

SUNDARAM AUTO COMPONENTS LIMITED

ANNUAL REPORT 2009 - 2010

SUNDARAM AUTO COMPONENTS LIMITED

Board of Directors

H. LAKSHMANAN, Chairman
C.N. PRASAD
V. N. VENKATANATHAN
K. N. RADHAKRISHNAN
S. G. MURALI

Audit Committee

H. LAKSHMANAN, Chairman
C.N. PRASAD
V. N. VENKATANATHAN

Manager

P.S. BASHYAM

Secretary

K. DHARMARAJAN

Auditors

SUNDARAM & SRINIVASAN
Chartered Accountants,
New No. 4 (Old No. 23) Sir C.P. Ramaswamy Road,
Alwarpet, Chennai 600 018.

Directors' report to the Shareholders

Your directors have pleasure in presenting the eighteenth annual report on the progress of the Company together with the audited statement of accounts for the year ended 31st March 2010.

FINANCIAL HIGHLIGHTS

	Amount in lakhs	
	Year ended 31.03.2010	Year ended 31.03.2009
Sales and other income	77,919.81	48,066.48
Profit before interest, depreciation and tax	2,481.37	1,232.89
Interest	512.33	763.16
Depreciation	729.37	677.13
Profit / (Loss) before tax	1,239.67	(207.40)
Provision for taxation (including deferred tax)	240.00	48.00
Profit / (Loss) after tax	999.67	(255.40)
Add: Surplus/(deficit) brought forward	(510.21)	(259.78)
	489.46	(515.18)
Add: Tax relating to earlier years	(18.90)	4.97
Profit available for appropriation	470.56	(510.21)
Appropriations:		
Proposed Dividend	259.00	-
Dividend tax	44.02	-
Transfer to general reserve	100.00	-
Balance surplus/(deficit) in profit and loss a/c carried forward	67.54	(510.21)
	470.56	(510.21)

DIVIDEND

For the year 2009-10, the board of directors declared an interim dividend of Rs.3.50 per share on 19th April 2010, absorbing a sum of Rs.259 lakhs on 74,00,000 equity shares of Rs.10 each fully paid up, comprised in the paid up equity share capital of Rs.740 lakhs for the year ended 31st March 2010 and the same was paid to the shareholders on 19th April 2010.

The directors of the Company do not recommend any further dividend for the year under consideration and the interim dividend paid amounting to Rs. 259 lakhs, be considered as the final dividend for the year 2009-2010.

PERFORMANCE

The Company has shown a sales growth of 23% in rubber and plastics business in the year 2009-10 compared to the previous year 2008-09. The Company has earned a profit after tax of Rs. 999.67 lakhs in the year 2009-10.

During the last year, the Company started trading of automobiles viz., two wheelers. The business picked up well in the year 2009-10 achieving a growth in sales of 81%. Considering the steady growth in the automotive industry, it is expected that the business would pick up still further, in the current financial year 2010-11.

During the year, the Company established a new assembly and inspection station at Mysore for assembling of injection molded components, supplied from the Company's factory at Hosur to one of the major customers namely M/s. TVS Motor Company Limited.

BUSINESS OUTLOOK

The Automotive industry is expected to show growth of about 15% in 2010-11 compared to previous year. The Company is making investments in increasing manufacturing capacity. The Company

Bankers

STATE BANK OF INDIA
Industrial Finance Branch
Anna Salai,
Chennai - 600 002.

THE BANK OF NOVA SCOTIA
Coimbatore Branch
Classic Towers
1547, Tiruchi Road,
Coimbatore - 641 018.

Registered office

Jayalakshmi Estates,
29, Haddows Road,
Chennai 600 006.

Factories

- 1) Belagondapalli, Hosur 635 114.
- 2) Oragadam, Kancheepuram District 602 105
- 3) Byathahalli Village, Kadakola Post, Mysore 571 311

has also secured substantial business from Daimler India, Ashok Leyland Nissan and Toyota India for their vehicles.

As a sound marketing strategy, the holding company wanted to explore possibilities of widening the prospects for its products in export market and to retain and improve brand loyalty for its products with the overseas customers.

With this end in view, the Company held discussions for a joint venture in a hassle free zone like Dubai as a preferred City, so that Joint Venture (JV) could cater to markets in Middle East Asia and Africa. A new company, under the name and style, Global Automobile Traders FZCO was incorporated with head quarters in Dubai, to which the Company contributed 10% of its share capital with the other JV partner viz., Zodiac Business Services Pte Limited, Singapore (Zodiac), contributing to balance 90% of its share capital. Subsequently, the name of the joint venture company also changed as TVS Global Automobile Traders FZCO, subject to such compliances as required in this regard.

Zodiac has been actively engaging in rendering services in the field of export market, procurement support, business acquisition services and is a professionally managed entity with its office in Hongkong, UK, UAE, etc. With the Company's interest in marketing vehicles, this new venture with the equity participation would help to boost the export market for the two and three wheelers.

DIRECTORS

The board of directors, at its meeting held on 19th April 2010, appointed Mr H Lakshmanan as Chairman of the Board for a period of five years effective from the date of the said meeting i.e. 19th April 2010, not liable to retire by rotation during the term of his holding such office.

Mr K N Radhakrishnan and Mr S G Murali were appointed as additional directors of the Company effective 16th July 2010.

In terms of section 260 of the Companies Act, 1956, Mr K N Radhakrishnan and Mr S G Murali will vacate office at the ensuing annual general meeting of the Company and being eligible, offer themselves for re-appointment.

Notices have been received from members of the Company signifying their intention to propose the appointment of Mr K N Radhakrishnan and Mr S G Murali, as directors of the Company in terms of section 257 of the Companies Act, 1956 along with the requisite deposit money of Rs.500/- each.

In terms of the Articles of Association of the Company, Mr C N Prasad, director, who is liable to retire by rotation at the ensuing annual general meeting and, being eligible, offers himself for re-appointment.

AUDIT COMMITTEE

The composition of the committee is in accordance with the requirements of section 292A of the Companies Act 1956. As on date, the audit committee has the following non-executive directors as its members, namely Mr H Lakshmanan, Mr V N Venkatanathan and Mr C N Prasad. The Committee meets periodically to discuss and review such matters as required in terms of Section 292A of the Companies Act, 1956.

MANAGERIAL PERSON

During the year, Mr A G Giridharan, special officer of the Company was appointed as "Manager" under the Companies Act, 1956 effective 1st April 2009 for a period of five years, without remuneration, on such terms and conditions as approved by the shareholders at the annual general meeting held on 17th August 2009.

Mr A G Giridharan expressed his inability to continue as a manager of the Company, Hence, the board appointed Mr P S Bashyam, vice president of the Company as "Manager" under the Companies Act, 1956 effective 16th July 2010 for a period of five years, without remuneration, subject to the approval of the shareholders in the ensuing annual general meeting of the Company on such terms and conditions as explained in the explanatory statement attached to the notice convening the annual general meeting of the Company.

SUNDARAM AUTO COMPONENTS LIMITED

Directors' report to the Shareholders (Contd.)

DEPOSITS

The Company has not accepted any deposit from the public within the meaning of Section 58-A of the Companies Act, 1956 during the year ended 31st March 2010.

AUDITORS

M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai retire at the ensuing annual general meeting and are eligible for re-appointment.

STATUTORY STATEMENTS

INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

As per the requirements of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are furnished in annexure I to this report.

INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956

The particulars required pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended by Companies (Particulars of Employees) Rules, 2002 are furnished in annexure II to this report.

INFORMATION AS PER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby stated:

- that in the preparation of the annual accounts for the financial year ended 31st March 2010, the applicable accounting standards had been followed and there is no material departure.
- that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2010 and of the profit of the Company for the financial year ended on that date.
- that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- that the directors had prepared the annual accounts for the financial year ended 31st March 2010 on a "going concern basis".

ACKNOWLEDGEMENT

The directors gratefully acknowledge the continued support and co-operation received from the holding company, namely M/s TVS Motor Company Limited, Chennai.

The directors thank the suppliers, customers and bankers for their continued support and assistance.

The directors wish to place on record their appreciation of the excellent work done by all the employees of the Company.

For and on behalf of the Board of directors

Place: Chennai
Date: July 16, 2010

H Lakshmanan
Chairman

Annexure I to Directors' report to the Shareholders for the year ended 31st March 2010

Information as required under Section 217(1)(e) of the Companies Act, 1956.

A. CONSERVATION OF ENERGY

Measures taken

- Improving steam heating system in calendar roll machines.
- Improving jig density in paint plant.
- Implementation of cost effective energy savings proposals.

The above measures have resulted in an annual saving of approximately Rs.21 Lakhs

Proposed measures

- Improving diesel generator efficiency by synchronization.
- Improving fuel efficiency in boiler fuel consumption.
- Implementation of cost effective energy saving proposals.

The above measures are expected to result in an annual saving of approximately Rs.28 Lakhs

B. TECHNOLOGY ABSORPTION

Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange earnings and outgo : (Rs. in Lakhs)

(a) Earnings	155.75
(b) Outgo	2063.98

For and on behalf of the board of directors

Place: Chennai
Date: July 16, 2010

H Lakshmanan
Chairman

Annexure II to Directors' report to the Shareholders for the year ended 31st March 2010

Particulars of employees as per Section 217 (2A) of the Companies Act, 1956

Sl. No.	Name	Age (Yrs.)	Designation	Date of employment	Remuneration (Gross) Rs.	Qualification	Experience (Yrs)	Previous employment
Employed throughout the year								
1.	Capt. N. S. Mohan Ram	74	Director-Projects	01.04.2000	2,898,000	B.Tech (Hons); MBA; PG in Warship Design (UK)	51	Director-Projects, TVS Motor Company Limited
2.	Dr. Malini Srinivasan	55	VP (Education and Training)	21.03.2003	3,871,090	M.A., Phd.	21	General Manager, Horticultural and Construction Engineers (India)(P) Ltd

Notes:

- Years of experience also include experience prior to joining the Company.
- Remuneration comprises of salary, house rent allowance, contribution to provident fund, medical reimbursement, medical insurance premium, leave travel assistance and other benefits evaluated under Income Tax rules.
- Besides, employees are entitled to gratuity as per rules.
- None of the employees is related to any directors of the Company.
- Terms of employment of all the employees mentioned above are contractual.
- None of the employees either individually or together with spouse or children held more than 2% of the equity shares of the Company.

For and on behalf of the board of directors

Place: Chennai
Date: July 16, 2010

H Lakshmanan
Chairman

SUNDARAM AUTO COMPONENTS LIMITED

Auditors' Report to the Shareholders of Sundaram Auto Components Limited, Chennai for the year ended 31st March 2010

We have audited the attached balance sheet of M/s. Sundaram Auto Components Limited, Chennai 600 006 as at 31st March 2010 and the profit and loss account for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 and amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure, referred to above, we state that –
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of accounts, as required by law have been kept by the Company so far as appears from our examination of such books;

- (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of accounts;
- (iv) In our opinion, the Balance Sheet, Profit and Loss account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors of the Company as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a. in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
 - b. in so far as it relates to the Profit and Loss account, of the profit of the Company for the year ended on that date; and
 - c. in so far as it relates to the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place: Chennai
Date: July 16, 2010

SUNDARAM AUTO COMPONENTS LIMITED

Annexure referred to in our report of even date on the accounts for the year ended 31st March 2010

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification at reasonable intervals, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The assets disposed off during the year are not substantial and therefore do not affect the going concern status of the Company.
- (ii) (a) The inventory, other than in-transit has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of such verification is adequate. In respect of inventory with third parties, which have not been physically verified, there is a process of obtaining confirmation from such parties.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the Company has maintained proper records of inventory. The discrepancies between the physical stocks and the books were not material and have been properly dealt with in the books of account.
- (iii) (a) During the year, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) During the year, the Company has taken an unsecured loan of Rs.850 lakhs from a company covered in the register maintained under section 301 of the Companies Act, 1956. (Amount outstanding at the year end is Rs.850 lakhs)
- (c) In our opinion the rate of interest and the terms and other conditions of loan taken by the Company were not prima-facie prejudicial to the interest of the Company.
- (d) The repayment of the principal amount and interest thereon were regular.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion, that the contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been properly entered in the said register.
- (b) In our opinion and according to the information and explanations given to us, the transactions entered in the register maintained under Section 301 and exceeding during the year by rupees five lakhs in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit from the public.
- (vii) The Company has an internal audit system, which in our opinion is commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 for maintenance of cost records in respect of auto components and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) According to the records provided to us, the Company was regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities. Three instances of delay by a day was noticed in respect of remittance of Tax deduction made. According to the information provided to us by the management, the Company's units at Belagondapalli near Hosur and SIPCOT Industrial Estate at Oragadam in Chennai are not covered under the Employees' State Insurance Act.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears, as at 31st March 2010 for a period of more than six months from the date they became payable.
- (c) According to information and explanations given to us, the following are the details of the disputed dues, that were not deposited with the concerned authorities:

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Forum where the dispute is pending
Central Excise Act, 1944	Cenvat / Excise Duties	41.93	Commissioner (Appeals) Chennai
Finance Act, 1994	Service Tax	17.91	Commissioner (Appeals) Chennai
	Service Tax	2.44	Central Excise and Service Tax Appellate Tribunal, Chennai
	Service Tax	0.60	Assistant Commissioner, Central Excise 1 st Division, Hosur
	Service Tax	9.80	Assistant Commissioner, Central Excise 2 nd Division, Hosur
	Service Tax	2.16	Assistant Commissioner, Central Excise Poonamallee Division, Chennai

- (x) The Company neither has accumulated losses at the end of the financial year nor has incurred cash losses during the financial year and in the immediately preceding financial year.
- (xi) Based on our verification and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to its banks.
- (xii) Based on our examination and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund, nidhi or mutual benefit fund / society and as such this clause of the order is not applicable.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. However during the year the Company has invested in Equity Share of an Overseas Company as a Long Term Investment.
- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) The Company has not availed any term loan during the year.
- (xvii) On the basis of our examination, the Company has not used funds raised on short term basis for long term investments.
- (xviii) During the year the Company has not allotted any shares on preferential basis to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) During the year, the Company has not issued any secured debentures.
- (xx) During the year, the Company has not raised any money by public issue.
- (xxi) Based on the audit procedures adopted and information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the course of our audit.

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn. No. 004207S

Place : Chennai
Date : July 16, 2010

M.BALASUBRAMANIAM
Partner
Membership No. F7945

SUNDARAM AUTO COMPONENTS LIMITED

Balance Sheet as at 31st March 2010

		Rupees in lakhs	
Schedule Number	As at 31-03-2010	As at 31-03-2009	
I SOURCES OF FUNDS			
1 Shareholders' funds			
(a) Capital	I 740.00	740.00	
(b) Reserves and Surplus	II 3,612.58	2,934.83	
		4,352.58	3,674.83
2 Loan funds			
(a) Secured loans	III 2,693.75	4,719.19	
(b) Unsecured loans	IV 1,029.91	49.27	
		3,723.66	4,768.46
3 Deferred tax liability (net of deferred tax asset)			
		225.44	202.44
Total		8,301.68	8,645.73
II APPLICATION OF FUNDS			
1 Fixed Assets			
(a) Gross block	10,110.86	9,355.00	
(b) Less : Depreciation	3,161.42	2,436.71	
(c) Net block	V 6,949.44	6,918.29	
(d) Capital work-in-progress	VI 229.41	13.13	
2 Investments			
	VII 15.56	1.70	
3 Current assets, loans and advances			
(a) Inventories	VIII 3,550.25	2,099.74	
(b) Sundry debtors	IX 5,594.62	4,844.04	
(c) Cash and bank balances	X 813.92	727.51	
(d) Loans and advances	XI 1,009.34	656.37	
Total	(A) 10,968.13	8,327.66	
Current liabilities and provisions			
(a) Current liabilities	XII 9,537.81	6,574.28	
(b) Provisions	XIII 323.05	40.77	
Total	(B) 9,860.86	6,615.05	
Net current assets	(A-B)	1,107.27	1,712.61
Total		8,301.68	8,645.73
Notes on Accounts	XVIII		

As per our report annexed
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn. No. 004207S

H. Lakshmanan
Chairman

V.N. Venkatanathan
Director

Chennai
July 16, 2010

P.S. Bashyam
Manager

K. Dharamarajan
Secretary

M. BALASUBRAMANIAM
Partner
Membership No. F7945

Profit and Loss Account for the year ended 31st March 2010

		Rupees in lakhs	
Schedule Number	Year ended 31-03-2010	Year ended 31-03-2009	
Gross Sales			
Sale of Automobiles	58,865.54	32,597.24	
Sale of Components	20,689.08	16,607.27	
		79,554.62	49,204.51
Less : Excise duty		1,730.80	1,235.87
Net Sales		77,823.82	47,968.64
Other Income	XIV	95.99	97.84
	A	77,919.81	48,066.48
Raw materials and components consumed			
	XV	69,192.84	41,860.92
Labour charges		241.64	274.60
Salaries and wages, stores consumed and other expenses	XVI	6,003.96	4,698.07
	B	75,438.44	46,833.59
Profit before interest, depreciation and tax	C = (A-B)	2,481.37	1,232.89
Interest (net)	XVII	512.33	763.16
Depreciation		729.37	677.13
Profit / (Loss) before tax		1,239.67	(207.40)
Provision for taxation		217.00	-
Provision for deferred tax		23.00	36.00
Provision for fringe benefit tax		-	12.00
		240.00	48.00
Profit / (Loss) for the year (after tax)		999.67	(255.40)
Balance profit/(loss) brought forward		(510.21)	(259.78)
Tax relating to earlier years		(18.90)	4.97
Profit/(loss) for the year (after tax)		999.67	(255.40)
Total		470.56	(510.21)
Proposed Dividend		259.00	-
Dividend Tax Payable		44.02	-
Transfer to general reserve		100.00	-
Balance surplus / (deficit) carried forward to Balance sheet		67.54	(510.21)
Total		470.56	(510.21)
Nominal value of each share in rupees		10.00	10.00
Earnings per share in rupees on 74,00,000 equity shares (Last year 74,00,000 equity shares)		13.51	(6.87)
Diluted earnings per share in rupees		13.51	(6.87)

As per our report annexed
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn. No. 004207S

H. Lakshmanan
Chairman

V.N. Venkatanathan
Director

Chennai
July 16, 2010

P.S. Bashyam
Manager

K. Dharamarajan
Secretary

M. BALASUBRAMANIAM
Partner
Membership No. F7945

SUNDARAM AUTO COMPONENTS LIMITED

Schedules

	Rupees in lakhs		Rupees in lakhs	
	As at 31-03-2010	As at 31-03-2009	As at 31-03-2010	As at 31-03-2009
I CAPITAL				
Authorised 80,00,000 Equity shares of Rs.10/- each (Last year 80,00,000 equity shares)	800.00	800.00		
	<u>800.00</u>	<u>800.00</u>		
Issued, subscribed and paid up 74,00,000 Equity shares of Rs.10/- each (Last year 74,00,000 equity shares)	740.00	740.00		
Of the above :-				
(i) 24,50,000 equity shares were allotted for consideration other than in cash.				
(ii) All the above shares are held by the holding company viz., TVS Motor Company Limited, Chennai and its nominees.				
	<u>740.00</u>	<u>740.00</u>		
II RESERVES AND SURPLUS				
a) Capital reserves On acquisition of business	0.04	0.04		
b) Share premium account	2,860.00	2,860.00		
c) General reserve As per last Balance Sheet	585.00	585.00		
Add: Transfer from Profit and Loss Account	100.00	(510.21)		
	<u>685.00</u>	<u>74.79</u>		
d) Surplus Balance in Profit and Loss Account	67.54	-		
	<u>3,612.58</u>	<u>2,934.83</u>		
			III SECURED LOANS	
			From bank	
			a) Secured by a first charge on the entire fixed assets of the company	975.00 985.45
			b) Secured by exclusive charge on the movable fixed assets of the company created out of the loan	1,718.75 2,343.75
			c) Secured by hypothecation of present and future inventory and receivables	- 1,389.99
				<u>2,693.75</u> <u>4,719.19</u>
			IV UNSECURED LOANS	
			a) From holding company (Short term)	850.21 -
			b) From banks (Short term)	179.70 49.27
				<u>1,029.91</u> <u>49.27</u>

V FIXED ASSETS

Description	Rupees in lakhs								
	Land		Buildings	Plant & Machinery, tools, dies and jigs	Furniture & fixtures, equipment	Vehicles	Other fixed assets @	Total	
	Free hold	Lease hold						As at 31-03-2010	As at 31-03-2009
Cost of assets									
As at 01-04-2009	386.72	296.91	2,310.44	5,989.99	242.10	28.74	100.10	9,355.00	8,990.45
Additions	-	-	11.29	731.67	28.08	-	-	771.04	389.63
Sales / deletions	-	-	4.94	7.44	2.80	-	-	15.18	25.08
Total	<u>386.72</u>	<u>296.91</u>	<u>2,316.79</u>	<u>6,714.22</u>	<u>267.38</u>	<u>28.74</u>	<u>100.10</u>	<u>10,110.86</u>	<u>9,355.00</u>
Depreciation/Amortisation									
Upto 31-03-2009	-	6.44	190.23	2,026.66	108.24	21.74	83.40	2,436.71	1,762.85
For the year *	-	3.00	77.01	612.58	24.80	2.99	8.99	729.37	677.13
Withdrawn on assets sold / deleted	-	-	0.36	1.64	2.66	-	-	4.66	3.27
Total	<u>-</u>	<u>9.44</u>	<u>266.88</u>	<u>2,637.60</u>	<u>130.38</u>	<u>24.73</u>	<u>92.39</u>	<u>3,161.42</u>	<u>2,436.71</u>
Written down value									
As at 31-03-2010	386.72	287.47	2,049.91	4,076.62	137.00	4.01	7.71	6,949.44	-
As at 31-03-2009	386.72	290.47	2,120.21	3,963.33	133.86	7.00	16.70	-	6,918.29

@ vide note no. 1(r)

* Depreciation for the year of Rs. 729.37 lakhs includes Rs. 3.00 lakhs towards amortisation of lease hold land.

SUNDARAM AUTO COMPONENTS LIMITED

Schedules – (continued)

	Rupees in lakhs		Rupees in lakhs	
	As at 31-03-2010	As at 31-03-2009	As at/ Year ended 31-03-2010	As at/ Year ended 31-03-2009
VI CAPITAL WORK-IN-PROGRESS (At Cost)				
(a) Building under construction	112.97	-		
(b) Machinery in transit / installation	116.44	6.01		
(c) Office equipment	-	7.12		
	<u>229.41</u>	<u>13.13</u>		
VII INVESTMENTS (At Cost)				
A Non-trade-Long Term (Quoted)				
2000 Equity shares of Rs 10/- each fully paid up in Bank of Baroda, Vadodara.	1.70	1.70		
B Non-trade-Long Term (Un quoted)				
One Equity Share of face value Dhs 1,00,000 fully paid up in TVS Global Automobile Traders FZCO, Dubai (Previously known as Global Automobile Traders FZCO)	13.86	-		
	<u>15.56</u>	<u>1.70</u>		
Market value of quoted investment	12.78	4.69		
VIII INVENTORIES				
* Raw materials and components	667.58	531.67		
* Work-in-process	323.52	235.38		
* Finished goods				
Automobiles	1,740.78	669.16		
Components	<u>137.57</u>	<u>157.25</u>		
* Stores	19.00	7.55		
Goods-in-transit				
Automobiles	472.11	395.85		
Components	<u>189.69</u>	<u>102.88</u>		
	<u>3,550.25</u>	<u>2,099.74</u>		
* (as certified by a director)				
IX SUNDRY DEBTORS - UNSECURED				
a) Debts outstanding for a period exceeding six months				
(i) Considered good	55.58	209.18		
(ii) Considered doubtful	118.01	-		
b) Other debts	5,539.04	4,634.86		
	<u>5,712.63</u>	<u>4,844.04</u>		
Less : provision for doubtful debts	118.01	-		
	<u>5,594.62</u>	<u>4,844.04</u>		
X CASH AND BANK BALANCES				
a) Cash and Cheques on hand				
(i) Cash	0.79	1.23		
(ii) Cheque	<u>2.01</u>	<u>325.61</u>		
b) With scheduled banks				
(i) in current accounts	811.12	400.67		
	<u>813.92</u>	<u>727.51</u>		
XI LOANS AND ADVANCES - UNSECURED CONSIDERED GOOD				
a) Advances recoverable in cash or in kind or for value to be received	796.60	420.69		
b) Deposits	192.00	156.57		
c) Advance payment of income tax less provisions	20.74	79.11		
	<u>1,009.34</u>	<u>656.37</u>		
XII CURRENT LIABILITIES				
Sundry creditors	9,537.81	6,574.28		
	<u>9,537.81</u>	<u>6,574.28</u>		
XIII PROVISIONS				
a) Pension fund	-	22.09		
b) Leave salary	20.03	18.68		
c) Proposed dividend	259.00	-		
d) Provision for dividend tax	44.02	-		
	<u>323.05</u>	<u>40.77</u>		
XIV OTHER INCOME				
a) Sale of scraps and empties	63.53	63.29		
b) Dividend income	0.18	0.16		
c) Profit on sale of assets	0.03	1.01		
d) Profit on sale of investments	-	1.13		
e) Miscellaneous income	32.25	32.25		
	<u>95.99</u>	<u>97.84</u>		
XV RAW MATERIALS AND COMPONENTS CONSUMED				
Opening Stock:				
Raw materials	531.67	645.10		
Work-in-process	235.38	368.50		
Finished goods				
Automobiles	669.16	-		
Components	<u>157.25</u>	<u>179.52</u>		
	<u>826.41</u>	<u>179.52</u>		
	<u>1,593.46</u>	<u>1,193.12</u>		
Purchase of raw materials and components				
Automobiles	59,031.02	32,931.44		
Components	<u>11,437.81</u>	<u>9,329.82</u>		
	<u>70,468.83</u>	<u>42,261.26</u>		
Total (A)	<u>72,062.29</u>	<u>43,454.38</u>		
Closing stock:				
Raw materials	667.58	531.67		
Work-in-process	323.52	235.38		
Finished goods				
Automobiles	1,740.78	669.16		
Components	<u>137.57</u>	<u>157.25</u>		
	<u>1,878.35</u>	<u>826.41</u>		
Total (B)	<u>2,869.45</u>	<u>1,593.46</u>		
(A-B)	<u>69,192.84</u>	<u>41,860.92</u>		
XVI SALARIES AND WAGES, STORES CONSUMED AND OTHER EXPENSES				
* a) Salaries, wages and bonus	1,474.88	1,373.34		
* b) Contribution to provident and other funds	73.98	84.39		
* c) Workmen and staff welfare expenses	286.33	313.35		
* d) Stores and tools consumed	130.15	130.52		
* e) Power and fuel	1,195.01	848.11		
* f) Rent	126.28	65.87		
* g) Rates and taxes	201.11	48.33		
* h) Repairs and maintenance				
i) buildings	154.02	186.09		
ii) machinery	516.62	303.24		
iii) other assets	108.32	67.66		
i) Insurance	32.83	27.23		
j) Directors' sitting fees	0.58	0.40		
k) Audit fees	7.50	8.27		
* l) Packing and freight charges	1,152.11	705.09		
* m) Other expenses	420.39	516.24		
n) Loss on impairment of assets	5.84	19.94		
o) Provision for bad & doubtful debts	118.01	-		
	<u>6,003.96</u>	<u>4,698.07</u>		
* net of recoveries				
XVII INTEREST				
a) On fixed loans	371.77	433.66		
b) Others	145.60	340.14		
Total (A)	<u>517.37</u>	<u>773.80</u>		
Less : Interest income				
(a) On advances and deposits (gross)	5.04	10.64		
Total (B)	<u>5.04</u>	<u>10.64</u>		
(A-B)	<u>512.33</u>	<u>763.16</u>		

SUNDARAM AUTO COMPONENTS LIMITED

Schedules (continued)

	Rupees in lakhs		Rupees in lakhs	
	As at/ Year ended	As at/ Year ended	As at / Year ended	As at / Year ended
	31-03-2010	31-03-2009	31-03-2010	31-03-2009
XVIII NOTES ON ACCOUNTS				
1 ACCOUNTING STANDARDS				
(a) AS - 1 Disclosure of accounting policies				
The accounts are maintained on accrual basis as a going concern.				
(b) AS - 2 Valuation of inventories				
Inventories are valued in accordance with the method of valuation prescribed by The Institute of Chartered Accountants of India at weighted average rates.				
(c) AS - 3 Cash flow statements				
The cash flow statement is prepared under "indirect method" and the same is annexed.				
(d) AS - 4 Contingencies and Events Occurring After the Balance Sheet Date				
There were no material events occurring after the balance sheet date.				
(e) AS - 5 Net profit or loss for the period, prior period items and changes in accounting policies.				
- Details of prior period debits to Profit and Loss Account:				
Electricity Charges	26.67	-		
Travel and Conveyance	0.90	0.01		
Rates and taxes	0.02	1.69		
Sales returns	-	3.02		
Rent	-	0.04		
(f) AS - 6 Depreciation accounting				
Depreciation has been provided under the straight line method at the rates prescribed under Schedule XIV of the Companies Act, 1956 with the applicable shift allowance.				
In respect of assets added / assets sold during the year pro-rata depreciation has been provided at the rates prescribed under Schedule XIV.				
Depreciation in respect of Computers and Vehicles has been provided at 30% and 18% respectively which is higher than the rate prescribed under Schedule XIV.				
Depreciation in respect of Moulds has been provided based on the quantity of components manufactured.				
Depreciation in respect of plant and machineries acquired during the year whose actual cost does not exceed Rs. 5,000/- has been provided at 100%.				
(g) AS - 9 Revenue recognition				
The income of the company is derived from manufacture and sale of rubber, plastic components and trading in automobiles. Sale of rubber and plastic products is net of exchange fluctuation loss on exports amounting to Rs.11.91 Lakhs (Last Year Rs.12.35 Lakhs)				
Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.				
Dividend from investments is recognised when the company in which they are held declares the dividend and the right to receive the same is established.				
The revenue and expenditure are accounted on a going concern basis.				
(h) AS - 10 Accounting for fixed assets				
All the fixed assets are valued at cost including expenditure incurred in bringing them to usable condition less depreciation.				
Cost of land includes lands acquired on lease	296.91	296.91		
Buildings include buildings constructed on leasehold lands	1,199.67	1,205.26		
(i) AS - 11 Accounting for the effects of changes in foreign exchange rates				
Purchase of imported raw materials, components, spare parts and capital goods are accounted based on retirement memos from banks. In respect of liabilities on import of raw materials, components, spare parts and capital goods which are in transit and where invoices / bills are yet to be received, the liability is accounted based on the advance copies of documents at the market exchange rates prevailing on the date of the balance sheet.				
Sales is net of exchange fluctuation loss on exports amounting to Rs.11.91 lakhs (Last year Rs. 12.35 lakhs)				
Net exchange difference			8.47	136.91
Debited to Profit and Loss Account				
The company has not entered into any derivative contracts.				
The foreign currency exposures are not hedged.				
The Central Government vide notification dated 31 st March 2009 has amended Accounting Standard 11. The amendment permits, on exercise of an option, to add to or deduct from the carrying cost of depreciable assets the effect of exchange differences arising on such monetary item. As the company has not borrowed any long term foreign currency monetary item for acquisition of depreciable capital asset, this amendment is not applicable. Similarly the company has no long term monetary item relating to other than an acquisition of depreciable capital asset.				
(j) AS - 13 Accounting for Investments				
Investments are valued at cost. Provision for diminution in the carrying cost of investments is made if such diminution is other than temporary in nature in the opinion of the management.				
(i) Investments made during the year				
TVS Global Automobile Traders FZCO, Dubai			13.86	-
(ii) Investments realised during the year				
AIG Global Asset Management(India) Pvt. Ltd., Mumbai				
AIG India Treasury Plus Fund			-	12.15
Cost of investments held as at Balance Sheet Date			15.56	1.70
(k) AS - 15 Accounting for retirement benefits				
Disclosure is made as per the requirements of the standard and the same is furnished below:				
A. Defined contribution plans				
Contribution to provident fund is in the nature of defined contribution plan and are made to a recognised trust in respect of excluded employees. In respect of other employees, the contribution is made to Government.				
B. Defined benefit plans				
(a) The Company extends defined benefit plans in the form of leave salary to employees. In addition, the Company also extends pension to senior managers of the company.				
(b) The Company also extends defined benefit plan in the form of gratuity to employees. Contribution to gratuity is made to Life Insurance Corporation of India in accordance with the scheme framed by the Corporation.				

SUNDARAM AUTO COMPONENTS LIMITED

Schedules ~ (continued)

XVIII NOTES ON ACCOUNTS ~ (continued)

Rupees in lakhs

	As at/ Year ended 31-03-2010	As at/ Year ended 31-03-2009
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(l) AS - 16 Borrowing costs

The borrowing costs have been treated in accordance with Accounting standard on Borrowing Cost (AS-16) issued by The Institute of Chartered Accountants of India.

No interest on borrowings have been capitalised during the year.

Key Management personnel Mr. A.G. Giridharan
Manager within the meaning of Sections 269 and 384 of the Companies Act, 1956 with effect from 01.04.2009

Company having managerial personnel in common Harita Seating Systems Limited, Chennai

(m) AS - 17 Segment reporting

The Company operates in only one segment viz., manufacturing of automobile parts and trading of automobiles. Hence the Accounting Standard on segment reporting is not applicable.

Rupees in lakhs

	As at / Year ended 31-03-2010	As at / Year ended 31-03-2009
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(n) AS - 18 Related party disclosure

Disclosure is made as per the requirements of the standard and the same is furnished below:

Reporting entity	Sundaram Auto Components Limited, Chennai
List of related parties:	
Holding company	TVS Motor Company Limited, Chennai
Ultimate holding companies	Sundaram-Clayton Limited, Chennai T V Sundram Iyengar & Sons Limited, Madurai
Joint Venture	TVS Global Automobile Traders FZCO, Dubai
Fellow subsidiaries	a) TVS Motor Company (Europe), B.V., Amsterdam b) TVS Motor (Singapore) Pte Limited, Singapore c) PT.TVS Motor Company Indonesia, Jakarta d) Anusha Investments Limited, Chennai e) TVS Energy Limited, Chennai f) TVS Investments Limited, Chennai g) TVS Electronics Limited, Chennai h) Tumkur Property Holdings Limited, Chennai i) Prime Property Holdings Limited, Chennai j) TVS-E Access (India) Limited, Chennai k) TVS-E Servicetec Limited, Chennai l) TVS Capital Funds Limited, Chennai m) Sravanaa Properties Limited, Chennai n) Southern Roadways Limited, Madurai o) Sundaram Industries Limited, Madurai p) The Associated Auto Parts Limited, Mumbai q) TVS Interconnect Systems Limited, Madurai r) TVS Logistics Services Limited, Madurai s) Lucas - TVS Limited, Chennai t) Sundaram Textiles Limited, Madurai u) NSM Holdings Limited, Madurai v) TVSNet Technologies Limited, Madurai w) TOR Projects & Services Limited, Madurai x) NK Telecom Products Limited, Madurai y) NK Telesystems Limited, Madurai z) TVS Automotive Europe Limited, UK aa) TVS C.J Components Limited, UK ab) TVS Logistics Iberia S.L., Spain ac) TVS Logistics Siam Limited, Thailand ad) TVS Autoserv GmbH, Germany ae) TVS Logistics Investment UK Limited, UK af) YeleStre Holdings Limited, UK ag) Multipart (Holdings) Limited, UK ah) Multipart Solutions Limited, UK ai) IH Crick Property Co Limited, UK aj) Msys Software Solutions Limited, UK ak) Globe Dynamics Limited, UK al) Globe Transport Products Limited, UK am) TVS Dynamic Global Freight Services Limited, Chennai an) TVS Commutation Solutions Limited, Chennai ao) Lucas Indian Service Limited, Chennai ap) TVS Automotive Systems Limited, Chennai aq) Iranian Automotive Systems, Iran

Particulars of transactions with related parties

1. Sale of goods		
- Holding company	7,861.56	8,663.68
- Ultimate holding company	-	-
- Fellow subsidiary		
PT.TVS Motor Company Indonesia, Jakarta	14.93	-
- Company under same management		
Harita Seating Systems Ltd, Chennai	566.13	-
2. Purchase of goods		
- Holding company	59,031.02	32,931.44
3. Purchase of fixed assets		
- Holding company	-	0.43
4. Finance-Equity contribution		
- Holding company (Right Shares issued to)	-	1,850.00
- Joint Venture (Equity Shares subscribed in)		
TVS Global Automobile Traders FZCO, Dubai	13.86	-
5. Rendering of services		
- Holding company	48.20	35.89
- Ultimate holding company	0.25	2.26
- Company under same management		
Harita Seating Systems Ltd, Chennai	58.44	-
6. Receiving of services		
- Holding company	56.55	105.42
- Ultimate holding company	74.72	68.49
- Fellow subsidiary		
TVS Electronics Limited, Chennai	0.06	0.24
TVS E Servicetec Limited, Chennai	4.73	4.91
- Company under same management		
Harita Seating Systems Ltd, Chennai	214.86	-
7. Trade advances received during the year		
- Holding company	1550.00	710.00
- Ultimate holding company	-	-
- Fellow subsidiary	-	-
8. Trade advances repaid during the year		
- Holding company	700.00	1,424.26
- Ultimate holding company	-	-
- Fellow subsidiary	-	-
9. Amount outstanding as at Balance Sheet date:		
(i) Amount payable		
- Holding company	884.56	1719.85
- Ultimate holding company	24.52	25.91
- Fellow subsidiary		
TVS Electronics Limited, Chennai	-	0.11
PT.TVS Motor Company Indonesia, Jakarta	2.48	17.34
(ii) Amount receivable		
- Holding company	356.53	544.93
- Company under same management		
Harita Seating Systems Ltd, Chennai	94.88	-
(o) AS - 20 Earnings per share		
Disclosure is made in the Profit and Loss account as per the requirements of the standard		
(p) AS - 22 Accounting for taxes on income		
Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax liability and asset are recognised based on timing difference using the tax rates substantively enacted on the Balance Sheet date.		

SUNDARAM AUTO COMPONENTS LIMITED

Schedules – (continued)

XVIII NOTES ON ACCOUNTS – (continued)

15 INFORMATION PURSUANT TO THE PROVISIONS OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956 (VIDE NOTIFICATION DATED 30TH OCTOBER 1973 OF THE MINISTRY OF CORPORATE AFFAIRS, GOVERNMENT OF INDIA)

		Rupees in lakhs			
		Year ended 31-03-2010		Year ended 31-03-2009	
		Quantity	Value	Quantity	Value
I	RAW MATERIALS CONSUMED				
1	(a) Basic raw materials				
	Carbon Black	Kgs.	604,351	488,954	248.95
	Rayon Spools	Kgs.	57,114	15,518	98.14
	Natural Rubber	Kgs.	396,352	210,269	240.49
	Synthetic Rubber	Kgs.	408,505	579,293	450.34
	Nylon 66 & 6	Kgs.	202,190	110,393	157.18
	ABS Material	Kgs.	1,715,910	2,924,008	1,884.52
	Filled & Unfilled PP	Kgs.	3,057,017	2,305,696	1,903.08
	Mould Materials	Nos	–	–	328.27
	Celcon M90	Kgs.	32,613	25,996	23.50
	Polycarbonate Fog White	Kgs.	163,189	427,625	360.08
	(b) Intermediates and components				
	Metal Inserts	Nos.	17,220,956	17,421,209	561.64
	Other intermediates (which individually do not account for more than 10% of the total value of consumption)		–	–	3,187.06
	(c) Automobiles	Nos.	180,399	102,924	32,262.28
			<u>69,261.30</u>		<u>41,705.53</u>
		% of total consumption		% of total consumption	
2	Consumption of raw materials and components				
	(a) Imported		1.9	5.0	2,096.39
	(b) Indigenous		98.1	95.0	39,609.14
			<u>100.0</u>	<u>100.0</u>	<u>41,705.53</u>
II	CONSUMPTION OF MACHINERY SPARES				
	(a) Imported		6.0	12.30	15.04
	(b) Indigenous		94.0	87.70	107.50
			<u>100.0</u>	<u>100.00</u>	<u>122.54</u>
III	IMPORTS (CIF VALUE)				
	(a) Raw materials		1,684.62		2,246.10
	(b) Spare parts and components		10.85		15.04
	(c) Capital goods		348.67		121.25
IV	OTHER EXPENDITURE IN FOREIGN CURRENCY				
	(a) Travel		13.19		11.47
	(b) Consultancy		6.65		14.66
	(c) Subscription		–		0.06
V	EARNINGS IN FOREIGN EXCHANGE				
	(a) Exports (on f.o.b. basis)		151.26		302.92
	(b) Others (freight and insurance)		4.49		13.54
			<u>155.75</u>		<u>316.46</u>
VI	SALE BY CLASS OF GOODS	Quantity (nos.)		Quantity (nos.)	
	(a) Rubber Moulded Components	29,846,327	3,451.48	19,872,238	2,511.31
	(b) Plastic Moulded Components	36,417,832	14,649.57	31,501,999	12,223.88
	(c) Air Brake Hoses (in mtrs)	818,468	292.70	353,144	230.83
	(d) Moulds	235	564.53	258	405.38
	(e) Automobiles	180,399	58,865.54	102,924	32,597.24
			<u>77,823.82</u>		<u>47,968.64</u>
VII	LICENSED AND INSTALLED CAPACITY (PER ANNUM)		Not applicable		Not applicable
VIII	GROSS INCOME FROM SUB-CONTRACT WORK RENDERED		105.39		144.89

SUNDARAM AUTO COMPONENTS LIMITED

Schedules – (continued)

XVIII NOTES ON ACCOUNTS – (continued)

IX OPENING AND CLOSING STOCK OF GOODS PRODUCED DURING THE YEAR

Rupees in lakhs

	Opening stock				Production meant for sale		Closing stock			
	Quantity Nos.	Cost	Quantity Nos.	Cost	Quantity Nos.		Quantity Nos.	Cost	Quantity Nos.	Cost
	As at 01-04-2009		As at 01-04-2008		Year ended 31-03-2010	Year ended 31-03-2009	As at 31-03-2010		As at 31-03-2009	
a) Rubber Moulded Components	615,675	25.34	800,465	45.56	29,971,713	19,687,448	741,060	23.64	615,675	25.34
b) Plastic Moulded Components	721,042	131.67	1,147,464	133.49	36,967,431	31,075,577	1,270,641	113.81	721,042	131.67
c) Air Brake Hoses (in mtrs.)	549	0.24	1,184	0.47	818,219	352,509	301	0.12	549	0.24
d) Moulds	—	—	—	—	235	258	—	—	—	—
e) Automobiles	1,898	669.16	—	—	**183,634	104,822	5,133	1,740.78	1,898	669.16
Total		826.41		179.52				1,878.35		826.41

** Purchases

H. Lakshmanan
Chairman

V.N. Venkatanathan
Director

Chennai
July 16, 2010

P.S. Bashyam
Manager

K. Dharmarajan
Secretary

As per our report annexed
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn. No. 004207S

M. BALASUBRAMANIAM
Partner
Membership No. F7945

Cash Flow Statement

	Rupees in lakhs		Rupees in lakhs	
	Year ended 31-03-2010	Year ended 31-03-2009	Year ended 31-03-2010	Year ended 31-03-2009
(A) Cash flow from operating activities				
Net Profit/(Loss) before tax and extraordinary items	1,239.67	(207.40)		
Add:				
Depreciation for the year	729.37	677.13		
Depreciation on sale/scrapping of assets	-	(3.27)		
Income tax relating to earlier years	(18.90)	4.97		
Dividend income	(0.18)	(0.16)		
Interest income	(5.04)	(10.64)		
Interest expenditure	517.37	773.80		
Profit on sale of investments	-	(1.13)		
Profit on sale of assets	(0.03)	-		
Loss on impairment of assets	5.84	22.01		
	<u>1,228.43</u>	<u>1,462.71</u>		
Operating profit before working capital changes	<u>2,468.10</u>	<u>1,255.31</u>		
Adjustments for :				
Trade receivables	(750.58)	(3,026.04)		
Inventories	(1,450.51)	(726.01)		
Loans and advances	(411.34)	719.09		
Trade payables	2,963.53	3,736.25		
Provisions	282.28	(9.47)		
	<u>633.38</u>	<u>693.82</u>		
Cash generated from operations	<u>3,101.48</u>	<u>1,949.13</u>		
Direct taxes paid	(158.63)	(30.21)		
Net cash generated from operating activities - (A)	<u>2,942.85</u>	<u>1,918.92</u>		
(B) Cash flow from investing activities				
Purchase of fixed assets	(771.04)	(389.63)		
Sale of fixed assets	4.71	3.07		
Capital work-in-progress (At cost)	(216.28)	150.11		
	<u>(13.86)</u>	<u>-</u>		
Purchase of investments	(13.86)	-		
Sale of investments	-	13.28		
	<u>-</u>	<u>13.28</u>		
(C) Cash flow from financing activities				
Interest received	5.04	10.64		
Dividends received	0.18	0.16		
	<u>(991.25)</u>	<u>(212.37)</u>		
Net cash used in investing activities - (B)	<u>(991.25)</u>	<u>(212.37)</u>		
(D) Net increase in cash and cash equivalents (A+B+C)	1,476.40	636.38		
Cash and cash equivalents at the beginning of the year				
Cash & Bank	727.51	46.32		
Cash credit - balance	(1,389.99)	(1,345.18)		
	<u>(662.48)</u>	<u>(1,298.86)</u>		
Cash and cash equivalents at the end of the year				
Cash & Bank	813.92	727.51		
Cash credit - balance	-	(1,389.99)		
	<u>813.92</u>	<u>(662.48)</u>		

Notes:

- The above statement has been prepared in indirect method except in case of interest, dividend and purchase and sale of investments which has been considered on the basis of actual movement of cash.
- Cash and cash equivalents represent cash and bank balances and cash credit balances.

H. Lakshmanan
Chairman

V.N. Venkatanathan
Director

Chennai
July 16, 2010

P.S. Bashyam
Manager

K. Dharmarajan
Secretary

As per our report annexed
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn. No. 004207S

M. BALASUBRAMANIAM
Partner
Membership No. F7945

SUNDARAM AUTO COMPONENTS LIMITED

Balance Sheet abstract and Company's general business profile

I. Registration details:

Registration no. of State code
 CIN no.
 Balance sheet date
 Date Month Year

II. Capital raised during the year (Amount in Rs. thousands)

Public issue Rights issue
 Bonus issue Private placement

III. Position of mobilisation and deployment of funds (Amount in Rs. thousands)

Total liabilities Total assets
Sources of Funds
 Paid up capital
 Secured loans
 Deferred tax liability
 Reserves and surplus
 Unsecured loans

Application of Funds

Net fixed assets Capital work-in-progress
 Investments Net current assets
 Misc. expenditure Deferred Tax Asset

IV. Performance of the company (Amount in Rs. thousands)

Turnover Total Expenditure
 Profit before tax Profit after tax
 Earnings per share (Rs) Dividend rate (%)

V. Generic names of three principal products/services of company (as per monetary terms) (ITC Code)

Product description	Item Code No. (ITC Code:)
Air brake hoses	<input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="."/> <input type="text" value="0"/> <input type="text" value="0"/>
Rubber Moulded Components	<input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="."/> <input type="text" value="9"/> <input type="text" value="9"/>
Plastic Moulded Components	<input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="."/> <input type="text" value="0"/> <input type="text" value="0"/>
Automobiles	<input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="."/> <input type="text" value="0"/> <input type="text" value="0"/>