

Sundram International Inc.

(Michigan, USA)

ANNUAL REPORT

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

Sundram International Inc., USA

TRANSLATED FINANCIAL STATEMENTS

Balance Sheet as at March 31, 2023

Particulars	Note	As at March 31, 2023		As at March 31, 2022	
		USD	₹	USD	₹
ASSETS					
Current assets					
- Cash and cash equivalents	4	374	30,732	374	28,380
Total assets		374	30,732	374	28,380
EQUITY AND LIABILITIES					
Equity					
Equity Share capital	5	182,150	1,49,67,266	182,150	1,38,05,149
Other equity*		(191,776)	(1,57,58,234)	(191,776)	(1,45,34,669)
Total equity		(9,626)	(7,90,968)	(9,626)	(7,29,520)
Liabilities					
Non-current liabilities					
<u>Financial liabilities:</u>					
- Borrowings	6	-	-	10,000	7,57,900
Total Non-current liabilities		-	-	10,000	7,57,900
Current liabilities					
<u>Financial liabilities:</u>					
- Borrowings	7	10,000	8,21,700	-	-
Total current liabilities		10,000	8,21,700	-	-
Total Liabilities		10,000	8,21,700	10,000	7,57,900
Total equity and liabilities		374	30,732	374	28,380

Notes 1 to 10 form an integral part of these financial statements

* Refer Statement of changes in Equity for Additions and Deductions from last year balance sheet.

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

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	USD	₹	USD	₹
Revenue from operations	-	-	-	-
Total Income	-	-	-	-
Expenses				
Other expenses	-	-	-	-
Total expenses	-	-	-	-
Profit before exceptional items and tax	-	-	-	-
Exceptional item	-	-	-	-
Profit before tax	-	-	-	-
Tax expense				
a) Current tax	-	-	-	-
b) Deferred tax	-	-	-	-
Profit/(loss) for the year	-	-	-	-
Other comprehensive income				
i) Items that will not be reclassified to profit or loss	-	-	-	-
ii) Items that will be reclassified to profit or loss	-	-	-	-
Exchange difference arising on translation	-	1,093	-	(3)
	-	1,093	-	(3)
Total comprehensive income for the year	-	1,093	-	(3)

(Comprising Profit and Other Comprehensive Income for the year)

Notes 1 to 10 form an integral part of these financial statements

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Statements of Changes in Equity for the year ended March 31, 2023

A. Equity Share Capital

Particulars	Amount	
	USD	₹
(1) Current Reporting Period		
Balance as at 1st April 2022	182,150	1,38,05,149
Foreign currency translation difference on opening balance	-	11,62,117
Changes in equity share capital during the year	-	-
Balance as at 31 March 2023	182,150	1,49,67,266
(2) Previous Reporting Period		
Balance as at 1st April 2021	182,150	1,33,16,987
Foreign currency translation difference on opening balance	-	4,88,162
Changes in equity share capital during the year	-	-
Balance as at 31 March 2022	182,150	1,38,05,149

B. Other Equity

Particulars	Reserves and Surplus		Accumulated other comprehensive income		Total	
	Retained Earnings		Foreign currency translation reserve			
	USD	₹	USD	₹	USD	₹
(1) Current Reporting Period						
Balance as at 1st April 2022	(191,776)	(1,45,33,576)	-	(1,093)	(191,776)	(1,45,34,669)
Foreign currency translation difference on opening balance	-	(12,24,658)	-	-	-	(12,24,658)
Profit for the year	-	-	-	-	-	-
Other comprehensive income	-	-	-	1,093	-	1,093
Balance as at 31 March 2023	(191,776)	(1,57,58,234)	-	-	(191,776)	(1,57,58,234)
(2) Previous Reporting Period						
Balance as at 1st April 2021	(191,776)	(1,40,19,617)	-	(1,090)	(191,776)	(1,40,20,707)
Foreign currency translation difference on opening balance	-	(5,13,959)	-	-	-	(5,13,959)
Profit for the year	-	-	-	-	-	-
Other comprehensive income	-	-	-	(3)	-	(3)
Balance as at 31 March 2022	(191,776)	(1,45,33,576)	-	(1,093)	(191,776)	(1,45,34,669)

Notes 1 to 10 form an integral part of these financial statements

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Cash Flow Statement for the year ended March 31, 2023

	Year ended March 31, 2023		Year ended March 31, 2022	
	USD	₹	USD	₹
A. Cash flows from operating activities				
Profit before tax	-	-	-	-
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>				
Foreign Currency Translation reserve	-	-	-	-
Operating profit before working capital changes	-	-	-	-
Adjustments for:				
Decrease / (Increase) in trade receivables	-	-	-	-
Cash from / (used) in operating activities	-	-	-	-
Direct taxes paid, net	-	-	-	-
Net cash from / (used) in operating activities before extraordinary item	-	-	-	-
Extraordinary item	-	-	-	-
Net cash from / (used) in operating activities	-	-	-	-
B. Cash flow from investing activities				
Net cash from / (used) in investing activities	-	-	-	-
C. Cash flow from financing activities				
Repayment of long-term borrowings	-	-	-	-
Net cash generated from financing activities	-	-	-	-
D. Net cash flows during the year	-	-	-	-
E. Foreign Currency Translation Impact on Cash & Cash Equivalents		2,352		1,000
F. Cash and cash equivalents at the beginning	374	28,380	374	27,380
G. Cash and cash equivalents at the end	374	30,732	374	28,380
Cash and cash equivalents comprise of:				
Cash on hand	-	-	-	-
Balances with banks in current accounts	374	30,732	374	28,380
Cash and cash equivalents as per note 4	374	30,732	374	28,380

Notes 1 to 10 form an integral part of these financial statements

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

1 Corporate Information

Sundram International Inc. ("SII" or "the Company") was incorporated in USA and is a subsidiary of Sundram Fasteners Limited (SFL), Chennai.

SII was set up on 6 April 2005 and the registered office of the Company is situated at 801, W.Big Beaver Road, 5th Floor, Troy, Michigan - 48084

2 Basis of Preparation

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

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 Classification, subsequent measurement and derecognition of financial liabilities

Financial liabilities are measured initially at fair value. The Company's financial liabilities include borrowings.

Subsequent measurement

Financial liabilities are measured subsequently at amortized cost using the effective interest method except for financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss.

3.3 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank balance, 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.

Notes to Financial Statements (Contd.)

3.4 Equity, reserves and dividend payments

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

Other Comprehensive Income (OCI) include the following:

- Foreign Currency Translation Reserve - Exchange difference relating to the translation of results and net assets of the Company from the functional currency (USD) to presentation currency (INR) are recognised in Other Comprehensive Income.

Retained Earnings represents the accumulated loss transferred from the Statement of Profit and Loss

3.5 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.

3.6 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is appropriately classifying for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short- term highly liquid investments with original maturities of 3 months or less, as applicable.

3.7 Accounting for effect of change in foreign exchange rates

The Assets and Liabilities as at 31st March 2023 has been translated from US Dollars to Indian Rupees by applying the year end interbank exchange rate of 1 USD = Rs. 82.17 (31.03.2022 - 75.79). The incomes and expenses for the year ended 31st March 2023 has been translated from US Dollars to Indian Rupees by applying Average interbank exchange rate 1 USD = Rs. 80.57 (31.03.2022 - 74.37). Exchange differences arising out of the translation have been dealt with in accordance with Ind AS 21.

SII's Functional Currency is US Dollars. But these financial statements are presented in Indian Rupees in order to facilitate the preparation of consolidated financial statements by Sundram Fasteners Limited, which is the holding company of SII.

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TRANSLATED FINANCIAL STATEMENTS

Notes to Financial Statements (Contd.)

	As at March 31, 2023				As at March 31, 2022			
	Long-term USD	₹	Short-term USD	₹	Long-term USD	₹	Short-term USD	₹
4 CASH AND BANK BALANCES								
Cash and cash equivalents								
Balances with banks in current accounts	-	-	374	30,732	-	-	374	28,380
	-	-	374	30,732	-	-	374	28,380

	As at March 31, 2023			As at March 31, 2022		
	Number	USD	₹	Number	USD	₹
5 EQUITY SHARE CAPITAL						
Authorised						
60,000 common shares	60,000	-	-	60,000	-	-
Issued, subscribed and fully paid up						
18,215 common shares of USD 10 each	18,215	182,150	1,49,67,266	18,215	182,150	1,38,05,149
	18,215	182,150	1,49,67,266	18,215	182,150	1,38,05,149

a) There were no movement in the share capital during the current and previous year.

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

	As at March 31, 2023		As at March 31, 2022	
	Nos.	% holding	Nos.	% holding
Sundram Fasteners Limited, Chennai	18,215	100.00%	18,215	100.00%
	18,215	100.00%	18,215	100.00%

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

Promoter name	As at March 31, 2023		As at March 31, 2022	
	No. of shares held	% of total shares	No. of shares held	% of total shares
Sundram Fasteners Limited, Chennai	18,215	100%	18,215	100%

d) Equity shares

The Company has only one class of equity shares having a par value of USD 10 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) Bonus Shares/ Buy Back/ Shares for consideration other than cash issued during the period of five years immediately preceding the financial year ended 31 March 2023:

(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

f) Capital Management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern

- to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the company's capital management is to maximise the shareholder value.

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	USD	₹	USD	₹
Debt	10,000	8,21,700	10,000	7,57,900
Cash and cash equivalents	(374)	(30,732)	(374)	(28,380)
Capital	9,626	7,90,968	9,626	7,29,520
Total equity	(9,626)	(7,90,968)	(9,626)	(7,29,520)
Equity	(9,626)	(7,90,968)	(9,626)	(7,29,520)
Gearing ratio	(100%)	(100%)	(100%)	(100%)

TRANSLATED FINANCIAL STATEMENTS

Notes to Financial Statements (Contd.)

	As at March 31, 2023		As at March 31, 2022	
	USD	₹	USD	₹
6 BORROWINGS (Non-Current)				
Unsecured				
Working Capital Loans - from related parties	-	-	10,000	7,57,900
Total	-	-	10,000	7,57,900
	As at March 31, 2023		As at March 31, 2022	
	USD	₹	USD	₹
7 BORROWINGS (Current)				
Unsecured (Refer note below)				
Working Capital Loans - from related party	10,000	8,21,700	-	-
Total	10,000	8,21,700	-	-

Note:

The Company has availed an unsecured working capital loan from its Holding Company which is repayable on demand.

8 RELATED PARTY DISCLOSURES

Related Parties :

(I) Where Control exists:

(A) Ultimate Holding Company

TVS Sundram Fasteners Private Limited, Chennai, India (from February 4, 2022)

(B) Holding Company

Sundram Fasteners Limited, Chennai

(II) Other Related Parties:

(A) Fellow Subsidiaries

Sundram International Limited, UK

Cramlington Precision Forge Limited, Northumberland, UK

Sundram Fasteners (Zhejiang) Limited, Republic of China

TVS Upasana Limited, Chennai

Sundram Non-Conventional Energy Systems Limited, Chennai

Sundram Fasteners Investments Limited, Chennai.

Sunfast TVS Limited, Chennai

TVS Engineering Limited, Chennai

TVS Next Limited, Chennai

TVS Next Inc., Michigan, USA

(III) Transactions with related parties referred in (I) and (II) above, in ordinary course of business:		
Nature of transaction	Holding Company	
	USD	INR
Outstanding balances		
Due by the Company	10,000	8,21,700
	(10,000)	(7,57,900)
Due to the Company	-	-
	-	-

(Previous year figures are in brackets)

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TRANSLATED FINANCIAL STATEMENTS

Notes to Financial Statements (Contd.)

9 DISCLOSURE ON FINANCIAL INSTRUMENT

Particulars	31-Mar-23								31-Mar-22							
	FVTPL		FVOCI		Amortised Cost		Total		FVTPL		FVOCI		Amortised Cost		Total	
	USD	₹	USD	₹	USD	₹	USD	₹	USD	₹	USD	₹	USD	₹	USD	₹
Financial Assets																
Cash and Cash equivalents	-	-	-	-	374	30,732	374	30,732	-	-	-	-	374	28,380	374	28,380
Total Financial Assets	-	-	-	-	374	30,732	374	30,732	-	-	-	-	374	28,380	374	28,380
Financial Liabilities																
Borrowings (Current & Non-Current)	-	-	-	-	10,000	8,21,700	10,000	8,21,700	-	-	-	-	10,000	7,57,900	10,000	7,57,900
Total Financial Liabilities	-	-	-	-	10,000	8,21,700	10,000	8,21,700	-	-	-	-	10,000	7,57,900	10,000	7,57,900

FVTPL - Fair Value Through Profit or Loss

FVOCI - Fair Value Through Other Comprehensive Income

10 DISCLOSURE OF RATIOS:

Particulars	For the year ended / As at 31.03.2023		For the year ended / As at 31.03.2022		% change from previous year
(a) Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$	$\frac{30,732}{8,21,700}$	0.04	N.A		N.A
(b) Debt-Equity Ratio = $\frac{\text{Total Debt}}{\text{Total Equity}}$	$\frac{8,21,700}{(7,90,968)}$	(1.04)	$\frac{7,57,900}{(7,29,520)}$	(1.04)	-
(c) Debt Service Coverage Ratio	N.A		N.A		N.A
(d) Return on Equity Ratio	N.A		N.A		N.A
(e) Inventory turnover ratio	N.A		N.A		N.A
(f) Trade Receivables turnover ratio	N.A		N.A		N.A
(g) Trade payables turnover ratio	N.A		N.A		N.A
(h) Net capital turnover ratio	N.A		N.A		N.A
(i) Net profit ratio	N.A		N.A		N.A
(j) Return on Capital employed	N.A		N.A		N.A
(k) Return on investment	N.A		N.A		N.A

N.A - Not Applicable