2024	1.48%	51.05	1.42%	7.45	(12.28%)	(0.47)	1.35%	6.99
	Foreign subsidiaries								
6	Sundram Fasteners (Zhejiang) Limited, China								
	Balance as at March 31, 2025	6.24%	239.71	3.81%	20.63	4.90%	0.06	3.81%	20.69
	Balance as at March 31, 2024	6.38%	219.74	3.79%	19.95	(3.95%)	(0.15)	3.74%	19.80
7	Cramlington Precision Forge Limited, United Kingdom								
	Balance as at March 31, 2025	0.24%	9.34	1.61%	8.74	7.12%	0.09	1.63%	8.83
	Balance as at March 31, 2024	0.01%	0.37	2.80%	14.71	(0.66%)	(0.03)	2.77%	14.68
8	Sundram International Inc., USA								
	Balance as at March 31, 2025	(0.00%)	(0.08)	-	-	-	-	-	-
	Balance as at March 31, 2024	(0.00%)	(0.08)	-	-	-	-	-	-
9	TVS Next Inc. USA *								
	Balance as at March 31, 2025	0.16%	6.27	0.07%	0.35	(0.17%)	(0.00)	0.06%	0.35
	Balance as at March 31, 2024	0.17%	5.77	0.15%	0.81	(0.56%)	(0.02)	0.15%	0.79
10	Sundram International Limited, United Kingdom								
	Balance as at March 31, 2025	8.83%	338.38	14.91%	80.78	147.47%	1.85	15.22%	82.63
	Balance as at March 31, 2024	7.05%	242.65	0.44%	2.29	0.71%	0.03	0.44%	2.32
11	Non-controlling interests in all subsidiaries								
	Balance as at March 31, 2025	0.58%	22.21	0.49%	2.65	8.79%	0.11	0.51%	2.76
	Balance as at March 31, 2024	0.60%	20.60	0.75%	3.96	(4.16%)	(0.16)	0.72%	3.80
12	Sub total								
	Balance as at March 31, 2025	116.28%	4,456.41	119.28%	646.14	198.26%	2.48	119.45%	648.62
	Balance as at March 31, 2024	114.79%	3,950.40	102.69%	539.78	347.90%	13.18	104.44%	552.95
13	Less : Effect of inter company adjustments / eliminations								
	Balance as at March 31, 2025	(16.28%)	(623.89)	(19.28%)	(104.39)	(98.26%)	(1.23)	(19.45%)	(105.62)
	Balance as at March 31, 2024	(14.79%)	(509.07)	(2.69%)	(14.14)	(247.90%)	(9.39)	(4.44%)	(23.52)
14	Total								
	Balance as at March 31, 2025	100.00%	3,832.52	100.00%	541.75	100.00%	1.25	100.00%	543.00
	Balance as at March 31, 2024	100.00%	3,441.33	100.00%	525.64	100.00%	3.79	100.00%	529.43

* Amount less than ₹ 0.01.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

39 Leases

The Group has taken various premises including godowns, offices, flats, machinery and other assets under lease for which the lease agreements are generally cancellable in nature and are renewable by mutual consent on agreed upon terms.

i) Right-of-use assets

Refer note 5 (d) for detailed break-up of right-of-use assets and depreciation thereon.

ii) Lease liabilities**Maturity analysis - contractual undiscounted cash flows**

	As at March 31, 2025	As at March 31, 2024
Not later than one year	7.53	5.91
Later than one year and not later than five years	27.12	9.66
More than five years	-	-
Total undiscounted lease liabilities	34.65	15.57

Lease liabilities

Current	5.83	4.90
Non-current	21.53	13.92

iii) Amounts recognised in profit or loss

	Year ended March 31, 2025	Year ended March 31, 2024
Interest expense on lease liabilities	2.19	1.51
Depreciation of right-of-use assets (refer note 5(d))	7.53	7.40
Expenses relating to short-term leases	16.44	13.13

iv) Amounts recognised in the statement of cash flows from Financing activities

Principal payment of lease liabilities	4.99	8.09
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40 Segment Reporting

The Group is primarily engaged in manufacture and sale of bolts and nuts, sintered products, cold extruded components, hot and warm forged parts, radiator caps and other parts which largely have applications primarily in automobile industry and thus has only one reportable segment. Other businesses do not meet the quantitative thresholds and hence have not been separately disclosed.

Information concerning principal geographic areas is as follows:

Net sales to external customers by geographic area by location of customers

	Year ended March 31, 2025	Year ended March 31, 2024
a) India	3,845.89	3,713.18
b) Americas	1,306.02	1,267.02
c) China	311.31	261.16
d) Rest of the World	492.20	424.95
Total	5,955.42	5,666.31

Sundram Fasteners Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

40 Segment Reporting (Contd.)

Non-current assets (Property, plant and equipment, intangible assets, investment property, other non-current assets and goodwill) by geographic areas

	As at March 31, 2025	As at March 31, 2024
a) India	2,315.10	2,110.72
b) China	197.44	219.28
c) Rest of the World	39.98	31.90
Total	2,552.52	2,361.90

Trade receivable by geographic areas

	As at March 31, 2025	As at March 31, 2024
a) India	877.73	569.83
b) Americas	344.22	328.61
c) China	97.12	118.23
d) Rest of the World	136.89	230.58
Total	1,455.96	1,247.25

41 Transfer pricing

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

42 Events after the reporting period

The Board of Directors of the Company has declared interim dividend in its meeting held on April 30, 2025 as disclosed under 14B(b).

Material accounting policies

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

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm's registration No.: 101248W/W-100022

SAMPAD GUHA THAKURTA

Partner

Membership No.: 060573

Place : Chennai

Date : April 30, 2025

ARATHI KRISHNA

Managing Director

(DIN: 00517456)

R DILIP KUMAR

Chief Financial Officer

(DIN: 00240372)

3 and 4

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

SURESH KRISHNA

Chairman

(DIN: 00046919)

ARUNDATHI KRISHNA

Joint Managing Director

(DIN: 00270935)

G ANAND BABU

Senior Manager - Finance & Company Secretary
(ACS Membership No: A19848)

Form - AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part 'A' - Subsidiaries (₹ In Crores)

S. No.	Particulars	Domestic Subsidiaries				Foreign Subsidiaries				
		TVS Upasana Limited	Sundram Non-Conventional Energy Systems Limited	Sundram Fasteners Investments Limited	TVS Next Limited	Cramlington Precision Forge Limited	TVS Next Inc	Sundram Fasteners (Zhejiang) Limited	Sundram International Inc	Sundram International Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2024 to 31/03/2025	01/04/2024 to 31/03/2025	01/04/2024 to 31/03/2025	01/04/2024 to 31/03/2025	01/04/2024 to 31/03/2025	01/04/2024 to 31/03/2025	01/04/2024 to 31/03/2025	01/04/2024 to 31/03/2025	01/04/2024 to 31/03/2025
2	Reporting currency	INR	INR	INR	INR	GBP	USD	RMB	USD	GBP
3	Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Refer Note 3 below								
4	Share capital	11.90	0.50	2.49	29.66	15.50	3.15	204.83	1.56	0.04
5	Reserves & surplus	115.53	4.00	4.73	26.18	(6.16)	3.12	34.87	(1.64)	360.06
6	Total assets	206.73	4.63	7.23	82.86	98.34	23.09	443.04	0.00*	370.21
7	Total liabilities	79.30	0.13	0.01	27.02	89.00	16.82	203.33	0.09	10.11
8	Investments	7.47	-	4.33	1.69	-	-	-	-	357.29
9	Turnover	177.00	2.55	0.13	71.25	137.26	61.23	393.02	-	1.27
10	Profit / (loss) before taxation	13.03	2.02	0.11	7.40	8.74	0.94	23.11	-	0.77
11	Provision for taxation	4.17	0.48	0.00*	1.95	-	0.59	2.48	-	-
12	Profit / (loss) after taxation	8.86	1.55	0.11	5.45	8.74	0.35	20.63	-	0.77
13	Proposed dividend	-	-	-	-	-	-	-	-	-
14	% of shareholding	100.00%	52.94%	100.00%	67.65%	100.00%	67.65%	100.00%	100.00%	100.00%

* Amount less than ₹ 0.01

Notes:

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil

Currency	USD	GBP	RMB
Closing Rate	85.46	110.69	11.74

Part 'B' - Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

- There is no associate or joint venture which is yet to commence operations.
- There is no associate or joint venture which have been liquidated or sold during the year.

SURESH KRISHNA
Chairman
(DIN: 00046919)

R DILIP KUMAR
Chief Financial Officer
(DIN: 00240372)

ARATHI KRISHNA
Managing Director
(DIN: 00517456)

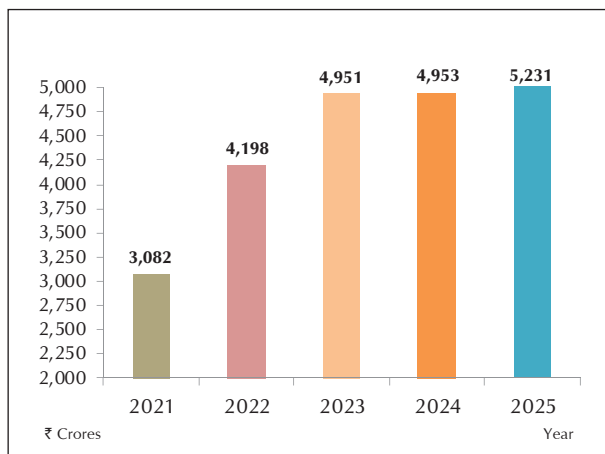
ARUNDATHI KRISHNA
Joint Managing Director
(DIN: 00270935)

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

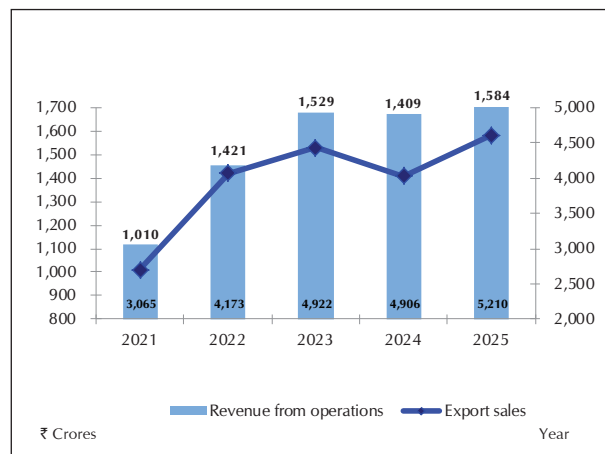
Place : Chennai
Date : April 30, 2025

NOTES

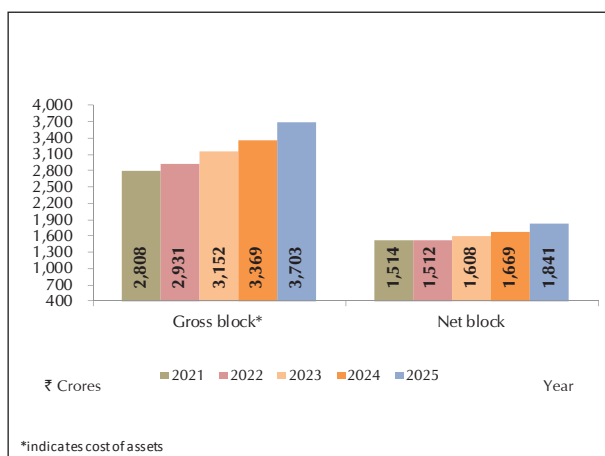
Total Revenue



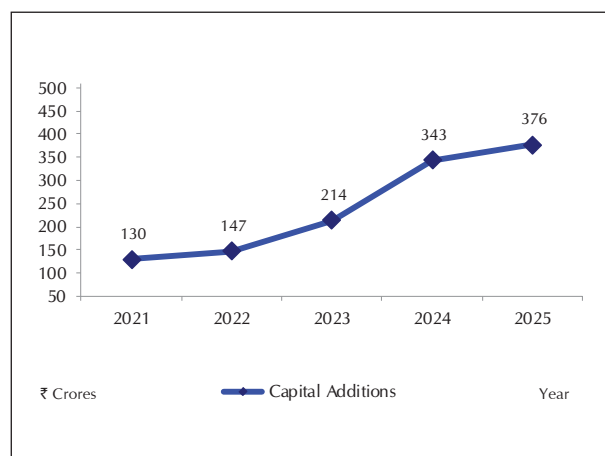
Export Sales and Revenue from Operations



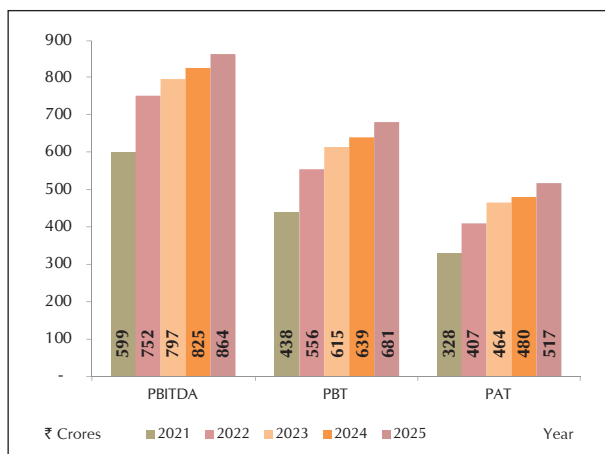
Gross and Net block of Property, Plant and Equipment



Capital Expenditure



Profits



Funds Employed

