

# **TVS Engineering Limited**

## **ANNUAL REPORT**

**for the year ended  
March 31, 2023**



# TVS Engineering Limited

## REPORT OF DIRECTORS TO THE MEMBERS

The Directors present the Third Annual Report together with the audited accounts for the year ended March 31, 2023.

## FINANCIAL RESULTS

[₹ in Thousands]

Particulars	2022-2023	2021-2022
Revenue from Operations and Other Income	34,718.55	-
Gross Profit/(Loss) before interest & depreciation	(3,031.95)	(8,950.13)
Less: Interest	1,519.06	276.17
Less: Depreciation	2,255.99	551.95
Profit / (Loss) Before Tax	(6,807.00)	(9,778.25)
Less: Current and Deferred Tax	195.17	129.95
Net Profit / (Loss) After Tax	(7,002.17)	(9,908.20)
Add: Balance Brought Forward	(16,753.45)	(6,845.25)
Balance Carried Forward	(23,755.62)	(16,753.45)

## OPERATIONS

The Revenue from Operations and other income during the year under review was at ₹ 34,718.55 (in thousands) as against ₹ Nil in the previous year. The operating (loss) for the year was at ₹ (3,031.95) (in thousands) as against ₹ (8,950.13) (in thousands) in the previous year. The net (loss) for the year was at ₹ (7,002.17) (in thousands) as against ₹ (9,908.20) (in thousands) in the previous year.

## DIVIDEND

In view of the loss incurred, the Directors do not propose any dividend for the period under review.

## BOARD MEETINGS

During the year under review, there were five (5) Board meetings, which were held on April 11, 2022, July 1, 2022, October 12, 2022, November 9, 2022 and March 7 2023.

Ms Arathi Krishna, Ms Arundathi Krishna, Directors attended all the meetings during the year under review. Sri S Meenakshisundaram, Director attended one Board meeting on April 11, 2022. He resigned from the Board, effective July 1, 2022. Sri R Dilip Kumar was appointed as an Additional Director of the Company with effect from July 1, 2022. Sri R Dilip Kumar attended 4 Board Meetings during the year under review.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that: -

- in the preparation of annual accounts, all applicable accounting standards had been followed
- they had selected appropriate accounting policies and applied them consistently, and made judgments and estimates that have been made are reasonable and prudent so as to give a

true and fair view of the state of affairs of the Company at the end of the financial year and of the Loss of the Company for the year ended March 31, 2023.

- They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013. As regards safeguarding the assets, the Directors had taken appropriate care on acquisition of assets.
- they had prepared the annual accounts on a going concern basis.
- they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

## RELATED PARTY TRANSACTIONS

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

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not granted any loans or made investments or furnished guarantees covered under the provisions of section 186 of the Companies Act, 2013.

## STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (7) OF SECTION 149

This clause is not applicable as the Company, being a wholly-owned subsidiary of Sundram Fasteners Limited. The Company is not required to have an Independent Director on the Board of the Company by virtue of the exemption provided under Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

## AUDIT COMMITTEE AND VIGIL MECHANISM

The Company is not required to have an Audit Committee as per Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

The provisions of Section 177 (9) relating to establishment of Vigil mechanism are not applicable to the Company.

## DIRECTORS

Ms Arathi Krishna (DIN: 00517456), Director retires from the Board by rotation and being eligible, offers herself for re-appointment.

Pursuant to Section 161 of the Companies Act, 2013, Sri R Dilip Kumar, Director (DIN 00240372) was appointed as an Additional Director of the Company with effect from July 1, 2022. The Company has received his consent to act as a Director in Form DIR-2.

Sri S Meenakshisundaram, Director (DIN 00513901) had resigned from the Board, effective July 1, 2022. The Board records its appreciation for the services rendered by Sri S Meenakshisundaram.

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

# TVS Engineering Limited

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

Sri R Dilip Kumar, Director, (DIN 00240372) was appointed as an Additional Director of the Company with effect from July 1, 2022. The Company has received his consent to act as a Director in Form DIR-2.

Sri S Meenakshisundaram, Director, (DIN 00513901) had resigned from the Board, effective July 1, 2022.

## CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business during the year.

## MATERIAL CHANGES AND COMMITMENTS

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

## AUDITORS

As per the provisions of Section 139 of the Companies Act, 2013 read with Rule 6(3) of the Companies (Audit and Auditors) Rules, 2014 M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai were appointed as Statutory Auditors of the Company at the First Annual General Meeting of the Company held on June 21, 2021 for a period of three consecutive years commencing from the conclusion of First Annual General Meeting until the conclusion of Fourth Annual General Meeting to be held in the calendar year 2024.

The Company has obtained necessary certificate (at the time of re-appointment) under Section 139 of the Companies Act, 2013 from the auditor conveying their eligibility for the above-mentioned appointment as prescribed under Section 141 of the Companies Act, 2013. Their eligibility criteria were reviewed by the Board, as specified under Section 141 of the Companies Act, 2013.

## DETAILS OF FRAUD REPORTED BY AUDITORS

M/s. Sundaram & Srinivasan, 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 noticed or reported in the Independent Auditors' Report which forms part of this Report.

## BOARD'S COMMENT ON THE AUDITOR'S REPORT

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

## POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

Section 178(1) of the Companies Act, 2013 is not applicable as the Company has not met the specified criteria.

## CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION

The Company did not carry any activity relating to conservation of energy and technology absorption during the year.

## FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no foreign exchange earnings or outgo during the year.

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

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

## AMALGAMATION OF SUNFAST TVS LIMITED AND TVS ENGINEERING LIMITED, WHOLLY-OWNED SUBSIDIARIES WITH SUNDRAM FASTENERS LIMITED (HOLDING COMPANY)

The Company and Sunfast TVS Limited, wholly-owned subsidiaries of Sundram Fasteners Limited has submitted a joint application with the Hon'ble National Company Law Tribunal, Chennai Bench seeking its approval for the amalgamation of Sunfast TVS Limited and the Company with Sundram Fasteners Limited and their respective shareholders.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

There are no employees in the Company and hence, Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable.

## PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposit from the public within the meaning of Section 73 of the Companies Act, 2013. Further, the company has no deposit as on March 31, 2023.

## REGULATORY / COURT ORDERS

During the year 2022-2023, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

## INTERNAL FINANCIAL CONTROLS

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

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

The Company has *neither* filed an application during the year under review *nor* are any proceedings pending under the Insolvency and Bankruptcy Code, 2016 as at March 31, 2023.

## 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.

## RISK MANAGEMENT

The Company had identified certain business risks and also the measures for dealing with such risks which it faces in day to day operations of the Company.

## MAINTENANCE OF COST RECORDS

Section 148(1) of the Companies Act, 2013 is not applicable to the Company as the Company has not met the specified criteria and hence, the Company is not required to maintain the cost records.

## PERFORMANCE EVALUATION

The requirement of performance evaluation is not applicable as the Company has not met the specified criteria.

## HEALTH, SAFETY, SECURITY AND ENVIRONMENT (HSSE)

There are no permanent and contract employees in the Company and hence health, safety, security and environment training are not applicable.

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

The Company has adopted the Anti-Sexual Harassment Policy laid down by the Holding Company (Sundram Fasteners Limited-SFL), which is in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) of SFL is entrusted to redress complaints regarding sexual harassment. No complaints were received during the calendar year 2022.

## ACKNOWLEDGMENT

Your Directors thank the holding company, Sundram Fasteners Limited for their support.

On behalf of the Board

**ARATHI KRISHNA**  
Chairperson  
DIN: 00517456

Place: Chennai  
Date : April 12, 2023

Annexure - I

## Form No. AOC - 2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis

All contracts, arrangements / transactions with related parties are on arm's length basis and in the ordinary course of business.

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

(₹ in thousands)

a)	Name of the Related Party and nature of the relationship	Sundram Fasteners Limited - Holding Company				
b)	Nature of contracts / arrangements / transactions	Purchase of Raw Materials and Components	Long Term Loan Availed	Interest on Long Term Loan	Services Availed	Services Rendered
	(i) Sundram Fasteners Limited	16,499.57	25,150.00	1,519.06	2,436.60	1,272.56
c)	Duration of the contracts / arrangements / transactions	Financial Year 2022-23				
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	At arm's length basis and in the ordinary course of business				
e)	Date of approval by the Board, if any	As the transactions fall under the fourth proviso to Section 188(1), Board approval is not required.				
f)	Amount paid as advances, if any	Nil				

On behalf of the Board

**Arathi Krishna**  
Chairperson  
DIN:00517456

Place : Chennai  
Date : April 12, 2023

# TVS Engineering Limited

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TVS ENGINEERING LIMITED, CHENNAI FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

To the Members of TVS Engineering Limited, Chennai

### Opinion

We have audited the financial statements of TVS Engineering Limited, Chennai ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss, 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Companies Act, 2013 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.

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

The Company's Board of Directors is responsible for other information. The other information comprises the information included in the board's report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we 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.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the 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 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 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.

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- 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting 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 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 financial statements, including the disclosures, and whether the 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.

#### **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 sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure -A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g. Requirement of reporting as per section 197(16) of the Act is not applicable as the Company has not paid or provided any managerial remuneration.
  - h. 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:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts and as such no provision as required under the applicable law or accounting standards for material foreseeable losses is to be made.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. a) The Management has represented that, to the best of its knowledge and belief, 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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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;
    - b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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;

- c) 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 provided under sub-clause (a) and (b) above, contain any material misstatement.
- v. The company has not declared any dividend during the year. Hence, reporting on whether there is compliance with the provisions of section 123 of the Act does not arise.
- vi. The company is required to maintain accounting software with requisite audit trail facility from the financial year commencing on or after 1st April 2023 [As per Companies (Accounts) Second Amendment Rules, 2022, vide MCA notification dated 31.03.2022]. Hence, reporting under Rule 11 (g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March 2023.

For Sundaram & Srinivasan  
Chartered Accountants  
Firm Registration No. 004207S

**P Viswanathan**  
Partner

Place : Chennai  
Date : 12.04.2023

Membership No: 224941  
UDIN: 23224941BGTCYS3261



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**ANNEXURE “A” TO INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF TVS ENGINEERING LIMITED, CHENNAI FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

Annexure A referred to in our report under “Report on Other Legal and Regulatory requirements Para 1” of even date on the accounts for the year ended 31<sup>st</sup> March 2023.

- 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 no intangible assets.
- (b) Property, Plant and Equipment are verified physically by the management in accordance with a regular programme at reasonable intervals. In our opinion the interval is reasonable having regard to the size of the company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) The company does not have immovable property and hence reporting under clause 3 (ii) (c) of the Order is not applicable.
- (d) The company has not revalued any of its Property, Plant and Equipment during the year.
- (e) No proceedings have been initiated during the year or are pending against the company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The inventory has been physically verified at reasonable intervals during the year by the management. In our opinion, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The discrepancies between the physical stocks and the book stocks were not material (less than 10% in the aggregate for each class of inventory) and have been properly dealt with in the books of accounts.
- (b) The company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. According to the information and explanations furnished to us, the company has not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms or other parties. Accordingly, the provisions of clause 3 [(iii)(a),(b),(c),(d),(e) & (f)] of the order are not applicable to the company.
- iv. According to the information and explanations furnished to us, the company has not granted any loan, made any investments and provided any guarantee and security. Hence, reporting on whether there is compliance with the provisions of section 185 and 186 of the Companies Act, 2013 does not arise.
- v. The company has not accepted any deposit within the meaning of sections 73 to 76 of the Companies Act, 2013. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. According to the information and explanations furnished to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under Section 148 of the Companies Act, 2013 are not applicable to the Company for the year under audit.
- vii. (a) According to the records provided to us, the company is generally regular in depositing undisputed statutory dues including Goods and Services Tax (GST), Income Tax, Duty of Customs, Cess and other statutory dues with the appropriate authorities. However, we have observed a delay of one day in remittance of Tax Deducted at Source (TDS) in two instances. Depositing sums under Employees Provident Fund and Employees’ State Insurance are not applicable during the year.
- According to the information and explanations furnished to us, no undisputed amounts payable in respect of Goods and Services Tax (GST), Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears, as at 31<sup>st</sup> March 2023 for a period of more than six months from the date they became payable.
- (b) According to information and explanations furnished to us, there are no disputed dues that were not deposited with the concerned authorities.
- viii. According to the information and explanations furnished to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) During the year, the company has availed long term loans from the Holding Company and no installment was due for payment. Hence, the reporting on default in repayment of loan under the clause 3 [ix (a)] of the Order does not arise.
- During the year, the company has paid the interest due for the long-term loans availed from the Holding Company.
- (b) The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The long-term loans availed from the Holding Company were applied for the purpose for which they were availed.
- (d) On an overall examination of the financial statements, the company has not raised any funds on a short-term basis. Hence, the reporting on whether funds raised on a short-term basis have been utilised for long term purposes does not arise.
- (e) The company does not have subsidiaries, joint ventures or associate companies. Hence, the provisions of clause 3 [ix (e) & (f) ] of the Order are not applicable.

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- x. (a) The company has not raised any money by the way of initial public offer or further public offers including debt instruments during the year. Hence, reporting on utilization of such money does not arise.
- (b) According to the information and explanations furnished to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3 [x(b)] of the order are not applicable to the Company.
- xi. (a) Based on the audit procedures adopted and information and explanations furnished to us by the management, no fraud on or by the company has been noticed or reported during the year.
- (b) In view of what is stated in point no. xi (a) above, no report under sub-section 12 of section 143 of Companies Act, 2013 has been filed in Form ADT-4 during the year.
- (c) The provisions of section 177 (9) of the Companies Act, 2013 relating to establishment of a vigil mechanism are not applicable. Hence, reporting requirements under clause 3 [xi(c)] of the order are not applicable to the Company.
- xii. The company is not a Nidhi company. Hence, the provisions of clause 3 [xii (a), (b) and (c)] of the Order are not applicable to the company.
- xiii. The provisions of section 177 of the Companies Act, 2013 relating to the constitution of Audit Committee are not applicable. In our opinion and according to the information and explanations furnished to us, all transactions with the related parties are in compliance with section 188 of Companies Act, 2013.
- The details of transactions during the year have been disclosed in the Financial Statements as required by the applicable accounting standards. Refer Note no.32 to financial statements.
- xiv. The provisions of section 138 of the Companies Act, 2013 relating to the Internal Audit are not applicable. Hence, the provisions of clause 3[xiv(a) & b] of the Order are not applicable to the company.
- xv. According to the information and explanations furnished to us, the company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013.
- xvi. (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Hence, the provisions of clause 3[xvi(a) & (b) are not applicable to the company.
- (b) 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.
- (c) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The company has incurred cash loss of Rs.4,551.01 Thousands during the financial year covered by our audit and has incurred cash loss of Rs. 9,226.30 Thousands in the immediately preceding financial year.
- xviii. During the year, there is no resignation of statutory auditors.
- xix. 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 financial statements and our knowledge of the Board of Directors and Management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that 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.
- xx. The provisions of section 135 of the Companies Act, 2013 relating to the Corporate Social Responsibility (CSR) are not applicable. Hence, the reporting clause 3[xx(a) & b] of the Order are not applicable.
- xxi. The company does not have subsidiaries, joint ventures or associate companies. Accordingly, the preparation of consolidated financial statements and reporting under the clause 3 (xxi) of the Order are not applicable.

For Sundaram & Srinivasan  
Chartered Accountants  
Firm Registration No. 004207S

**P Viswanathan**  
Partner

Place : Chennai  
Date : 12.04.2023

Membership No: 224941  
UDIN: 23224941BGTCCYS3261

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**ANNEXURE “B” TO INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF TVS ENGINEERING LIMITED, CHENNAI FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to financial statements of TVS Engineering Limited, Chennai (“the Company”) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (hereinafter “ICAI”). 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 Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 was 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 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 Over Financial Reporting**

A Company’s internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that;

- I. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- II. 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
- III. 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 Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on;

- i. existing policies and procedures adopted by the Company for ensuring orderly and efficient conduct of business.
- ii. continuous adherence to Company’s policies.
- iii. existing procedures in relation to safeguarding of Company’s property, plant and equipments, receivables, loans and advances made and bank balances.
- iv. existing system to prevent and detect fraud and errors.
- v. accuracy and completeness of Company’s accounting records; and existing capacity to prepare timely and reliable financial information.

For Sundaram & Srinivasan  
Chartered Accountants  
Firm Registration No. 004207S

**P Viswanathan**  
Partner

Place : Chennai  
Date : 12.04.2023

Membership No: 224941  
UDIN: 23224941BGTCYS3261

# TVS Engineering Limited

## Balance Sheet as at March 31, 2023

Particulars	Note No.	(₹ in Thousands)	
		As at 31st March 2023	As at 31st March 2022
<b>I. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	5	26,351.67	17,522.45
(b) Tax assets (net)	6	25.45	0.69
		<u>26,377.12</u>	<u>17,523.14</u>
<b>(2) Current assets</b>			
(a) Inventories	7	1,700.55	-
(b) Financial assets			
- Trade receivables	8	28,622.40	-
- Cash and cash equivalents	9	5,422.96	-
- Other financial assets	10	3,450.00	3,450.00
(c) Other current assets	11	5,201.10	5,922.72
		<u>44,397.01</u>	<u>9,372.72</u>
<b>Total Assets</b>		<u>70,774.13</u>	<u>26,895.86</u>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	12 A	20,000.00	20,000.00
(b) Other equity	12 B	(23,755.62)	(16,753.45)
<b>Total equity</b>		<u>(3,755.62)</u>	<u>3,246.55</u>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
- Borrowings	13	45,050.00	19,900.00
(b) Deferred Tax Liabilities (Net)	14	325.12	129.95
		<u>45,375.12</u>	<u>20,029.95</u>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
- Borrowings	15	-	474.47
- Trade payables			
Total outstanding dues of micro and small enterprises	16	3,987.65	-
Total outstanding dues of creditors other than micro and small enterprises	16	24,792.43	3,027.96
- Other financial liabilities	17	90.00	29.90
(b) Other current liabilities	18	284.55	87.03
		<u>29,154.63</u>	<u>3,619.36</u>
<b>Total equity and liabilities</b>		<u>70,774.13</u>	<u>26,895.86</u>

Notes 1 to 33 form an integral part of these financial statements

This is the balance sheet referred to in our report of even date  
For **SUNDARAM & SRINIVASAN**  
Chartered Accountants  
Firm Regn No. 004207S

For and on behalf of the Board of Directors of  
**TVS Engineering Limited**  
[CIN: U29309TN2020PLC134322]

**ARATHI KRISHNA** R DILIP KUMAR  
Chairperson Director  
(DIN: 00517456) (DIN: 00240372)

**P VISWANATHAN**  
Partner  
Membership Number 224941

Place: Chennai  
Date: 12.04.2023

## Statement of Profit and Loss for the year ended March 31, 2023

Sl. No.	Particulars	Note No.	(₹ in Thousands)	
			For the year ended 31-03-2023	For the year ended 31-03-2022
I	Revenue from operations	19	34,718.53	-
II	Other income	20	0.02	-
III	<b>Total Income</b>		<u>34,718.55</u>	-
IV	<b>Expenses</b>			
	Cost of materials consumed	21	17,247.73	-
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	22	(1,497.25)	-
	Employee benefits expense	23	679.55	-
	Finance costs - Interest Expenses		1,519.06	276.17
	Depreciation and amortization expense	5	2,255.99	551.95
	Other expenses	24	21,320.47	8,950.13
	<b>Total expenses (IV)</b>		<u>41,525.55</u>	<u>9,778.25</u>
V	<b>Profit / (Loss) before exceptional items and tax (III-IV)</b>		<u>(6,807.00)</u>	<u>(9,778.25)</u>
VI	Exceptional item		-	-
VII	<b>Profit / (Loss) before tax (V-VI)</b>		<u>(6,807.00)</u>	<u>(9,778.25)</u>
VIII	<b>Tax expense:</b>			
	(1) Current tax		-	-
	(2) Deferred tax	14	195.17	129.95
			<u>195.17</u>	<u>129.95</u>
IX	<b>Profit / (Loss) for the period (VII - VIII)</b>		<u>(7,002.17)</u>	<u>(9,908.20)</u>
X	<b>Other comprehensive income</b>			
	i) Items that will not be reclassified to profit or loss		-	-
	- Income tax relating to items that will not be reclassified to profit or loss		-	-
			-	-
	ii) Items that will be reclassified to profit or loss		-	-
	- Income tax relating to items that will be reclassified to profit or loss		-	-
			-	-
XI	<b>Total comprehensive income for the year (IX + X)</b>		<u>(7,002.17)</u>	<u>(9,908.20)</u>
	(Comprising Profit / (loss) and Other Comprehensive Income for the year)			
XII	<b>Earnings per equity share</b>	25		
	(1) Basic (in ₹)		(3.50)	(5.39)
	(2) Diluted (in ₹)		(3.50)	(5.39)
XIII	<b>Weighted average number of equity shares used in computing earnings per equity share</b>			
	(1) Basic		20,00,000	18,39,561
	(2) Diluted		20,00,000	18,39,561

Notes 1 to 33 form an integral part of these financial statements

This is the statement of profit and loss referred to in our report of even date  
For **SUNDARAM & SRINIVASAN**  
Chartered Accountants  
Firm Regn No. 004207S

For and on behalf of the Board of Directors of  
**TVS Engineering Limited**  
[CIN: U29309TN2020PLC134322]

**ARATHI KRISHNA** R DILIP KUMAR  
Chairperson Director  
(DIN: 00517456) (DIN: 00240372)

**P VISWANATHAN**  
Partner  
Membership Number 224941

Place: Chennai  
Date: 12.04.2023

**Statement of changes in Equity for the year ended March 31, 2023**

A. Equity Share Capital		(₹ in Thousands)	
Particulars	Notes	Amount	
<b>(1) Current Reporting Period</b>	12A		
Balance as at the 01 <sup>st</sup> April 2022		20,000.00	
Changes in Equity Share Capital due to prior period errors		-	
Restated balance at the 01 <sup>st</sup> April 2022		20,000.00	
Changes in equity share capital during current year		-	
<b>Balance as at the 31<sup>st</sup> March 2023</b>		<b>20,000.00</b>	
<b>(2) Previous Reporting Period</b>	12A		
Balance as at the 01 <sup>st</sup> April 2021		12,550.00	
Changes in Equity Share Capital due to prior period errors		-	
Restated balance at the 01 <sup>st</sup> April 2021		12,550.00	
Changes in equity share capital during previous year		7,450.00	
<b>Balance as at the 31<sup>st</sup> March 2022</b>		<b>20,000.00</b>	

**B. Other Equity** (₹ in Thousands)

Particulars	Notes	Reserves and Surplus		Total
		Retained Earnings - Suplus in Statement of Profit and Loss		
<b>(1) Current Reporting Period</b>				
Balance as at the 1 <sup>st</sup> April 2022		(16,753.45)		(16,753.45)
Changes in accounting policy / prior period errors		-		-
Restated balance at the 01 <sup>st</sup> April 2022		(16,753.45)		(16,753.45)
Total Comprehensive Income for the current year		(7,002.17)		(7,002.17)
<b>Balance as at the 31<sup>st</sup> March 2023</b>	12B	<b>(23,755.62)</b>		<b>(23,755.62)</b>
<b>(2) Previous Reporting Period</b>				
Balance as at the 1 <sup>st</sup> April 2021		(6,845.25)		(6,845.25)
Changes in accounting policy / prior period errors		-		-
Restated balance at the 1 <sup>st</sup> April 2021		(6,845.25)		(6,845.25)
Total Comprehensive Income for the previous year		(9,908.20)		(9,908.20)
<b>Balance as at the March 31, 2022</b>	12B	<b>(16,753.45)</b>		<b>(16,753.45)</b>

**Notes 1 to 33 form an integral part of these financial statements**

This is the statement of changes in equity referred to in our report of even date  
**For SUNDARAM & SRINIVASAN**  
 Chartered Accountants  
 Firm Regn No. 004207S

For and on behalf of the Board of Directors of  
**TVS Engineering Limited**  
**[CIN: U29309TN2020PLC134322]**

**ARATHI KRISHNA** R DILIP KUMAR  
 Chairperson Director  
 (DIN: 00517456) (DIN: 00240372)

**P VISWANATHAN**  
 Partner  
 Membership Number 224941

 Place: Chennai  
 Date: 12.04.2023

**Statement of Cash flows for the year ended March 31, 2023**

Particulars	Notes	(₹ in Thousands)	
		For the year ended 31st March 2023	For the year ended 31st March 2022
<b>A. Cash flows from operating activities</b>			
<b>Profit / (Loss) before tax</b>		<b>(6,807.00)</b>	(9,778.25)
<b>Adjustments for</b>			
Depreciation for the year	5	2,255.99	551.95
Interest paid		1,519.06	276.17
<b>Operating profit before working capital changes</b>		<b>(3,031.95)</b>	(8,950.13)
<b>Adjustments for Changes in working capital changes</b>			
(Increase) / Decrease in Inventories		(1,700.55)	-
(Increase) / Decrease in Trade Receivables		(28,622.40)	-
(Increase) / Decrease in Other Current assets		721.62	(4,767.45)
(Increase)/ Decrease in other non-financial assets		(24.76)	(0.69)
Increase / (Decrease) in Trade Payable		25,752.12	2,359.08
Increase / (Decrease) in Other financial liabilities		60.10	1.10
Increase / (Decrease) in Other Current liabilities		197.52	0.79
<b>Cash from / (used) in operating activities</b>		<b>(3,616.35)</b>	(2,407.17)
Less: Direct taxes paid		-	-
<b>Net cash from / (used) in operating activities</b>		<b>(6,648.30)</b>	(11,357.30)
<b>B. Cash flow from investing activities</b>			
Purchase of Property, plant and equipment	5	(11,085.21)	(18,074.40)
<b>Net cash from / (used) in investing activities</b>		<b>(11,085.21)</b>	(18,074.40)
<b>C. Cash flow from financing activities</b>			
Share Capital issued during the year	12A	-	7,450.00
Availment of Long Term Borrowings	13	25,150.00	19,900.00
Interest paid		(1,519.06)	(276.17)
<b>Net cash from/ (used) from financing activities</b>		<b>23,630.94</b>	27,073.83
<b>D. Net Increase / (decrease) in cash and Cash Equivalents (A+B+C)</b>		<b>5,897.43</b>	(2,357.87)
<b>E. Cash and cash equivalents at the beginning</b>		<b>(474.47)</b>	1,883.40
<b>F. Cash and cash equivalents at the end (D+E)</b>		<b>5,422.96</b>	(474.47)
<b>Cash and cash equivalents comprise of:</b>			
Cash on hand		-	-
Balance with bank / (Temporary Overdraft Balance with Bank)		5,422.96	(474.47)
<b>Cash and cash equivalents</b>	9/15	<b>5,422.96</b>	(474.47)

Note: 1. Statement of Cash Flows is prepared under Indirect Method.

2. Disclosure requirements relating to Changes in liabilities arising from non-cash changes are not applicable.

This is the Statement of cash flows referred to in our report of even date  
**For SUNDARAM & SRINIVASAN**  
 Chartered Accountants  
 Firm Regn No. 004207S

For and on behalf of the Board of Directors of  
**TVS Engineering Limited**  
**[CIN: U29309TN2020PLC134322]**

**ARATHI KRISHNA** R DILIP KUMAR  
 Chairperson Director  
 (DIN: 00517456) (DIN: 00240372)

**P VISWANATHAN**  
 Partner  
 Membership Number 224941

 Place: Chennai  
 Date: 12.04.2023



# TVS Engineering Limited

## Notes to Financial Statements for the year ended March 31, 2023

### 1 Corporate Information

TVS Engineering Limited ("the Company") was incorporated in India on 10th February 2020 and is a wholly owned subsidiary of Sundram Fasteners Limited (SFL), Chennai.

The registered office of the Company is situated at No. 98-A, VII Floor, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004.

The Company is engaged in the business of manufacture and sale of defence and aerospace components.

### 2 Basis of Preparation

The financial statements of the Company have been prepared on mercantile basis as a going concern in accordance with Indian Accounting Standards (Ind AS) as prescribed by Ministry of Corporate Affairs under Companies (Indian Accounting Standards) Rules, 2015, provisions of the Companies Act 2013, to the extent notified, and pronouncements of the Institute of Chartered Accountants of India.

The financial statements for the year ended 31st March 2023 are duly adopted by the Board today for consideration and approval by the shareholders.

The financial statements are presented in functional currency i.e Indian Rupees (INR) and all values are rounded to the nearest thousands, except where otherwise indicated.

Information under Ind AS is furnished wherever applicable and only when such information will influence the economic decisions of the users of the financial statements.

#### Applicability of Amendments to existing standards issued but not effective:

The Ministry of Corporate Affairs ("MCA") notified amendments to the existing standards - Ind AS - 101, 102, 103, 107, 109, 115, 1, 8, 12 and 34 under Companies (Indian Accounting Standards) Rules, 2023 on March 31, 2023. These amendments are effective for the financial year beginning from April 1, 2023. The Company has evaluated these amendments and there are no impacts on its financial statements.

#### Applicability of New Indian Accounting Standard issued but not effective - Nil

### 3 Summary of accounting policies

#### 3.1 Overall considerations

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

#### 3.2 Revenue

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net

of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. There is no significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers.

#### Sale of Products

Revenue from sale of goods is recognised when the goods have been passed on to the buyer as per contractual terms, at which time all the five conditions mentioned in Ind AS -115 are satisfied.

#### Revenue from services

Revenue from rendering of services is recognized upon transfer of control of promised services to customers.

### 3.3 Property, plant and equipment

#### (i) Plant and Equipments and other assets

Plant and Equipments and other assets (comprising furniture and fittings, vehicles, office equipments) are initially recognized at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be of use for company's business purposes. Plant and equipment and other assets are measured at cost less accumulated depreciation and any impairment losses if any.

Depreciation is recognized on a straight-line basis, over useful life of Plant and Equipments and other assets 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. The property, plant and equipment costing less than Rs. 5,000 /- for which full depreciaton provided in the year of acquisition.

Description	Range of Useful lives in years
Plant & Equipment	5 -13
Furniture & Fittings	3 - 5
Vehicles	3
Other equipments	3 - 5

Material residual value estimates and estimates of useful life are assessed as required.

#### (ii) Component Accounting:

The components of assets are capitalized only if the life of the components vary significantly and whose cost is significant in relation to the cost of respective asset, the life of components in assets are determined based on technical assessment.

### 3.4 Financial instruments

#### Recognition, initial measurement and derecognition

Financial assets (other than trade receivables) and financial liabilities are recognized when the Company becomes a party to the contractual rights/obligations of the financial instrument

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## Notes to Financial Statements for the year ended March 31, 2023

and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased in the normal course of business. They are recognised at their transaction value as the same do not contain significant financing component.

### Classification and subsequent measurement of financial assets:

For the purpose of subsequent measurement financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

- Amortised cost
- Fair Value Through Other Comprehensive Income (FVTOCI) or
- Fair Value Through Profit or Loss (FVTPL)

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. The Company will recognise loss allowance for expected credit loss on financial assets measured at amortised cost.

### 3.5 Trade receivables

Trade receivables are recognised at their transaction value as the same do not contain significant financing component. The impairment loss on receivables is recognised on Expected credit loss. During the year, no provision for credit loss was warranted.

### 3.6 Inventories

Inventories are valued at lower of cost and net realisable value including necessary provision for obsolescence. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The comparison of cost and net realisable value is made on an item by item basis. The cost of raw materials, components, consumable stores and spare parts are determined using the weighted average method and includes freight, taxes and duties, net of duty credits wherever applicable. Finished goods, including stock in trade and work-in progress are valued at lower of cost and net realisable value. Cost includes all direct costs including duties and applicable manufacturing overheads incurred in bringing them to their present location and condition

#### Raw materials

Raw materials are valued at cost of purchase net of duties and includes all expenses incurred in bringing such materials to the location of its use.

#### Work-in-progress and finished goods:

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

### 3.7 Income taxes

Tax expense is recognized in the statement of profit and loss comprises of 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 assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

### 3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 3 months from the date of acquisition and that are readily convertible into known amounts of cash and which are subject to only an insignificant risk of changes in value.

### 3.9 Equity and reserves

Share capital represents the nominal (par) value of shares that have been issued and fully paid up.

Retained earnings includes current year & previous years retained profits.

### 3.10 Earnings per share

Basic earnings per share is 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.

### 3.11 Statement of Cash flows

Statement of Cash flows are reported using the indirect method, whereby profit before 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 the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short- term highly liquid investments with maturities of 3 months or less, as applicable.

# TVS Engineering Limited

## Notes to Financial Statements for the year ended March 31, 2023

### 3.12 Segment reporting

The Company is engaged in the business of manufacture and sale of defence and aerospace components, which is only one segment in which the Company is engaged.

### 3.13 Leases

The Company has taken industrial shed and other assets under lease agreement for a term of 11 months. Ind AS-116 provides exemption from lease accounting for short-term lease (lease term of 12 months or less), hence the company has availed the exemption. Accordingly, the company has not accounted right-of-use assets, lease liability, Interest and depreciation expense. Only rental expense is accounted in the books.

### 4. Significant management judgment in applying accounting policies

#### Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the entity's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of business and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### 5 Property, plant and equipment

₹ in Thousands)

Particulars	Tangible Assets				
	Plant and Equipment	Furniture and Fittings	Vehicles	Office Equipments	Total
<b>Gross Block</b>					
<b>As at 1<sup>st</sup> April 2021</b>	-	-	-	-	-
Additions	16,795.79	646.84	21.25	610.52	18,074.40
Disposal	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2022</b>	16,795.79	646.84	21.25	610.52	18,074.40
Additions	10,562.59	129.01	182.35	211.26	11,085.21
Disposal	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2023</b>	27,358.38	775.85	203.60	821.78	29,159.61
<b>Accumulated depreciation</b>					
<b>As at 1<sup>st</sup> April 2021</b>	-	-	-	-	-
For the year	424.46	116.47	0.24	10.78	551.95
on sale or discards	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2022</b>	424.46	116.47	0.24	10.78	551.95
For the year	1,840.31	193.13	7.44	215.11	2,255.99
on sale or discards	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2023</b>	2,264.77	309.60	7.68	225.89	2,807.94
<b>Net Block</b>					
<b>As at 31<sup>st</sup> March 2023</b>	25,093.61	466.25	195.92	595.89	26,351.67
<b>As at 31<sup>st</sup> March 2022</b>	16,371.33	530.37	21.01	599.74	17,522.45



## Notes to Financial Statements for the year ended March 31, 2023

		(₹ in Thousands)					
				(₹ in Thousands)			
				As at		As at	
				31st March 2023		31st March 2022	
				₹ in		₹ in	
				Thousands		Thousands	
<b>6 Tax Assets (Net)</b>		As at	As at				
		31st March	31st March				
		2023	2022				
(a) Tax Deducted at Source (TDS)		25.45	0.69				
	<b>Total</b>	<b>25.45</b>	<b>0.69</b>				
<b>7 Inventories (Valued at lower of cost and net realizable value)</b>		As at	As at				
		31st March	31st March				
		2023	2022				
(a) Raw Materials and components		203.30	-				
(b) Work-in-process		1,403.38	-				
(c) Finished Goods		93.87	-				
	<b>Total</b>	<b>1,700.55</b>	<b>-</b>				
<b>8 Trade receivables</b>		As at	As at				
		31st March	31st March				
		2023	2022				
(a) Considered good - Secured		-	-				
(b) Considered good - Unsecured		28,622.40	-				
(c) Receivables which have significant increase in Credit Risk		-	-				
(d) Receivables - Credit impaired		-	-				
		28,622.40	-				
Less: Loss allowance for bad and doubtful debts		-	-				
	<b>Total</b>	<b>28,622.40</b>	<b>-</b>				
(e) Trade Receivables from Related Parties Refer Note No. 32)		-	-				
(f) Trade Receivables ageing schedule:							
(i) Undisputed Trade receivables – considered good Outstanding for following periods from due date of payment							
Not Due		22,899.66	-				
Less than 6 Months		5,722.74	-				
(ii) Disputed Trade receivables		-	-				
	<b>Total</b>	<b>28,622.40</b>	<b>-</b>				
(g) Trade receivables are non-interest bearing and credit terms are 30 to 60 days.							
<b>9 Cash and cash equivalents</b>		As at	As at				
		31st March	31st March				
		2023	2022				
(a) Balance with bank in current account		5,422.96	-				
	<b>Total</b>	<b>5,422.96</b>	<b>-</b>				
<b>10 Other financial assets (Unsecured, considered good)</b>		As at	As at				
		31st March	31st March				
		2023	2022				
(a) Security deposit		3,450.00	3,450.00				
	<b>Total</b>	<b>3,450.00</b>	<b>3,450.00</b>				
<b>11 Other current assets (Unsecured, considered good)</b>		As at	As at				
		31st March	31st March				
		2023	2022				
(a) Goods and Services Tax (GST) Input Tax Credit Receivable		5,045.91	5,922.72				
(b) Prepaid expenses		155.19	-				
	<b>Total</b>	<b>5,201.10</b>	<b>5,922.72</b>				
<b>12 A Share capital</b>							
a) <b>Authorised:</b>							
Equity shares of ₹ 10 each		20,00,000	20,00,000	20,00,000	20,00,000		
		20,00,000	20,00,000	20,00,000	20,00,000		
b) <b>Issued, subscribed and fully paid up:</b>							
Equity shares of ₹ 10 each		20,00,000	20,00,000	20,00,000	20,00,000		
		20,00,000	20,00,000	20,00,000	20,00,000		
c) <b>Reconciliation of number of shares</b>							
		Number	₹ in	Number	₹ in		
			Thousands		Thousands		
Balance at the beginning of the year		20,00,000	20,00,000	12,55,000	12,55,000		
Add: Shares issued during the year		-	-	7,45,000	7,45,000		
Less: Capital Reduction during the year		-	-	-	-		
Balance as at the end of the year		20,00,000	20,00,000	20,00,000	20,00,000		
d) <b>Rights, Preferences and Restrictions attached to equity share including restrictions on the distribution of dividend and repayment of capital:</b>							
<b>Equity shares</b>							
The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. 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.							
e) <b>Shares held by Holding Company</b>							
<b>Name of the Company</b>		As at		As at			
		31st March 2023		31st March 2022			
Sundram Fasteners Limited, Chennai and its six nominees		Number of shares	20,00,000	Number of shares	20,00,000		
f) <b>Shareholders holding more than 5% of the aggregate shares in the Company</b>							
<b>Particulars</b>		As at		As at			
		31st March 2023		31st March 2022			
		No. of Shares	% holding	No. of Shares	% holding		
Sundram Fasteners Limited, Chennai and its six nominees		20,00,000	100%	20,00,000	100%		
g) <b>Bonus Shares/ Buy Back/ Shares for consideration other than cash issued during the period of five years immediately preceding the financial year</b>							
(i) Aggregate number of equity shares allotted as fully paid up pursuant to contracts without payment being received in cash : Nil							
(ii) Aggregate number of equity shares allotted as fully paid up by way of Bonus Shares : Nil							
(iii) Aggregate number of equity shares bought back : Nil							

# TVS Engineering Limited

## Notes to Financial Statements for the year ended March 31, 2023

				₹ in Thousands					₹ in Thousands		
<b>h) Shares held by promoters as at 31.03.2023</b>					<b>15 Short-Term Borrowings</b>				<b>As at</b>	<b>As at</b>	
<b>Promoter Name</b>	<b>No. of Equity Shares</b>	<b>% of total Shares</b>	<b>% change during the year</b>		<b>31st March 2023</b>	<b>31st March 2022</b>					
Sundram Fasteners Limited, Chennai and its six nominees	20,00,000	100.00	-		<b>Financial liabilities at amortised cost</b>						
<b>Shares held by promoters as at 31.03.2022</b>					<b>a) Unsecured</b>						
<b>Promoter Name</b>	<b>No. of Equity Shares</b>	<b>% of total Shares</b>	<b>% change during the year</b>		<b>Temporary Overdraft Balance with Bank</b>				-	474.47	
Sundram Fasteners Limited, Chennai and its six nominees	20,00,000	100.00	-		<b>Total</b>				-	474.47	
					<b>16 Trade payables</b>				<b>As at</b>	<b>As at</b>	
					<b>31st March 2023</b>	<b>31st March 2022</b>					
<b>12 B Other Equity</b>				<b>As at</b>	<b>As at</b>	<b>Financial liabilities at amortised cost</b>					
				<b>31st March 2023</b>	<b>31st March 2022</b>	<b>Total outstanding dues of micro enterprises and small enterprises (refer note below)</b>				3,987.65	-
<b>Reserves and Surplus - Balance At the end of the year</b>						<b>Total outstanding dues of creditors other than micro enterprises and small enterprises</b>				24,792.43	3,027.96
Retained Earnings - Surplus in Statement of Profit and Loss (Refer statement of changes in equity for detailed movement in other equity balance)				(23,755.62)	(16,753.45)	<b>Total</b>				28,780.08	3,027.96
<b>Total</b>				(23,755.62)	(16,753.45)	<b>i) Of the above, trade payable to related parties (Refer Note No. 32)</b>				22,201.04	-
						<b>ii) Trade Payable Ageing Schedule</b>					
						<b>Outstanding for following periods from due date of payment</b>					
						<b>a) MSME - No Due</b>				3,987.65	-
						<b>b) Others - Not Due</b>				6,775.49	338.94
						<b>c) Others - Less than 1 Year</b>				18,016.94	2,689.02
						<b>d) Disputed Dues - MSME &amp; Others</b>				-	-
						<b>Total</b>				28,780.08	3,027.96
<b>13 Long-Term Borrowings</b>						<b>iii) Disclosure required under Section 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006</b>					
						<b>a. the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;</b>				3,987.65	-
						<b>b. 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 each accounting year;</b>				-	-
						<b>c. 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;</b>				-	-
						<b>d. the amount of interest accrued and remaining unpaid at the end of each accounting year and</b>				-	-
						<b>e. 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.</b>				-	-
						<b>Total</b>				3,987.65	-
						<b>14 Deferred Tax Liabilities (Net)</b>					
						<b>a. Deferred Tax Liability on book depreciation and tax depreciation on Property, Plant and Equipment</b>					
						<b>As per last Balance Sheet</b>				148.23	-
						<b>For the current year (transferred from Statement of Profit and Loss)</b>				189.08	148.23
						<b>a</b>				337.31	148.23
						<b>b. Deferred Tax Asset - Allowable under Income Tax Act, 1961</b>					
						<b>As per last Balance Sheet</b>				18.28	-
						<b>For the current year (transferred from Statement of Profit and Loss)</b>				(6.09)	18.28
						<b>b</b>				12.19	18.28
						<b>Net Deferred Tax liabilities (Net) (a-b)</b>				325.12	129.95

## Notes to Financial Statements for the year ended March 31, 2023

		₹ in Thousands				₹ in Thousands	
		As at 31st March 2023	As at 31st March 2022			For the year ended 31st March 2023	For the year ended 31st March 2022
<b>17 Other financial liabilities</b>							
<b>Financial liabilities at amortised cost</b>							
	Outstanding liabilities	90.00	29.90	<b>23 Employee benefits expense</b>			
	<b>Total</b>	<b>90.00</b>	<b>29.90</b>		Salaries and wages	679.55	-
						<b>679.55</b>	<b>-</b>
<b>18 Other current liabilities</b>				<b>24 Other expenses</b>			
	Statutory dues (Tax Deducted at Source)	284.55	87.03		Consumption of Spares, Stores & Tools	4,470.61	23.54
	<b>Total</b>	<b>284.55</b>	<b>87.03</b>		Power & fuel	954.08	208.96
					Insurance	120.29	-
					Sub-Contractor Charges	7,752.39	-
					Freight Outwards	272.50	-
					Repairs & Maintenance - Building	439.50	566.38
<b>19 Revenue from operations</b>					Repairs & Maintenance - Plant & Equipment	30.45	-
	(a) Sale of products				Repairs & Maintenance - Others	146.00	63.00
	Domestic Sales	33,051.67	-		Rent	5,388.00	6,564.00
	(b) Rendering of services	1,282.19	-		Rates & taxes [excluding taxes on Income]	60.48	121.38
	(c) Other Operating Revenue - Scrap Sales	384.67	-		Audit fee		
	<b>Revenue from operations (Gross)</b>	<b>34,718.53</b>	<b>-</b>		a) As Auditors	100.00	20.00
					b) Company Law Matters	15.00	5.00
					c) Other Services	-	8.47
					Professional Charges	344.00	67.00
					Security expenses	943.54	1,060.44
					Loss on Foreign Exchange Transactions	-	4.85
					Miscellaneous expenses (No expenditure is in excess of one percent of revenue from operation or ₹ 10 Lakhs whichever is higher)	283.63	237.11
	<b>Timing of revenue recognition</b>				<b>Total</b>	<b>21,320.47</b>	<b>8,950.13</b>
	At a point in time	34,718.53	-	<b>25 Earnings per equity share</b>			
	Over a period of time	-	-		Nominal value of equity shares (in ₹)	10.00	10.00
	<b>Total revenue from contract with customers</b>	<b>34,718.53</b>	<b>-</b>		Profit / (Loss) attributable to equity shareholders (A) (₹ in Thousands)	(7,002.17)	(9,908.20)
<b>20 Other Income</b>					Weighted average number of equity shares outstanding during the year (B)	20,00,000	18,39,561
	Interest on Income Tax Refund	0.02	-		<b>Basic earnings per equity share (A/B) (in ₹)</b>	<b>(3.50)</b>	<b>(5.39)</b>
		<b>0.02</b>	<b>-</b>		<b>Diluted earnings per share</b>		
<b>21 Cost of raw materials and components consumed</b>					The Company does not have any potential equity shares. Accordingly, basic and diluted EPS are the same.		
	Opening stock of raw materials and components	-	-				
	Add : Purchases during the year	17,451.03	-				
	Less: Closing stock of raw materials and components	203.30	-				
	<b>Total</b>	<b>17,247.73</b>	<b>-</b>				
<b>22 Changes in inventories of finished goods and work-in-progress</b>							
	<b>Finished goods</b>						
	Opening stock	-	-				
	Less: Closing stock	93.87	-				
		<b>(93.87)</b>	<b>-</b>				
	<b>Work in progress</b>						
	Opening stock	-	-				
	Less: Closing stock	1,403.38	-				
		<b>(1,403.38)</b>	<b>-</b>				
	<b>Net decrease in inventories</b>	<b>(1,497.25)</b>	<b>-</b>				

# TVS Engineering Limited

## Notes to Financial Statements for the year ended March 31, 2023

₹ in Thousands

26 A. Disclosure of Ratios		For the year ended / As at 31st March 2023	For the year ended / As at 31st March 2022	Variance
Ratios	Formula			
Current Ratio	Current assets / current liabilities	1.52	2.59	(41.31%)*
Debt-Equity Ratio	Total debt / shareholder's equity	(12.00)	6.28	(291.08%)*
Debt Service Coverage Ratio	Earnings Available for Debt Service / (Interest Payments + Principal Repayments)	Not Applicable	Not Applicable	
Return on Equity Ratio	Net Profit after Tax / Equity Share Capital	(35.01%)	(49.54%)	14.53%
Inventory turnover ratio	Sales / Closing inventory	19.44	Not Applicable -	
Trade Receivables turnover ratio	Net sales / Trade Receivables	1.15	Not Applicable -	
Trade payables turnover ratio	Net purchase / Trade Payables	0.76	Not Applicable -	
Net capital turnover ratio	Net sales / working capital	2.17	Not Applicable -	
Net profit ratio	Net Profit after Tax / Net sales	(21.19%)	Not Applicable -	
Return on Capital employed	Earnings Before Interest and Tax / Capital employed	(12.71%)	(40.01%)	27.30%*
Return on investment	Net Return / Cost of Investment	Not Applicable	Not Applicable	

### B. Explanation for any change in the ratio by more than 25% as compared to the ratio of preceding year:

\* The reason for changes in the above ratios are due to increase in long term borrowings and loss for the year.

	For the year ended / As at 31st March 2023	For the year ended / As at 31st March 2022
27 Contingent Liabilities / Commitments	-	-
28 The directors have waived sitting fees	-	-
29 <b>Income Tax</b>		
<b>A. Amount recognised in statement of profit and loss:</b>		
Tax expense comprises of:		
Current income tax:	-	-
Deferred tax - Relating to recognition and reversal of temporary differences	195.17	129.95
<b>Income tax expense recognised in statement of profit and loss</b>	<b>195.17</b>	<b>129.95</b>
<b>B. Income tax recognised in other comprehensive income</b>	-	-
<b>C. Deferred tax asset is not recognised in the books since the probable future taxable profit may not be available for set-off against the unused tax losses. Details are as follows:</b>		
a) Carried Forward Business Loss as per the provisions of Income Tax Act, 1961	25,212.28	17,267.92
Deferred tax asset at 17.16 % is not recognised in the books	4,326.43	2,963.18

### 30 Statutory Disclosures:

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) other than those disclosed above 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 to or on behalf of the Ultimate Beneficiaries.
- 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 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 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).
- The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

### 31 Events after the reporting period:

There are no significant subsequent events that have occurred after the reporting period till the date of this financial statements.

## Notes to Financial Statements for the year ended March 31, 2023

### 32 Related party disclosures

#### Related Parties :

#### (I) Where Control exists:

##### (A) Ultimate Parent Company

TVS Sundram Fasteners Private Limited, Chennai (From 04.02.2022)

##### (B) Parent Company

Sundram Fasteners Limited, Chennai

##### (C) Fellow Subsidiaries

##### Indian

Sundram Fasteners Investments Ltd., Chennai,  
Sundram Non-Conventional Energy Systems Limited, Chennai  
TVS Upasana Limited, Chennai  
Sunfast TVS Limited, Chennai  
TVS Next Limited, Chennai

} No Transactions

##### Foreign

Sundram International Limited, New Castle, United Kingdom, (SIL)  
Sundram International Inc, Michigan, USA,

} No Transactions

##### (D) Fellow Step down Subsidiary Companies

##### Foreign

Sundram Fasteners (Zhejiang) Ltd., Zhejiang, Peoples Republic of China (Subsidiary of SIL)  
Cramlington Precision Forge Ltd., Northumberland, United Kingdom (Subsidiary of SIL)  
TVS Next Inc., Michigan, USA (Subsidiary of TVS Next Ltd)

} No Transactions

#### (II) Other Related Parties:

(A) Key Management Personnel : Nil

(B) Relatives of Key Management Personnel : Nil

(C) Enterprises in which key management personnel have significant influence: Nil

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

₹ in Thousands

Nature of transaction	Transaction with Sundram Fasteners Limited - Parent Company	Transaction with TVS Next Limited - Fellow Subsidiary
Subscription of Share Capital	-	-
	(7,450.00)	-
Purchase of Property, Plant and Equipment	-	66.92
	(1,433.18)	-
Long Term Loan Availed	25,150.00	-
	(19,900.00)	-
Interest on Long Term Loan	1,519.06	-
	(275.32)	-
Purchase of Raw Materials and Components	16,499.57	-
	-	-
Services Availed	2,436.60	-
	-	-
Services Rendered	1,272.56	-
	(34.37)	-
<b>Outstanding balances</b>		
Due by the Company		
Long Term Borrowings	45,050.00	-
	(19,900.00)	-
Trade Payable	22,201.04	-
	-	-
Due to the Company	-	-

(Previous year figures are in brackets)

# TVS Engineering Limited

## Notes to Financial Statements for the year ended March 31, 2023

### 33 A. 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

₹ in Thousands

Particulars	Carrying Amount	Fair Value			Total	Carrying Amount	Fair Value			Total
	31-Mar-23	Level 1	Level 2	Level 3		31-Mar-22	Level 1	Level 2	Level 3	
<b>Financial Assets</b>										
<b>(i) Current</b>										
Trade receivables	28,622.40	-	-	-	28,622.40	-	-	-	-	-
Cash and Cash equivalents	5,422.96	-	-	-	5,422.96	-	-	-	-	-
Other Financial Assets	3,450.00	-	-	-	3,450.00	3,450.00	-	-	-	3,450.00
<b>Total Financial Assets</b>	<b>37,495.36</b>	-	-	-	<b>37,495.36</b>	3,450.00	-	-	-	3,450.00
<b>Financial Liabilities</b>										
<b>Non-Current</b>										
Borrowings	45,050.00	-	-	-	45,050.00	19,900.00	-	-	-	19,900.00
<b>Current</b>										
Borrowings	-	-	-	-	-	474.47	-	-	-	474.47
Trade payables	28,780.08	-	-	-	28,780.08	3,027.96	-	-	-	3,027.96
Other Financial Liabilities	90.00	-	-	-	90.00	29.90	-	-	-	29.90
<b>Total Financial Liabilities</b>	<b>73,920.08</b>	-	-	-	<b>73,920.08</b>	23,432.33	-	-	-	23,432.33

The carrying amounts of trade receivables, cash and cash equivalents and current financial liabilities are considered to be the same as their fair values, due to their short-term nature and insignificant change in interest rate.

### 33 B. Fair Value Disclosure

₹ in Thousands

Particulars	31-Mar-23				Particulars	31-Mar-22			
	FVTPL	FVTOCI	Amortised Cost	Total		FVTPL	FVTOCI	Amortised Cost	Total
<b>Financial Assets</b>					<b>Financial Assets</b>				
Trade receivables	-	-	28,622.40	28,622.40	Trade receivables	-	-	-	-
Cash and Cash equivalents	-	-	5,422.96	5,422.96	Cash and Cash equivalents	-	-	-	-
Other Financial Assets	-	-	3,450.00	3,450.00	Other Financial Assets	-	-	3,450.00	3,450.00
<b>Total Financial Assets</b>	-	-	<b>37,495.36</b>	<b>37,495.36</b>	<b>Total Financial Assets</b>	-	-	<b>3,450.00</b>	<b>3,450.00</b>
<b>Financial Liabilities</b>					<b>Financial Liabilities</b>				
Borrowings	-	-	45,050.00	45,050.00	Borrowings	-	-	20,374.47	20,374.47
Trade payables	-	-	28,780.08	28,780.08	Trade payables	-	-	3,027.96	3,027.96
Other Financial Liabilities	-	-	90.00	90.00	Other Financial Liabilities	-	-	29.90	29.90
<b>Total Financial Liabilities</b>	-	-	<b>73,920.08</b>	<b>73,920.08</b>	<b>Total Financial Liabilities</b>	-	-	<b>23,432.33</b>	<b>23,432.33</b>

FVTPL - Fair Value Through Profit or Loss

FVTOCI - Fair Value Through Other Comprehensive Income

As per our report even date attached

**For SUNDARAM & SRINIVASAN**

Chartered Accountants

Firm Regn No. 004207S

**P VISWANATHAN**

Partner

Membership Number 224941

For and on behalf of the Board of Directors of

**TVS Engineering Limited**

[CIN: U29309TN2020PLC134322]

**ARATHI KRISHNA**

Chairperson

(DIN: 00517456)

**R. DILIP KUMAR**

Director

(DIN: 00240372)

Place: Chennai

Date: 12.04.2023