



Sundram Fasteners Limited

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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
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YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

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ANNUAL REPORT

for the year ended
31st March 1998

Singular Honour

*General Motors Best of the Best
Suppliers Award 1996*

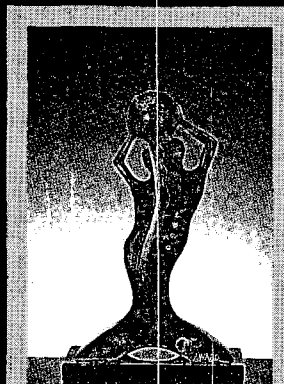
*When General Motors placed us among the top 0.6% of
30,000 suppliers world-wide, we were honoured.*



Doubly Attractive

*General Motors Best of the Best
Suppliers Award 1997*

*When it happened yet again,
we were doubly proud.*



Sundram Fasteners Limited

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the **Thirty Fifth** Annual General Meeting of the Shareholders of the Company will be held at the Music Academy, 306, T T K Road (Mowbrays Road), Chennai 600 014 on Monday the 28th September 1998 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March 1998, the Profit and Loss Account for the year ended on that date and Reports of the Directors and the Auditors of the Company.
2. To declare dividend.
3. To appoint a Director in place of Sri R Srinivasan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION:

“RESOLVED that:

- a pursuant to Section 314(1B) and other applicable provisions of the Companies Act, 1956 and also subject to the approval of the Central Government, consent of the shareholders be and is hereby accorded for payment of revised remuneration, effective 1st December 1998, as set out in the Explanatory Statement attached to the Notice convening this Annual General Meeting, to Ms Arathi Krishna, daughter of Sri Suresh Krishna, Chairman and Managing Director, for holding office or place of profit as Director - Operations, not being a Director as defined in Section 2(13) of the Companies Act, 1956, or such other designation as may be decided by the Board from time to time; and
- b in the event of any relaxation by the Central Government for payment of remuneration under Section 314 of the Companies Act, 1956, the Board of Directors, be and is hereby authorised to increase the remuneration of Ms Arathi Krishna as the Board may decide, *from time to time*, subject to such provisions”.

By Order of the Board

V G JAGANATHAN
President (Finance) & Secretary

Chennai
July 27, 1998

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.**
 2. The instrument appointing proxy should be deposited at the Share Registry *at least* 48 hours before the commencement of the meeting.
 3. The explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of special business under item No. 5 set out above is annexed hereto.
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Sundram Fasteners Limited

4. The Register of Members and the Share Transfer Books of the Company will remain closed from *Tuesday* the 1st September 1998 to *Monday* the 28th September 1998 (both days inclusive) for the purpose of payment of dividend.
5. The dividend, as recommended by the Board of Directors, if declared at the meeting, shall be paid to those members whose names appear in the Register of Members of the Company on 28th September 1998 or to their mandatees.
6. Members desiring any information as regards accounts are requested to write to the Company *atleast* 7 days before the meeting so as to enable the Management to keep the information ready.
7. Members who have *not* furnished the bank account details viz. Name of the Bank, Name of the Branch, Bank account number, are requested to furnish the same to the Share Registry at the earliest, so as to incorporate the details in the dividend warrant, to prevent any fraudulent encashment of warrants after despatch.
8. As required under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) (Amendment) Rules, 1988, the unpaid/unclaimed dividend for the financial year ended 31st March 1994 was transferred to the General Revenue Account of the Central Government, as per details given below:

Dividend for the year ended	No. of Equity Shares	No. of holders	Amount Rs	Date of transfer
31-3-1994	20,729	358	81,517	14-11-1997
31-3-1994	56,160	161	2,24,640	06-05-1998

Shareholders who have *not* encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies (Tamil Nadu), Shastri Bhavan, Block No.6, II Floor, 26, Haddows Road, Chennai 600 006. In case any assistance is required, members may write to the Share Registry.

9. Members who have *not* encashed the dividend warrants for the financial year ended 31st March 1995 have been informed individually on 23rd May 1998. Members who have still *not* encashed the said dividend warrants are requested to surrender the unencashed warrants to the Share Registry and obtain payment. If the warrants are lost, members may write to the Share Registry *immediately*.
10. The Equity Shares of the Company are listed with following Stock Exchanges:

Madras Stock Exchange Limited Exchange Building 11 Second Line Beach Chennai 600 001	The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001
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**Sundram Fasteners Limited**

Regd. Office : 98-A, Dr Radhakrishnan Salai
Mylapore
Chennai 600 004

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Name of the attending member _____

Folio No. _____ No. of shares _____

Name of proxy* _____
* (If proxy attends instead of member)

I hereby register my presence at the annual general meeting.

Venue : Music Academy
306, T T K Road, Chennai 600 014

Date : Monday, 28th September 1998

Time : 10.00 a.m.

Signature of member/proxy

REQUEST TO MEMBERS

1. Members and their proxies/bodies corporate should bring the attendance slip duly filled in for attending the meeting.
2. Members are requested to avoid being accompanied by non-members and/or children.
3. Members are requested to bring their copies of annual report to the meeting as the Company is unable to provide another copy in view of the increased cost of paper.
4. Members are requested to be in their seats at the meeting hall before the scheduled time for commencement of the annual general meeting to avoid interruptions in the proceedings.
5. Members are requested to intimate the Share Registry changes, if any, in their registered address.
6. Members intending to appoint proxies are requested to complete the proxy form sent herewith and deposit the same with the Share Registry, at least 48 hours before the time fixed for holding the meeting.
7. If you and/or your family members are receiving more than one copy of the annual report and other communications and would like to avoid duplication, kindly advise to enable us to mail only one copy. This will help us to avoid wastage.

Tear here

**Sundram Fasteners Limited**

Regd. Office : 98-A, Dr Radhakrishnan Salai
Mylapore
Chennai 600 004

PROXY FORM

Folio No. * _____

I/We _____ being a Member/Members of SUNDARAM FASTENERS LIMITED hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our proxy to attend and vote for me/us and on my/our behalf at the annual general meeting of the Company to be held on 28th September 1998 and at any adjournment thereof.

Signed this _____ day of _____ 1998.

For Office use	
Proxy No.	
Date of receipt	
No. of shares	

Affix 30 p
Revenue
Stamp

N.B.: The instrument appointing proxy should be deposited with the Share Registry at least 48 hours before the commencement of the meeting

* Please fill in the particulars as given in the address slip



Sundram Fasteners Limited

ANNEXURE II TO DIRECTORS' REPORT

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 and the Rules made thereunder

(a) Age (Years) (b) Date of commencement of employment (c) Remuneration received (Gross) (Rs) (d) Designation and Nature of duties (e) Qualification (f) Experience (Years) (g) Previous employment

Employed throughout the year

Ashok S (a) 47 (b) 14.10.94 (c) 6,80,370 (d) Dy Genl Manager - R & D (e) BSc Ph D (f) 20 (g) Consultant, ALCOA ORMET

Atul Kumar Agarwal (a) 35 (b) 19.10.94 (c) 3,36,316 (d) Manager - D & D (e) BE MBA (f) 12 (g) Manager - D & D, India Forge & Drops Stampings Ltd

Bahadur Ajmal Ali Khan S (a) 50 (b) 26.08.68 (c) 3,96,850 (d) Senior Manager - Tool Room (e) AMIE (f) 31 (g) Jr Mech Engineer - Southern Railway - Loco

Balasubramanian K V (a) 53 (b) 24.07.70 (c) 6,62,731 (d) Dy Genl Manager - SPM Divn (e) MSc (Engg) (f) 26 (g) Nil

Balasubramanian R S (a) 46 (b) 14.09.85 (c) 5,36,600 (d) Asst. General Manager - Prodn (e) BE (f) 24 (g) Asst Prodn Manager - Kinetic Engg Ltd

Bhaskar A P (a) 44 (b) 17.11.83 (c) 3,06,875 (d) Senior Manager - Marketing (e) BE, DMM (f) 21 (g) Sr Sales Officer - Mahindra Owen Ltd

Govindarajan V T (a) 39 (b) 15.05.85 (c) 4,45,524 (d) Senior Manager - Marketing (e) BE PGDM (f) 15 (g) Deptl Manager - Metturr Beardsell Ltd

Jaganathan V G (a) 52 (b) 06.07.81 (c) 19,11,186 (d) President (Finance) & Secretary (e) BCom ACA ACS AICWA (f) 28 (g) Chief Accountant - Bihar Alloy Steels Ltd

Jagannathan V L (a) 47 (b) 21.03.73 (c) 4,19,259 (d) Senior Manager - Marketing (e) LME (f) 28 (g) Service Mechanic - Aerocool

Krishnamurthy G (a) 52 (b) 08.06.94 (c) 5,75,426 (d) Dy Genl Manager - BS & S (e) BSc (Engg) (f) 29 (g) Divl. Manager - Operations-Hindustan Power Plus Ltd

Kunchitham S (a) 52 (b) 01.07.70 (c) 3,12,850 (d) Manager - Maintenance (e) BE (f) 31 (g) Supr - Neyveli Ceramics & Refractories Ltd

Lakshminarayanan A M (a) 49 (b) 19.02.68 (c) 3,09,464 (d) Senior Manager - Systems (e) BE (f) 29 (g) Nil

Mani S E S (a) 56 (b) 04.02.66 (c) 6,55,114 (d) Dy Genl Manager - Projects (e) BE (f) 36 (g) Tech Assistant - TVS & Sons Ltd

Mani K (a) 60 (b) 04.07.96 (c) 13,08,339 (d) President - MFD (e) B Tech (Hons) (f) 39 (g) President - Anand Corporate Services Ltd

Meenakshisundaram S (a) 40 (b) 09.05.81 (c) 4,27,357 (d) Senior Manager - Finance (e) BCom ACA BGL AICWA (f) 17 (g) Nil

Narasimhan A S (a) 49 (b) 02.03.72 (c) 3,97,794 (d) Senior Manager - Marketing (f) DME PGD in Matls Mgt (f) 19 (g) Supr - Autotrol Corporation

Natarajan A (a) 44 (b) 01.08.82 (c) 7,17,028 (d) Dy Genl Manager - Paddy Unit (e) B Tech (f) 22 (g) Supdt - Ashok Leyland Ltd

Natarajan G S (a) 47 (b) 24.01.94 (c) 6,14,801 (d) Dy Genl Manager - CSI (e) BE MTech (f) 25 (g) Vice President - Standard Motor Products I Ltd

Panchanatheswaran B (a) 41 (b) 16.07.93 (c) 3,18,488 (d) Senior Manager - MFD (e) BE (f) 17 (g) Engineer - CG Igrashi Motors Ltd

Parthasarathy S (a) 52 (b) 01.01.67 (c) 3,76,118 (d) Senior Manager - Production (e) LME (f) 31 (g) Engg Asst - MSEB Workshop - Metturr Dam

Prem Kumar R (a) 51 (b) 03.03.82 (c) 5,28,055 (d) Asst Genl Manager - Rad Caps (e) BE (f) 26 (g) Prodn Engineer - Hindustan Aeronautics Ltd

Raghuraman C N (a) 53 (b) 24.06.67 (c) 7,30,347 (d) Dy Genl Manager - HRD (e) BSc DSSA BGL (f) 30 (g) Nil

Ramakrishnan N (a) 47 (b) 20.01.97 (c) 7,37,673 (d) Dy Genl Manager - CIS (e) B Tech MBA (f) 24 (g) Senior Manager - ICI Ltd

Ramakrishnan R (a) 51 (b) 14.11.96 (c) 7,72,814 (d) General Manager - Marketing (e) BE (f) 27 (g) Genl Manager - International Instruments Ltd

Ramasubramanian S (a) 51 (b) 13.05.82 (c) 7,87,892 (d) Genl Manager - Krishnapuram Unit (e) BE MBA (f) 30 (g) Dy Manager - Bharat Electronics Ltd

Ramaswami K (a) 43 (b) 02.11.84 (c) 7,18,749 (d) Dy Genl Manager - Padi Unit (e) BE DBM (f) 21 (g) Engineer - Planning - MICO Ltd

Ramesh K (a) 40 (b) 05.04.95 (c) 3,16,724 (d) Senior Manager - Personnel (e) MA PGD (PM & IR) BGL (f) 18 (g) Manager - Moorco (f) Ltd

Sadagopan N (a) 35 (b) 11.07.94 (c) 3,30,945 (d) Senior Manager - Finance (e) BCom ACA AICWA (f) 11 (g) Dy Manager - BPL Ltd

Sambandan R (a) 49 (b) 10.01.72 (c) 3,03,166 (d) Senior Manager - Mfg (d) BE (f) 28 (g) Inspector - Lakshmi Indl. Equipments

Sampath Kumar Moorthy (a) 50 (b) 07.08.82 (c) 20,70,932 (d) President - Fasteners Divn (e) BE (f) 27 (g) Assistant Manager - Mahindra & Mahindra Ltd

Sathyamurthy T N (a) 58 (b) 29.08.82 (c) 6,28,987 (d) Dy Genl Manager - Prodn Engg (e) LME AMIE (f) 37 (g) Manager - Hindustan Aeronautics Ltd

Sekarani S A (a) 42 (b) 04.11.85 (c) 3,45,590 (d) Senior Manager - Exports (e) BE (f) 18 (g) Service - Engineer - Wdia India Ltd

Sreeram Jagannathan Rao (a) 48 (b) 08.08.94 (c) 5,10,151 (d) Asst Genl Manager - Iron Powder Unit (e) B Tech (f) 26 (g) Sr Manager - Plant Engg - Greaves Limited

Sreeram Srinivasan (a) 35 (b) 02.02.94 (c) 4,87,330 (d) Asst General Manager - R & D (e) B Tech MS PhD (f) 12 (g) Research Associate - Oakridge National Lab

Sreesha S (a) 40 (b) 09.09.90 (c) 3,03,993 (d) Senior Manager - Exports (e) BE MBA (f) 17 (g) Senior Officer - MICO Ltd

Sridhar R (a) 48 (b) 03.06.93 (c) 3,28,593 (d) Senior Manager - Personnel (e) BA DPM (f) 28 (g) Personnel Manager - Premier Granites Ltd

Sridharan S (a) 51 (b) 07.05.68 (c) 5,85,638 (d) Asst Genl Manager - Finance (e) AICWA (f) 36 (g) Accounts Clerk - Best & Co Ltd

Srinivasan S (a) 49 (b) 09.05.95 (c) 5,82,467 (d) Dy Genl Manager - BS & S (e) B Tech PGDBA (f) 26 (g) Sr Ware House Manager - Suhail Saud Bhawan

Srinivasan V (a) 42 (b) 05.01.83 (c) 7,30,284 (d) Dy Genl Manager - Operations (e) B Tech PGDM (f) 19 (g) Dy Manager - Special Steels Ltd

Sundararajan P (a) 54 (b) 25.03.66 (c) 7,30,354 (d) Dy Genl Manager - HNF (e) LME PDM (f) 32 (g) Nil

Suryanarayana K (a) 50 (b) 05.05.88 (c) 5,59,029 (d) Asst Genl Manager - D & D (e) BE (f) 29 (g) Manager - Guest Keen Williams Ltd

Thyagarajan G (a) 58 (b) 05.11.70 (c) 7,46,046 (d) Genl Manager - SPM Divn (e) BE (f) 34 (g) Sales & Service Engr - Heatly & Gresham Ltd

Velayudham V (a) 51 (b) 27.07.70 (c) 3,13,975 (d) Senior Manager - QAD (e) BE (f) 27 (g) Nil

Sundram Fasteners Limited

ANNEXURE II TO DIRECTORS' REPORT (Contd.)

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 and the Rules made thereunder

(a) Age (Years) (b) Date of commencement of employment (c) Remuneration received (Gross) (Rs) (d) Designation and Nature of duties (e) Qualification (f) Experience (Years) (g) Previous employment

Employed for part of the year

Jagadish G Holla (a) 37 (b) 01.11.85 (c) 32,550 (d) Manager - Production Engg (e) BE (f) 12 (g) Trainee Engineer - BPL Ltd
 Karthik S (a) 39 (b) 16.05.88 (c) 1,03,805 (d) Sr Manager - Finance (e) BSc ACA ACS AICWA (f) 14 (g) Accounts Officer - ACC Limited
 Krishnamurthy K V (a) 58 (b) 01.08.82 (c) 1,87,256 (d) Genl Manager - R & D (e) BSc ME PhD (Mett) DIC (f) 26 (g) Senior Manager - BHEL
 Lakshminarayanan T (a) 47 (b) 01.01.98 (c) 1,54,811 (d) Dy Gen Manager - MFD (e) BE MS (f) 24 (g) Vice President - DCM Engg Products
 Moorthy R K (a) 48 (b) 11.12.86 (c) 60,375 (d) Asst Genl Manager - Marketing (e) BE (f) 24 (g) Area Sales Manager - Greaves Cotton Ltd
 Murali Sundararajan R (a) 43 (b) 25.08.82 (c) 5,41,832 (d) Asst Genl Manager - Exports (e) BE PGDMM (f) 21 (g) Purchase Officer - Sundaram - Clayton Ltd
 Narayanan S (a) 51 (b) 08.08.97 (c) 2,12,778 (d) Sr Manager - Maintenance (e) DME (f) 27 (g) Sr Manager - Rane Brake Linings Ltd
 Raghavan T N S (a) 51 (b) 02.07.97 (c) 5,79,593 (d) General Manager - R & D (e) B Tech (f) 29 (g) Consultant - Brakes India Ltd
 Rajagopalan J (a) 40 (b) 09.07.97 (c) 2,45,662 (d) Senior Manager - Mfg (e) BE (Hons) (f) 15 (g) Works Manager - TI Cycles of India
 Rajagopalan P S (a) 55 (b) 09.07.97 (c) 7,17,819 (d) General Manager - Marketing (e) DCom (f) 35 (g) Executive Director - Banco Products (I) Ltd
 Sambamurthy M S (a) 53 (b) 03.01.83 (c) 1,03,685 (d) Genl Manager - HRD (e) MSc PGD in HRD CAIIB (f) 31 (g) Branch Manager - State Bank of India
 Shankara Rao T S (a) 53 (b) 11.06.82 (c) 1,98,885 (d) Manager - Materials (e) BE (f) 26 (g) Matls Manager - Khoday Brewing & Distilling Industries Ltd.
 Sudarsan M C (a) 29 (b) 05.09.91 (c) 2,61,754 (d) Manager - Finance (e) BCom ACA AICWA ACS (f) 7 (g) Nil

Notes:

1. Years of experience includes experience prior to joining the Company.
2. Remuneration includes salary, dearness allowance, house rent allowance, special allowance, rent, contributions to provident fund and superannuation fund, medical reimbursement, leave travel assistance, leave encashment and other benefits evaluated under Income-tax Rules.
3. Besides, employees are also entitled to gratuity as per rules and personal accident insurance.
4. Terms of employment of all the employees mentioned above are contractual.
5. None of the above employees is related to any Director.
6. None of the employees either individually or together with spouse holds more than two percent of the equity shares of the Company.

Chennai
June 22, 1998

On behalf of the Board

SURESH KRISHNA
Chairman & Managing Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No. 5**

Ms Arathi Krishna, daughter of Sri Suresh Krishna, Chairman and Managing Director, is a first class Master of Arts (MA) in Economics from University of Madras and a Master of Business Administration (MBA) from University of Michigan, USA. She has undergone on-the-job training in USA after completion of her MBA Program. She was appointed as Management Trainee on 23rd April 1990. She was redesignated as Manager - Business Strategy & Systems with effect from 19th February 1993 on the remuneration as approved by the Shareholders at the Annual General Meeting held on 29th September 1993.

Shareholders vide their Resolution dated 28th September 1994 had approved the revision in remuneration payable to Ms Arathi Krishna, effective 1st April 1994, consequent to the revised ceilings prescribed under Section 314 of the Companies Act, 1956 by Government of India vide its Notification dated 1st March 1994.

Taking into account the responsibilities vested on Ms Arathi Krishna and the general revision in emoluments of the Company's personnel, the Board has revised the terms and remuneration payable to Ms Arathi Krishna, effective 1st December 1998 in the manner following:

I Salary : Rs 50,000 per month in the scale of
Rs 50,000 – Rs 5,000 – Rs 75,000

II Perquisites

- a Free use of furnished residential accommodation owned or leased by the Company with facilities and amenities including water, gas, electricity, maintenance, security, furnishings and all utilities and services

If no accommodation is provided, Ms Arathi Krishna shall be entitled to house rent allowance subject to a ceiling of 60% of her salary

The expenditure incurred by the Company on gas, electricity, water, maintenance, security, furnishings and all utilities and services shall be valued as per Income-tax Rules, 1962

- b Reimbursement of medical expenses for self and family as per the rules of the Company
- c Leave travel concession for self and family as per the rules of the Company
- d Payment of fees, subscription and other incidental charges to any one club
- e Payment of premium on personal accident insurance
- f Company's contribution to provident fund and pension/superannuation fund, as per the rules of the Company
- g Gratuity payable shall be evaluated as per the rules of the Company from the date of commencement of service in the Company
- h Provision of car with driver
-

Sundram Fasteners Limited

- i Provision of telephone at residence. Personal long-distance calls shall be charged to Ms Arathi Krishna

Perquisites shall be evaluated as per the Income-tax Rules, 1962, wherever applicable. In the absence of any such rules the perquisites shall be evaluated at actual costs.

III Other benefits

- a Leave on full pay and allowances as per rules of the Company, but not exceeding 30 days leave for every year of service. Leave accumulated shall be eligible for encashment as per the rules of the Company.
- b Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time.
- c Such other benefits and amenities as may be provided by the Company to other senior executives from time to time.

The Resolution as set out in the Notice is placed before the shareholders for approval pursuant to Section 314(1B) of the Companies Act, 1956. The remuneration payable to Ms Arathi Krishna is, *however*, subject to the approval of the Central Government.

Sri Suresh Krishna, Chairman and Managing Director, may be deemed to be interested, as Ms Arathi Krishna is his relative.

No other Director is interested in this Resolution.