

Sundram International Inc.

(Michigan, USA)

ANNUAL REPORT

**for the year ended
March 31, 2021**

Sundram International Inc.

TRANSLATED FINANCIAL STATEMENTS

Balance Sheet as at 31 March 2021

Particulars	Note	As at 31 March 2021		As at 31 March 2020	
		USD	₹	USD	₹
ASSETS					
Current assets					
<u>Financial assets:</u>					
- Cash and cash equivalents	4	374	27,380	943	71,131
Total assets		374	27,380	943	71,131
EQUITY AND LIABILITIES					
Equity					
Equity Share capital	5	1,82,150	1,33,16,987	1,82,150	1,37,32,289
Other equity		(1,91,776)	(1,40,20,707)	(1,91,207)	(1,44,15,058)
Total equity		(9,626)	(7,03,720)	(9,057)	(6,82,769)
Liabilities					
Non-current liabilities					
<u>Financial liabilities:</u>					
- Borrowings	6	10,000	7,31,100	10,000	7,53,900
Total liabilities		10,000	7,31,100	10,000	7,53,900
Total equity and liabilities		374	27,380	943	71,131

Notes 1 to 9 form an integral part of these financial statements

This is the balance sheet referred to in our report of even date

Statement of Profit and Loss for the year ended 31 March 2021

Particulars	Note	Year ended 31 March 2021		Year ended 31 March 2020	
		USD	₹	USD	₹
Revenue from operations		-	-	-	-
Total Income		-	-	-	-
Expenses					
Other expenses	7	569	42,113	760	53,941
Total expenses		569	42,113	760	53,941
Profit / (loss) before exceptional items and tax		(569)	(42,113)	(760)	(53,941)
Exceptional item		-	-	-	-
Profit before tax		(569)	(42,113)	(760)	(53,941)
Tax expense					
a) Current tax		-	-	-	-
b) Deferred tax		-	-	-	-
Profit / (loss) for the period		(569)	(42,113)	(760)	(53,941)
Other comprehensive income					
i) Items that will not be reclassified to profit or loss		-	-	-	-
		-	-	-	-
ii) Items that will be reclassified to profit or loss		-	514	-	(3,318)
		-	514	-	(3,318)
Total comprehensive income for the year		(569)	(41,599)	(760)	(57,259)
<i>(Comprising Profit and Other Comprehensive Income for the year)</i>					
Earnings per equity share					
Basic (in ₹)		(0.03)	(2.31)	(0.04)	(2.96)
Diluted (in ₹)		(0.03)	(2.31)	(0.04)	(2.96)
No. of Shares		18,215	18,215	18,215	18,215

Notes 1 to 9 form an integral part of these financial statements

This is the statement of profit and loss referred to in our report of even date

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Statements of Changes in Equity for the year ended 31 March 2021

A. Equity Share Capital

Particulars	Amount	
	USD	₹
Balance as at the 31 March 2019	1,82,150	1,25,97,494
Changes in equity share capital during the year	-	11,34,795
Balance as at the 31 March 2020	1,82,150	1,37,32,289
Changes in equity share capital during the year	-	(4,15,302)
Balance as at the 31 March 2021	1,82,150	1,33,16,987

B. Other Equity

Particulars	Reserves and Surplus		Accumulated other comprehensive income		Total	
	Retained Earnings		Foreign currency translation reserve			
	USD	₹	USD	₹	USD	₹
Balances as at 31 March 2019	(1,90,447)	(1,31,73,027)	-	1,714	(1,90,447)	(1,31,71,313)
Foreign currency translation difference on opening balance	-	(11,86,486)	-	-	-	(11,86,486)
Profit for the year	(760)	(53,941)	-	-	(760)	(53,941)
Other comprehensive income	-	-	-	(3,318)	-	(3,318)
Balances as at 31 March 2020	(1,91,207)	(1,44,13,454)	-	(1,604)	(1,91,207)	(1,44,15,058)

Particulars	Reserves and Surplus		Accumulated other comprehensive income		Total	
	Retained Earnings		Foreign currency translation reserve			
	USD	₹	USD	₹	USD	₹
Balances as at 31 March 2020	(1,91,207)	(1,44,13,454)	-	(1,604)	(1,91,207)	(1,44,15,058)
Foreign currency translation difference on opening balance	-	4,35,950	-	-	-	4,35,950
Profit for the year	(569)	(42,113)	-	-	(569)	(42,113)
Other comprehensive income	-	-	-	514	-	514
Balances as at 31 March 2021	(1,91,776)	(1,40,19,617)	-	(1,090)	(1,91,776)	(1,40,20,707)

TRANSLATED FINANCIAL STATEMENTS

Cash Flow Statement for the year ended 31 March 2021

	Year ended 31 March 2021		Year ended 31 March 2020	
	USD	₹	USD	₹
A. Cash flows from operating activities				
Profit before tax	(569)	(42,113)	(760)	(53,941)
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>				
Foreign Currency Translation reserve	-	-	-	-
Operating profit before working capital changes	(569)	(42,113)	(760)	(53,941)
Adjustments for:				
Decrease/(Increase) in trade receivables	-	-	-	-
Cash from / (used) in operating activities	(569)	(42,113)	(760)	(53,941)
Direct taxes paid, net	-	-	-	-
Net cash from / (used) in operating activities before extraordinary item	(569)	(42,113)	(760)	(53,941)
Extraordinary item	-	-	-	-
Net cash from / (used) in operating activities	(569)	(42,113)	(760)	(53,941)
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	(569)	(42,113)	(760)	(53,941)
E. Foreign Currency Translation Impact on Cash & Cash Equivalents	-	(1,638)	-	7,291
F. Cash and cash equivalents at the beginning	943	71,131	1,703	1,17,781
G. Cash and cash equivalents at the end	374	27,380	943	71,131
Cash and cash equivalents comprise of:				
Cash on hand	-	-	-	-
Balances with banks in current accounts	374	27,380	943	71,131
Cash and cash equivalents as per note 4	374	27,380	943	71,131

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Notes to Financial Statements for the year ended 31 March 2021

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

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.

The financial statements for the year ended 31 March 2021 (including comparatives) are duly adopted by the Board on May 6, 2021 for consideration of approval by the shareholder.

Summary of accounting policies

Overall considerations

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

Classification, subsequent measurement and derecognition of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost. The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Subsequent measurement

Financial liabilities are measured subsequently at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

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.

Equity, reserves and dividend payments

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

Notes to Financial Statements (Contd.)

Other Comprehensive Income (OCI) include the following:

- measurement of net defined benefit liability – comprises the actuarial losses from changes in demographic and financial assumptions and the return on plan assets
- reserves for financial assets at fair value through other comprehensive income – comprises gains and losses relating to these types of financial instruments.

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

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.

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.

Accounting for effect of change in foreign exchange rates

The Assets and Liabilities as at 31st March 2021 has been translated from US Dollars to Indian Rupees by applying the year end interbank exchange rate of 1 USD = ₹ 73.11 (31.03.2020 - 75.39). The incomes and expenses for the year ended 31st March 2021 has been translated from US Dollars to Indian Rupees by applying Average interbank exchange rate 1 USD = ₹ 74.01 (31.03.2020 - 71.02). 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.

TRANSLATED FINANCIAL STATEMENTS

Notes to Financial Statements (Contd.)

	As at 31 March 2021				As at 31 March 2020			
	Long-term		Short-term		Long-term		Short-term	
	USD	₹	USD	₹	USD	₹	USD	₹
4 CASH AND BANK BALANCES								
Cash and cash equivalents								
Balances with banks in current accounts	-	-	374	27,380	-	-	943	71,131
	-	-	374	27,380	-	-	943	71,131

	As at 31 March 2021			As at 31 March 2020		
	Number	USD	₹	Number	USD	₹
	5 SHARE CAPITAL					
Issued, subscribed and fully paid up						
18,215 common shares of USD 10 each	18,215	1,82,150	1,33,16,987	18,215	1,82,150	1,37,32,289
	18,215	1,82,150	1,33,16,987	18,215	1,82,150	1,37,32,289

- 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

	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) 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.

- d) 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 2021:
- (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

e) 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 parent. The primary objective of the Group'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. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

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Notes to Financial Statements (Contd.)

		As at 31 March 2021		As at 31 March 2020	
		USD	₹	USD	₹
Total Debt		10,000	7,31,100	10,000	7,53,900
Cash and cash equivalents		(374)	(27,380)	(943)	(71,131)
Net Debt	A	9,626	7,03,720	9,057	6,82,769
Total equity		(9,626)	(7,03,720)	(9,057)	(6,82,769)
Equity	B	(9,626)	(7,03,720)	(9,057)	(6,82,769)
Net debt to Equity	C = (A/B) * 100	(100%)	(100%)	(100%)	(100%)

6 BORROWINGS	As at 31 March 2021		As at 31 March 2020	
	USD	₹	USD	₹
Unsecured				
Working Capital Loans - from related parties	10,000	7,31,100	10,000	7,53,900
	10,000	7,31,100	10,000	7,53,900

7 OTHER EXPENSES	Year ended 31 March 2021		Year ended 31 March 2020	
	USD	₹	USD	₹
Miscellaneous expenses	569	42,113	760	53,941
	569	42,113	760	53,941

Summary of significant accounting policies and other explanatory information

8 RELATED PARTY DISCLOSURES

Related Parties :

(I) Where Control exists:

(A) Holding Company

Sundram Fasteners Ltd

(II) Subsidiaries / Step Down Subsidiaries of the Holding company:

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.

TVS Next Limited, Chennai

Sunfast TVS Limited, Chennai

TVS Engineering 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	7,31,100
	(10,000)	(7,53,900)
Due to the Company	-	-
	-	-

(Previous year figures are in brackets)

Notes to Financial Statements (Contd.)

9 - DISCLOSURE ON FINANCIAL INSTRUMENT

Particulars	31-Mar-21						31-Mar-20										
	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	27,380	374	27,380	-	-	-	-	943	71,131	943	71,131	
Total Financial Assets	-	-	-	-	374	27,380	374	27,380	-	-	-	-	943	71,131	943	71,131	
Financial Liabilities																	
Borrowings	-	-	-	-	10,000	7,31,100	10,000	7,31,100	-	-	-	-	10,000	7,53,900	10,000	7,53,900	
Total Financial Liabilities	-	-	-	-	10,000	7,31,100	10,000	7,31,100	-	-	-	-	10,000	7,53,900	10,000	7,53,900	