

# **TVS Upasana Limited**

## **ANNUAL REPORT**

**for the year ended  
March 31, 2024**



# TVS Upasana Limited

## REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

The Directors have pleasure in presenting the 32<sup>nd</sup> Annual Report, together with the audited accounts for the year ended March 31, 2024.

## FINANCIAL RESULTS

₹ in lakhs

Particulars	2023-24	2022-23
Revenue from operations	17,436.77	16,869.98
Gross Profit / (Loss) before interest & depreciation	2,974.71	3,413.31
Less: Interest	575.03	602.53
Less: Depreciation	1,344.52	1,230.20
Profit / (Loss) before tax	1,055.16	1,580.58
Add / (Less): Provision for Tax (including Deferred Tax)	263.35	375.32
Profit / (Loss) after tax	791.81	1,205.26
Other Comprehensive income net of deferred Tax	4.54	4.37
Total Comprehensive Income for the year	796.35	1,209.63
Add : Brought forward	9,910.82	8,691.87
Add : Financial Guarantee	10.43	9.32
Balance carried forward	10,717.60	9,910.82

## OPERATIONS

During the year under review, the revenue from the operations of the Company amounted to ₹ 17,436.77 lakhs as against ₹ 16,869.98 lakhs in the year 2022-23. During the year under review, the total comprehensive income of the Company for the year was ₹ 796.35 lakhs as against ₹ 1,209.63 lakhs during 2022-23.

The company started supplying plastic components to automobile customers and the business is progressing well and is expected to contribute to higher turnover of the company in the coming years.

## DIVIDEND

The Directors do not propose any dividend for the financial year 2023-24.

## TRANSFER TO RESERVES

The Company has not transferred any amount to reserves during the year 2023-24.

## BOARD MEETINGS

During the financial year 2023-24, there were four (4) board meetings, which were held on April 24, 2023, July 24, 2023, November 15, 2023, and March 8, 2024.

All the Directors attended all the meetings during the year under review.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:-

- in the preparation of the annual accounts, the applicable accounting standards had been followed.
- they have selected appropriate accounting policies and applied them consistently, 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 profit of the Company for that year.

- they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 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.

## VIGIL MECHANISM

The Board of Directors continues to nominate Ms. Arundathi Krishna, Managing Director to play the role of Audit Committee for the purpose of Vigil Mechanism.

## DIRECTORS

In terms of the provisions of sub-section (6) read with explanation to Section 152 of the Companies Act, 2013, two-third of the total number of directors are liable to retire by rotation and out of which, one-third is liable to retire by rotation at every Annual General Meeting (AGM).

Accordingly, Sri R Krishnan (DIN 00271938), Whole-time Director of the Company, becomes liable to retire by rotation, at the ensuing AGM, and being eligible, offers himself for re-appointment.

## 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 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.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient is enclosed vide **Annexure-I**.

## 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, 2024.

## 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.

## COST AUDITOR AND MAINTENANCE OF COST RECORDS

In terms of Section 148 of the Companies Act, 2013 (the Act) read with Companies (Cost Records and Audit) Rules, 2014 as amended, the Board of Directors has appointed Sri P. Raju Iyer, Practicing

# TVS Upasana Limited

Cost Accountant (Membership No: 6987) as Cost Auditor for the Financial year 2024-25.

As specified by the Central Government under Section 148(1) of the Companies Act, 2013, the Company is required to maintain cost records and accordingly, such records are being maintained.

## AUDITORS

Pursuant to Section 139 of the Companies Act, 2013, M/s B S R & Co LLP, Chartered Accountants, Chennai, (Registration No. 101248 W/ W- 100022 with the Institute of Chartered Accountants of India), were re-appointed as Statutory Auditors of the Company at the Thirtieth Annual General Meeting of the Company for the second consecutive period of 5 years commencing from June 20, 2022.

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 appointment as prescribed under Section 141. Their eligibility criteria were reviewed by the Board, as specified under Section 141 of the Companies Act, 2013.

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

There are no qualifications, adverse remarks, or reservations made by Statutory Auditors in the report of the Statutory Auditors.

## RELATED PARTY TRANSACTIONS

All transactions with related parties were on an arm's length basis and in the ordinary course of business. There was no related party contract during the year. Form **AOC-2** as required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is enclosed vide **Annexure-II** forming part of this report.

## EXTRACT OF ANNUAL RETURN

In terms of requirement of Section 134(3) read with Section 92(3) of the Companies Act, 2013, the annual return of the Company is available on the Company's website, [www.uel.in](http://www.uel.in).

## MATERIAL CHANGES AND COMMITMENTS

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

## CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION

The Company has utilized renewable energy in the form of Wind Energy at its Hosur plant and Vallam plants in lieu of fossil fuels and utilised third party solar power in both its plants. The Company has installed rooftop solar power plant facility at its Units located in Hosur and Vallam Vadagal to conserve the energy. There was no technology absorption during the year under review.

## FOREIGN EXCHANGE EARNINGS AND OUTGO

The total foreign exchange earned and used are as under:

₹ in lakhs

Particulars	2023-24	2022-23
Foreign exchange earned - Exports	3,973.97	4,620.83
Foreign exchange earned - Others	-	6.68
Foreign exchange used - Imports	359.35	451.80
Foreign exchange used - Others	0.50	18.30

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

There was no change in Key managerial personnel or directors during the year under review.

## CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business of the Company during the financial 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.

## PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013. Deposits outstanding as on March 31, 2024 was Rs. Nil.

## REGULATORY / COURT ORDERS

During the year 2023-24, 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.

## DETAILS OF FRAUD REPORTED BY THE AUDITORS

M/s BSR & Co. LLP, Chartered Accountants, Chennai, the Statutory Auditors of the Company have stated that during the course of their audit, there were no fraud by the Company or on the Company by its officers noticed or reported in Independent Auditors' Report which forms part of this Report.

## 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.

## RISK MANAGEMENT

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

## AUDIT COMMITTEE AND NOMINATION AND REMUNERATION COMMITTEE

The Company does not have Audit Committee and Nomination and Remuneration Committee since both committees were dissolved by the Board of Directors at its meeting held on September 15, 2017, pursuant to amendments to the Companies (Appointment and Qualification of Directors) Rules, 2014 and Companies (Meeting of Board and its Powers) Rules, 2014 vide Ministry of Corporate Affairs notifications dated July 05, 2017 and July 13, 2017 respectively, granting exemptions to the wholly owned subsidiaries of listed companies.

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#### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)**

The CSR Committee of the Board consisted of Sri Suresh Krishna, Ms Arundathi Krishna and Smt Usha Krishna as members of the CSR Committee, with Sri Suresh Krishna as its Chairman.

Pursuant to the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 and any amendment(s) relating thereto, read with various clarifications issued by Ministry of Corporate Affairs, the Company has undertaken activities as per the CSR Policy (available on your Company's website [www.uel.in](http://www.uel.in)) and the details are provided in the annual report on CSR activities enclosed vide **Annexure-III** forming part of this report.

With the enactment of the Companies (Amendment) Act, 2020 vide its notification dated September 28, 2020, effective January 22, 2021, where the amount to be spent by a Company under CSR does not exceed Rs.50 Lakhs, the requirement of constitution of the CSR Committee shall not be applicable and the functions of such Committee in, such cases, be discharged by the Board of Directors of the Company.

The CSR Committee was dissolved by the Board of Directors at its meeting held on April 30, 2021, pursuant to the amendments as mentioned above. The powers/functions/duties earlier performed by the Committee is now vested with the Board of Directors.

#### **PERFORMANCE EVALUATION**

Since the Company is not required to appoint Independent Directors, the requirement of performance evaluation is not applicable as the Company has not met the specified criteria.

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

The Company accorded the highest priority to health and safety of the workforce with a commitment to comply with all applicable laws and regulations. The Company imparted safety training to all its employees. The Company maintained the highest standards of occupational HSSE with the leadership team reviewing business safety performance on a monthly basis.

During the Financial Year 2023-24, the Company implemented best-in-class internal standards to ensure safe, systematic, reliable and environment-friendly operations. The leadership team of the Company frequently checked the effectiveness of implementation and demonstrated visible safety leadership through field inspection programmes.

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

None of the employees were in receipt of remuneration in excess of the limit prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **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 2023.

#### **ACKNOWLEDGMENT**

Your directors thank the holding company, Sundram Fasteners Limited, for its continued support. The Directors wish to thank the Company's bankers, customers, and vendors for their continued support. They also place on record their appreciation of all the employees of the Company for their contribution and dedicated service.

On behalf of the Board

**Suresh Krishna**  
Chairman  
DIN: 00046919

May 21, 2024  
Chennai

Annexure-I

Particulars of loans, guarantees and investments under Section 186 of the Companies Act, 2013  
during the financial year ended March 31, 2024

₹ in Lakhs

Name of the Body Corporate	Nature of relationship	Nature of transaction	Amount of transaction	Purpose for which the loan / security / acquisition / guarantee utilized by the recipient
First Energy 5 Private Limited	NA	Acquisition	67.00	Investment in Equity shares for purchase of power under group captive basis.

On behalf of the Board

**SURESH KRISHNA**  
Chairman  
DIN: 00046919

May 21, 2024  
Chennai

Annexure - II

**Disclosure of Particulars of Contracts/Arrangements entered into by the Company**

**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 were 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  
There was no material related party contract or arrangement or transaction during the year.

On behalf of the Board

**SURESH KRISHNA**  
Chairman  
DIN: 00046919

May 21, 2024  
Chennai

## ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2023-2024

## 1. Brief Outline of the Company's CSR Policy

- To actively engage and extend support to the communities in which we operate and thus build a better, sustainable way of life by supporting the weaker sections of the society and thus contribute to the human development.
- To impel measures to provide solutions that will balance economic, social and environmental issues.
- To continue to intensify and dutifully fulfill our current CSR commitments and to augment our efforts in the evolving opportunities.
- To work together with our employees with a commitment for adhering to responsible business practices in terms of quality management, environmental sustainability and support to the community.
- To ensure the alignment of our CSR Policy in all facets of our business and across all our business units.

**Healthcare:**

The Company has sponsored the treatment costs of patients with cancer in collaboration with Cancer Institute [Women's India Association (W.I.A)]

## 2. Composition of CSR Committee

With the enactment of the Companies (Amendment) Act, 2020 vide its notification dated September 28, 2020, effective January 22, 2021, where the amount to be spent by a Company under CSR does not exceed Rs 50 Lakh, the requirement of constitution of the CSR Committee shall not be applicable and the functions of such Committee in such cases, be discharged by the Board of Directors of the Company.

The CSR Committee has been dissolved by the Board of Directors at its meeting held on April 30, 2021, pursuant to the amendments as mentioned above. The powers/functions/duties earlier performed by the Committee is vested with the Board of Directors.

3. The Web-link : [www.uel.in](http://www.uel.in)

## 4. Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules 2014, if applicable:

**Not Applicable**

- Average Net Profit of the Company as per Section 135(5): ₹ **863.46 lakhs**
  - Two percent of average net profit of the Company as per Section 135 (5): ₹ **17.27 lakhs**
  - Surplus arising out of the CSR projects/programmes of the previous financial year: **Nil**
  - Amount required to be set off for the financial year, if any: ₹ **0.09 lakhs**
  - Total CSR obligation for the financial year (5b+5c-5d): ₹ **17.18 lakhs**
- Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ **17.50 lakhs towards other than ongoing projects**
  - Amount spent in Administrative Overheads: **Nil**
  - Amount spent on Impact Assessment, if applicable: **Not Applicable**
  - Total amount spent for the Financial Year [6a+6b+6c]. ₹ **18.50 lakhs**
  - CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 17.50 Lakhs	<b>NIL</b>				

# TVS Upasana Limited

(f) Excess amount for set off, if any

S No	Particulars	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	₹ 17.27
(ii)	Total Amount spent for the Financial Year	₹ 17.50
(iii)	Excess amount spent for the Financial Year [(ii) – (i)]	₹ 0.23
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial year if any.	₹ 0.09
(v)	Amount available for set off in succeeding years [(iii) – (iv)]	₹ 0.32

7. Details of Unspent CSR amount for the preceding three financial years:

S No	Preceding Financial Year	Amount transferred to unspent CSR Account under Section 135(6) (₹ in crores)	Amount spent in the reporting Financial Year (₹ in crores)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial year (in ₹)
				Name of the Fund	Amount (₹ in Lakhs)	Date of transfer	
NIL							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

**Nil**

If yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincodes of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity / Authority / beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
NIL							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation / Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reasons, if the company has failed to spend two per cent of the average net profit as per Section 135(5): **Nil**

**Arundathi Krishna**  
Managing Director  
DIN: 00270935

**Suresh Krishna**  
Chairman and Non-Executive Director  
DIN: 00046919

May 21, 2024  
Chennai



## **INDEPENDENT AUDITORS' REPORT**

**To the Members of TVS Upasana Limited**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of TVS Upasana Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material 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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive income, 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 Act. Our responsibilities under those SAs 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 Act 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 on the financial statements.

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report(s) 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 have 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.

### **Management's and Board of Directors' Responsibilities for the Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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.

- 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements 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 Section 143(11) of the Act, 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. A. 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 except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the 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 Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the maintenance of accounts and other matters connected therewith refer to our remarks in paragraph 2(A)(b) above on reporting under Section 143(3)(b) and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. 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:
- a. The Company does not have any pending litigations which would impact its financial position.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 32 to the financial statements, 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(s) or entity(ies), including foreign entities ("Intermediaries"), 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 on behalf of the Ultimate Beneficiaries.
  - (ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 32 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), 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 Parties

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("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed 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 under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks performed, the Company has used accounting software for maintaining its books of account which has a feature of audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the audit trail was not enabled (i) at the database level to log any direct data changes; and (ii) at the application layer of the accounting software for the period from April 1, 2023 to August 14, 2023; and (iii) at the application level for certain fields / tables relating to all the significant processes. Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid / payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid / payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

*for B S R & Co. LLP*

*Chartered Accountants*

Firm's Registration Number: 101248W/W-100022

**S Sreenath Neelakandan**

*Partner*

Membership No.: 228342

ICAI UDIN: 24228342BKHKCG8096

Place : Chennai

Date : 21 May, 2024

# TVS Upasana Limited

B S R & Co. LLP  
Chartered Accountants

KRM Tower, 1<sup>st</sup> & 2<sup>nd</sup> Floor, No. 1, Harrington Road,  
Chetpet, Chennai 600 031, India  
Phone : +91 44 4608 3100  
Fax : +91 44 4608 3199

## Annexure A to the Independent Auditor's Report on the Financial Statements of TVS Upasana Limited for the year ended 31 March 2024 (Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (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 maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Free hold land	INR 5.13 Lakhs	J Ashwini Kumar	No	From 2004	The registration of this land is pending on account of procedural delays and the title deeds are in the name the seller. However, full consideration has been paid to the seller and possession of the land is with the company.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to firms or limited liability partnerships during the year. The Company has not made investments, provided guarantee or security or granted any secured or unsecured loans or secured advances in the nature of loans to other parties during the year. The Company has not provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies during the year. The Company has made investments in other Companies and has given unsecured advances in the nature of loans to other parties during the year.

- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided unsecured advances in the nature of loans to other parties as below:

Particulars	Advances in nature of Loans
Aggregate amount during the year Other parties	11.76
Balance outstanding as at balance sheet date Other parties	16.21

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of advances in the nature of loans granted during the year are, prima facie, not prejudicial to the interest of the Company. There were no guarantees provided, security given or loans provided during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of advances in the nature of loans given, in our opinion the repayment of principal has been stipulated and the repayments have been regular, wherever applicable. Further, the Company has not given any loans to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of advances in the nature of loans given. Further, the Company has not given any loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST..
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess and other material statutory dues have been regularly deposited by the Company with the appropriate authorities.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

# TVS Upasana Limited

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- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.  
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.  
(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.  
(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standard.
- (xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.  
(b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.  
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.  
(c) 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.  
(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

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- (xix) According to the information and explanations given to us and 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, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

*for B S R & Co. LLP*  
*Chartered Accountants*  
Firm's Registration Number: 101248W/W-100022

**S Sreenath Neelakandan**  
*Partner*  
Membership No.: 228342  
ICAI UDIN: 24228342BKHKCG8096

Place : Chennai  
Date : 21 May, 2024



## **Annexure B to the Independent Auditor's Report on the financial statements of TVS Upasana Limited for the year ended 31 March 2024**

### **Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### **Opinion**

We have audited the internal financial controls with reference to financial statements of TVS Upasana Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 were 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 with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions



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of the assets of the company; (2) 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 (3) 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 with Reference to Financial Statements**

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

*for* **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration Number: 101248W/W-100022

**S Sreenath Neelakandan**

*Partner*

Membership No.: 228342

ICAI UDIN: 24228342BKHKCG8096

Place : Chennai

Date : 21 May, 2024

# TVS Upasana Limited

## Balance sheet as at March 31, 2024

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

	Note	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5(a)	11,508.91	11,232.45
Capital work-in-progress	5(b)	111.70	508.66
Right of use assets	5(c)	2,395.55	2,410.41
Intangible assets	6	3.97	7.64
Financial assets			
- Investments	7	217.18	150.18
- Loans	8	7.12	7.58
- Other financial assets	9	142.62	156.01
Other tax assets, net	10E	32.95	81.69
Other non-current assets	11	208.78	302.17
<b>Total non-current assets</b>		<b>14,628.78</b>	<b>14,856.79</b>
<b>Current assets</b>			
Inventories	12	2,596.58	2,755.86
Financial assets			
- Investments	7	625.45	347.66
- Trade receivables	13	3,999.02	4,037.99
- Cash and cash equivalents	14	3.22	3.55
- Loans	8	9.09	10.74
- Other financial assets	9	0.05	0.05
Other current assets	11	147.68	153.18
		<b>7,381.09</b>	<b>7,309.03</b>
<b>Total assets</b>		<b>22,009.87</b>	<b>22,165.82</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	1,189.97	1,189.97
Other equity	16	10,717.60	9,910.82
<b>Total equity</b>		<b>11,907.57</b>	<b>11,100.79</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	17	1,454.73	2,811.91
Provisions	18	240.18	229.70
Deferred tax liabilities, net	10D	1,116.15	1,037.93
		<b>2,811.06</b>	<b>4,079.54</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	17	5,324.26	4,922.41
- Trade payables			
Total outstanding dues of micro enterprises and small enterprises; and		<b>228.03</b>	<b>258.63</b>
Total outstanding dues of creditors other than micro enterprises and small enterprises	19	1,293.49	1,226.12
- Other financial liabilities	20	239.50	443.31
Other current liabilities	21	126.09	30.02
Provisions	18	54.20	45.82
Current tax liabilities, net	10E	25.67	59.18
		<b>7,291.24</b>	<b>6,985.49</b>
<b>Total liabilities</b>		<b>10,102.30</b>	<b>11,065.03</b>
<b>Total equity and liabilities</b>		<b>22,009.87</b>	<b>22,165.82</b>
Material accounting policies	3		
The notes from 1 to 37 are an integral part of the financial statements			

As per our report of even date attached

for B S R & Co. LLP  
Chartered Accountants  
Firm's registration No.: 101248W/W-100022

S Sreenath Neelakandan  
Partner  
Membership No. 228342

For and on behalf of the Board of Directors of  
TVS Upasana Limited  
CIN: U65991TN1992PLC022619

Suresh Krishna  
Chairman  
DIN : 00046919

Arundathi Krishna  
Managing Director  
DIN: 00270935

R Krishnan  
Whole-time Director and  
Chief Financial Officer &  
Company Secretary  
DIN: 00271938

S Meenakshisundaram  
Director  
DIN: 00513901

Place : Chennai  
Date : May 21, 2024

## Statement of profit and loss for the year ended March 31, 2024

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
<b>INCOME</b>			
Revenue from operations	22	17,436.77	16,869.98
Other income	23	445.72	1,269.44
<b>Total Income</b>		<b>17,882.49</b>	<b>18,139.42</b>
<b>EXPENSES</b>			
Cost of materials consumed	24	7,088.83	7,451.61
Changes in inventories of finished goods and work-in-progress	25	238.86	(241.91)
Employee benefits expense	26	2,416.38	2,225.39
Finance costs	27	575.03	602.53
Depreciation and amortisation expense	28	1,344.52	1,230.20
Other expenses	29	5,163.71	5,291.02
<b>Total expenses</b>		<b>16,827.33</b>	<b>16,558.84</b>
<b>Profit before tax</b>		<b>1,055.16</b>	<b>1,580.58</b>
<b>Tax expense</b>			
- Current tax	10A	210.72	228.53
- Deferred tax	10A	52.63	146.79
<b>Total tax expense</b>		<b>263.35</b>	<b>375.32</b>
<b>Profit for the year</b>		<b>791.81</b>	<b>1,205.26</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(i) Re-measurement gains/(losses) on defined benefit plan		6.07	5.84
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.53)	(1.47)
<b>Total other comprehensive income</b>		<b>4.54</b>	<b>4.37</b>
<b>Total comprehensive income for the year</b>		<b>796.35</b>	<b>1,209.63</b>
(Comprising profit and other comprehensive income for the year)			
<b>Earnings per equity share</b>			
Basic (in ₹)	16	6.65	10.13
Diluted (in ₹)		6.65	10.13
Material accounting policies	3		
The notes from 1 to 37 are an integral part of the financial statements			

As per our report of even date attached

for B S R & Co. LLP  
Chartered Accountants  
Firm's registration No.: 101248W/W-100022

S Sreenath Neelakandan  
Partner  
Membership No. 228342

For and on behalf of the Board of Directors of  
TVS Upasana Limited  
CIN: U65991TN1992PLC022619

Suresh Krishna  
Chairman  
DIN : 00046919

Arundathi Krishna  
Managing Director  
DIN: 00270935

R Krishnan  
Whole-time Director and  
Chief Financial Officer &  
Company Secretary  
DIN: 00271938

S Meenakshisundaram  
Director  
DIN: 00513901

Place : Chennai  
Date : May 21, 2024

### Statement of changes in equity for the year ended March 31, 2024

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

#### (a) Equity share capital

Particulars	Note	Amount
Balance as at April 1, 2023	15A	1,189.97
Changes in equity share capital during the year		-
<b>Balance as at March 31, 2024</b>	15A	<b>1,189.97</b>
Balance as at April 1, 2022	15A	1,189.97
Changes in equity share capital during the year		-
<b>Balance as at March 31, 2023</b>	15A	<b>1,189.97</b>

#### (b) Other equity

Particulars	Reserves and surplus		Items of other comprehensive income	Total equity attributable to equity holders of the Company
	Deemed Equity	Retained Earnings	Re-measurement gain on defined benefit plan, net of tax	
<b>Balances as at April 1, 2023</b>	<b>229.27</b>	<b>9,681.55</b>	-	<b>9,910.82</b>
Profit for the year	-	791.81	-	791.81
Other comprehensive income	-	-	4.54	4.54
Fair value of finance guarantee given by parent company	10.43	-	-	10.43
Transfer to retained earnings	-	4.54	(4.54)	-
<b>Balance as at March 31, 2024</b>	<b>239.70</b>	<b>10,477.90</b>	-	<b>10,717.60</b>
Balance as at March 31, 2022	219.95	8,471.92	-	8,691.87
Profit for the year	-	1,205.26	-	1,205.26
Other comprehensive income	-	-	4.37	4.37
Fair value of finance guarantee given by parent company	9.32	-	-	9.32
Transfer to Retained earnings	-	4.37	(4.37)	-
<b>Balance as at March 31, 2023</b>	<b>229.27</b>	<b>9,681.55</b>	-	<b>9,910.82</b>

Material accounting policies 3

The notes from 1 to 37 are an integral part of the financial statements

As per our report of even date attached

for B S R & Co. LLP  
Chartered Accountants  
Firm's registration No.: 101248W/W-100022

S Sreenath Neelakandan  
Partner  
Membership No. 228342

For and on behalf of the Board of Directors of  
TVS Upasana Limited  
CIN: U65991TN1992PLC022619

Suresh Krishna  
Chairman  
DIN : 00046919

Arundathi Krishna  
Managing Director  
DIN: 00270935

R Krishnan  
Whole-time Director and  
Chief Financial Officer &  
Company Secretary  
DIN: 00271938

S Meenakshisundaram  
Director  
DIN: 00513901

Place : Chennai  
Date : May 21, 2024

### Statement of cash flows for the year ended March 31, 2024

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

Note	Year ended March 31, 2024	Year ended March 31, 2023
<b>Cash flows from operating activities</b>		
<b>Profit for the year</b>	<b>1,055.16</b>	<b>1,580.58</b>
Adjustments for:		
Fair value gain on financial instruments measured at fair value through profit or loss	23 (277.79)	(49.33)
Financial guarantee expenses	31.98	40.29
Depreciation and amortisation expense	28 1,344.52	1,230.20
Finance costs	27 575.03	602.53
Interest income	23 (15.63)	(90.39)
Profit on sale of property, plant and equipment, net	23 (16.72)	(820.10)
Profit on sale of investments	23 (23.13)	-
Dividend income	23 (3.15)	(3.00)
Unrealised foreign exchange gain	(21.55)	(61.68)
	<b>2,648.72</b>	<b>2,429.10</b>

#### Working capital adjustments

Increase / (decrease) in inventories	159.28	(298.84)
Decrease in financial assets	75.89	360.18
Decrease in other non-financial assets	78.22	249.59
Increase / (decrease) in financial liabilities	14.72	(59.03)
Increase in non-financial liabilities	87.48	9.66

#### Cash generated from operating activities

Income tax paid, net of refund (207.21) (195.56)

**Net cash from operating activities (A) 2,857.10 2,495.10**

#### Cash flow from investing activities

Acquisition of property, plant and equipment (including capital work-in-progress, intangible assets, capital advances and payable towards purchase of capital goods) (1,377.73) (1,208.48)

Proceeds from sale of property, plant and equipment 79.61 856.01

Acquisition of investments (67.00) (96.12)

Redemption of investments 23.13 -

Dividend received 3.15 3.00

Interest received 15.63 90.39

**Net cash used in investing activities (B) (1,323.21) (355.20)**

#### Cash flow from financing activities

Repayment of long-term borrowings, net (1,138.43) (2,147.25)

Proceeds from short-term borrowings, net 183.10 628.68

Interest paid (578.89) (619.98)

**Net cash used in financing activities (C) (1,534.22) (2,138.55)**

**D. Net cash flows during the year (A+B+C) (0.33) 1.35**

E. Cash and cash equivalents at the beginning of the year 3.55 2.20

**F. Cash and cash equivalents at the end of the year (D+ E) 3.22 3.55**

#### Reconciliation of the cash and cash equivalents as per the cash flow statement

Cash on hand 14 0.06 0.34

Balances with banks 14 3.16 3.21

**3.22 3.55**

Material accounting policies 3

The notes from 1 to 37 are an integral part of the financial statements

As per our report of even date attached

for B S R & Co. LLP  
Chartered Accountants  
Firm's registration No.: 101248W/W-100022

S Sreenath Neelakandan  
Partner  
Membership No. 228342

For and on behalf of the Board of Directors of  
TVS Upasana Limited  
CIN: U65991TN1992PLC022619

Suresh Krishna  
Chairman  
DIN : 00046919

Arundathi Krishna  
Managing Director  
DIN: 00270935

R Krishnan  
Whole-time Director and  
Chief Financial Officer &  
Company Secretary  
DIN: 00271938

S Meenakshisundaram  
Director  
DIN: 00513901

Place : Chennai  
Date : May 21, 2024

# TVS Upasana Limited

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

### 1. Corporate information

TVS Upasana Limited (“TUL” or “the Company”) is a public limited company incorporated in India 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 manufactures spokes and nipples, plastic components and cold extrusion components.

### 2. Basis of preparation

#### 2.1 Statement of compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified under Section 133 of Companies Act, 2013, (the “Act”) and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The standalone financial statements for the year ended March 31, 2024 (including comparatives) are approved for issue by the Board on May 21, 2024.

Details of the Company’s material accounting policies are included in note 3.

#### 2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.) which is also the Company’s functional currency. All amounts have been presented in lakhs of Indian Rupees (Rs.), except share data and as otherwise stated.

#### 2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items;

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit asset/ (liability)	Fair value of plan assets less present value of defined benefit obligations

#### 2.4 Use of estimates and judgments

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

#### Significant management judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 3(5) and 36: Leases - whether an arrangement contains a lease;
- Note 3(6), 3(7) and 30: Financial instruments: Classification and measurement

#### Assumptions and estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is mentioned below. Actual results may be different from these estimates.

- Note 3(2) and 3(3): Useful lives of property, plant and equipment and intangible assets
- Note 3(6) and 3(7): Impairment test on financial and non-financial assets; key assumptions underlying recoverable amounts;
- Note 3(8), 3(10), 10, 18 and 31: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources including provision for income taxes and related contingencies
- Note 18: measurement of defined benefit obligation; key actuarial assumptions;

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

### 2.5 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. The inputs used to measure the fair value of assets or a liability fall into different levels of the fair value hierarchy. Accordingly, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the low-level input that is significant to the entire measurement.

Management uses various valuation techniques to determine fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management based on its assumptions on observable data as far as possible but where it is not available, the management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (also refer note 30). The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### 2.6 Current and non-current classification

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

### 2.7 Changes in material accounting policies

#### a. Deferred tax related to assets and liabilities arising from a single transaction

The Company has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to Ind AS 12) from 1 April 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting differences – e.g., leases. For leases, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Company previously accounted for deferred tax on leases by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-to-use assets as at 1 April 22 and thereafter. However, there was no impact on the balance sheet because the balances qualify for offset under paragraph 74 of Ind AS 12. There was also no impact on the opening retained earnings as at 1 April 2022 as a result of the change. The key impact for the Company only relates to disclosure of the deferred tax assets and liabilities recognised.

#### b. Material accounting policy information

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from 1 April 2023. The amendments did not result in any significant changes in the accounting policies disclosed in these financial statements. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

### 3. Material accounting policies

The financial statements have been prepared applying material accounting policies and measurement bases as summarized below:

#### 1. Revenue recognition

The Company generates revenue primarily from manufacture and sale of automotive parts and components. The Company also earns revenue from rendering of services.

#### 1.1 Sale of products:

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the individual delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

#### 1.2 Revenue from services:

Revenue from rendering of services is recognized over time as services are recognised in an amount that reflects the consideration expected to be received in exchange for those services.

#### 1.3 Interest and dividend income:

Dividend income is recognised in statement of profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### 2 Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognised as asset if, and only if it is probable that future economic benefits associated with an item will flow to the Company and cost of such item can be measured reliably.

#### 2.1 Recognition and measurement

Free hold land is stated at historical cost less any accumulated impairment losses. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises:

- 1.1.1** purchase price, including import duties and non-refundable taxes on purchase (goods and service tax, value added tax), after deducting trade discounts and rebates.
- 1.1.2** any directly attributable cost of bringing the item to its working condition for its intended use estimated costs of dismantling and removing the item and restoring the site on which it is located.
- 1.1.3** The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)**

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain/ loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

**2.2 Subsequent expenditure**

Subsequent costs are included in asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably.

**2.3 Depreciation:**

- a. Depreciation is recognized on a straight-line basis, over useful life of buildings and other equipment 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.
- b. Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shifts) as evaluated on technical assessment on straight line method, in accordance with Schedule II to the Companies Act, 2013, on a straight-line basis.
- c. The estimated useful life of the property, plant and equipment on technical assessment followed by the Company is furnished below:

<b>Asset category</b>	<b>Management estimate of useful life (in years)</b>
Buildings	3-60
Plant and machinery	8-30
Furniture and fixtures	8-10
Office equipment	3-10
Vehicles	8-10

- d. The residual value for all the above assets are retained at 5% of the cost.
- e. Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if necessary, for each reporting period.
- f. On property, plant and equipment added/ disposed off during the year, depreciation is charged on pro-rata basis for the period for which the asset was purchased and used/ until disposed.

**3 Intangible assets**

Intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

**3.1 Subsequent expenditure:**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure, including expenditure on internally generated software, is recognised in statement of profit and loss as incurred.

**3.2 Amortisation:**

Intangible assets comprising of Computer software are amortised on a straight-line basis over estimated useful life of 3 years. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

**3.3 Research and development expenditure:**

Expenditure are mainly on research activities and the same is recognised in statement of profit and loss as incurred. Development expenditure is capitalised as part of the resulting intangible asset only if the expenditure can be reliably measured, the product or process is technically and commercially feasible, future economic benefits are probable and



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

### 4 Inventories

Inventories are valued at lower of cost and net realizable 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 excise duty and applicable manufacturing overheads incurred in bringing them to their present location and condition. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.

#### 4.1 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.

#### 4.2 Work-in-process and finished goods

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

#### 4.3 Stores, spares and tools

Stores, spares and tools cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

### 5 Leases

#### Assets held under leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Assets taken on lease

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative standalone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from external financing sources that reflects the terms of the lease and type of the asset leased.



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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets which does not meet the definition of investment property and lease liabilities separately on the face of the balance sheet.

### Short-term leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

### Assets leased out

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other operating revenue' or 'Other income'.

## 6 Financial instruments

### 6.1 Recognition and initial measurement:

Trade receivables are initially recognised when they are originated. A trade receivable without a significant financing component is initially measured at the transaction price.

All other financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument 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.

The 'trade payable' is in respect of the amount due on account of goods purchased in the normal course of business. They are recognised at their transaction and services availed value if the transaction does not contain significant financing component.

### 6.2 Financial assets

#### 6.2.1 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 financial asset and contractual cash flow characteristics of financial asset at:

- a. Those measured at amortized cost.
- b. Those to be measured at fair value through other comprehensive Income (FVTOCI) and;
- c. Those to be measured at fair value through profit and loss (FVTPL)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

### i. Financial assets at amortised cost

Includes assets that are held within a business model where objective is to hold financial assets to collect contractual cash flows and contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

These assets are measured subsequently at amortized cost using the effective interest method. Interest income, foreign exchange gains and losses, if any and impairment are recognised in profit or loss. Any gain or loss on de recognition is recognised in statement of profit and loss.

### ii. Financial assets at fair value through other comprehensive income (FVTOCI)

Includes assets that are held within a business model where objective is both collecting contractual cash flows and selling financial assets along with contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding. The Company has made an irrevocable election to present in other comprehensive income changes in the fair value of an investment in an equity instrument that is not held for trading. This selection is made on an instrument-by-instrument basis.

Dividends are recognised as income in profit or loss unless it clearly represents a recovery of part of cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

### iii. Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortised cost or FVTOCI. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance in respect of FVTPL at each reporting period is evaluated based on expected credit losses for next 12 months and credit risk exposure. The Company also measures loss allowance for financial instrument at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The allowance shall be recognised in profit and loss.

#### 6.2.1 De-recognition of financial assets

A financial asset is derecognised only when;

- a. The Company has transferred the rights to receive cash flows from the financial asset or
- b. The Company retains the contractual rights to receive the cash flows of the financial asset, but expects a contractual obligation to pay the cash flows to one or more recipients.

Where entity has transferred an asset, the Company examines and assesses whether it has transferred substantially all risk and rewards of ownership of financial asset. In such cases, financial asset is derecognised. Where entity has not transferred substantially all risks and rewards of ownership of financial asset, such financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risk and rewards of ownership of the financial asset, the financial asset is derecognised, if the Company has not retained control of the financial asset. Where the company retains control of the financial asset is continued to be recognised to the extent of continuing involvement in the financial asset.

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

### 6.3 Financial Liabilities

#### 6.3.1 Classification 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.

#### 6.3.2 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.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because, the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

#### 6.3.3 De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### 6.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## 7 Impairment

### 7.1 Impairment of financial instruments

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

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.

Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty;
- a breach of contract such as a default or being past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are credit losses that result from all possible default events over expected life of financial instrument.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information. The Company assumes that credit risk on a financial asset has increased significantly if it is past due.

The Company considers a financial asset to be in default when:

- the recipient is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

### 7.1.1 Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

### 7.1.2 Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

### 7.1.3 Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

## 7.2 Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets (other than goodwill) for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine recoverable amount. Such a reversal is made only to an extent that asset's carrying amount does not exceed carrying amount that would have been determined, net of depreciation/ amortisation, if no impairment loss was recognised.

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

### 8 Income taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under *Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets*.

#### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### 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 is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that
  - o is not a business combination, and
  - o at the time of transaction
    - (i) affects neither accounting nor taxable profit or loss; and
    - (ii) does not give rise to equal taxable and deductible temporary differences.
- taxable temporary differences arising on the initial recognition of goodwill.

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. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised/ recognised, are reviewed at each reporting date and are recognised/ reduced to an extent that it is probable/ no longer probable respectively that related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by same tax authority on same taxable entity, or on different tax entities, but they intend to settle such tax liabilities and assets on a net basis or its tax assets and liabilities will be realised simultaneously.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

### 9 Post-employment benefits and short-term employee benefits

#### a. Short term employee benefit obligations:

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

### b. Other long term employee benefit obligations:

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Company's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. Such benefit is discounted to determine its present value. The obligation is measured annually by qualified actuary using projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

### c. Post-employment obligation:

The Company operates the post-employment schemes comprising of defined benefit and contribution plans and such as gratuity and provident fund contributions for its eligible employees.

#### i. Gratuity:

The liability or asset recognised in the balance sheet in respect of these defined benefit obligation is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an Independent actuary using projected unit credit method. The present value of defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on the government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is included in employee benefit expenses in the Statement of Profit and Loss. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in present value of the defined benefit obligation resulting from plan amendment or curtailment are recognised immediately in the statement of profit or loss or service cost.

#### ii. Provident Fund:

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, partly a defined benefit obligation and partly a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employee's salary. The provident fund contributions are made partly to employee provident fund organisation. The Company is liable for annual contributions and any shortfall in the fund assets based on the Government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year in which it is incurred.

## 10 Provisions, contingent liabilities and contingent assets

### a. Provisions:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

#### - Provision for warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighing of all possible outcomes by their associated probabilities.

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

- **Onerous contract**

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

- **Contingent liabilities:**

Whenever there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability.

- **Contingent assets:**

The Company does not recognise contingent assets. These are assessed continually to ensure that the developments are appropriately disclosed in the financial statements.

### 11 Earnings per share

Basic earnings per share are 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.

### 12 Cash and cash equivalents and cash flow statement

Cash and cash equivalents comprise cash on hand and balances with banks in current account which are subject to only an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and 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 cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short- term highly liquid investments with original maturities of three months or less.

### 13 Segment reporting

The Company is engaged in manufacture and sale of spokes and nipples, plastic components and cold extrusion components which largely have applications primarily in automobile industry and thus the Company has only one reportable segment.

### 14 Government grants

Government grants and subsidies are recognised when there is reasonable assurance that the conditions attached to them will be complied and grant/subsidy will be received. Government grants relating to income are deferred and recognized in the statement of profit and loss over the period necessary to match them with the costs that they intended to compensate and presented in other operating revenues. Grants that compensate the Company for expenses incurred are recognised in profit or loss as other operating revenue on a systematic basis in the periods in which such expenses are recognized.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

### 15 Foreign currency transactions

In preparing the financial statements, transactions in currencies other than Company's functional currency (i.e. foreign currencies) are recognised at rates of exchange prevailing on date of transactions or an average rate if average rate approximates actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at exchange rate when fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

### 16 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### 4. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards that are applicable to the Company.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)**

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

5 a) Property, plant and equipment							
Gross block	Freehold land *	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
As at April 1, 2022	39.24	5,436.78	10,507.59	247.70	226.03	0.54	16,457.88
Additions	-	90.74	781.43	0.53	7.64	-	880.34
Disposal	(1.19)	(42.24)	(99.14)	-	(0.61)	-	(143.18)
As at March 31, 2023	38.05	5,485.28	11,189.88	248.23	233.06	0.54	17,195.04
Additions	-	11.09	1,638.38	-	4.76	-	1,654.23
Disposals	-	-	(168.66)	-	(15.47)	(0.54)	(184.67)
Adjustments	-	-	7.06	9.87	(16.93)	-	-
As at March 31, 2024	38.05	5,496.37	12,666.66	258.10	205.42	0.00	18,664.60
<b>Accumulated depreciation</b>							
As at April 1, 2022	-	723.20	4,012.78	63.25	70.63	0.37	4,870.23
For the year	-	219.85	927.22	37.42	15.04	0.10	1,199.63
Disposal	-	(40.12)	(66.57)	-	(0.58)	-	(107.27)
As at March 31, 2023	-	902.93	4,873.43	100.67	85.09	0.47	5,962.59
For the year	-	222.86	1,021.92	21.14	48.94	0.02	1,314.88
Disposal	-	-	(106.65)	-	(14.64)	(0.49)	(121.78)
As at March 31, 2024	-	1,125.79	5,788.70	121.81	119.39	(0.00)	7,155.69
<b>Net block</b>							
As at March 31, 2023	38.05	4,582.35	6,316.45	147.56	147.97	0.07	11,232.45
As at March 31, 2024	38.05	4,370.58	6,877.96	136.29	86.03	0.00	11,508.91

\* Title deed of Immovable property not held in company name:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Freehold land	Freehold land	5.13	J Ashwini Kumar	No	From 2004	Refer below

The registration of the aforementioned land is pending on account of procedural delays and the title deeds are in the name the seller. However, full consideration has been paid to the seller and possession of the land is with the company.

a) Refer note 31 for capital commitments

b) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

**c) Disclosure of reconciliation between cash flows and notes**

Cash flows from investing activities	As at March 31, 2024	As at March 31, 2023
Additions to property, plant and equipment and intangible assets	(1,654.23)	(882.71)
Movement in capital work-in-progress (refer note 5(b))	396.96	(327.13)
Movement in capital advances (refer note 11)	68.42	49.46
Movement in capital creditors (refer note 20)	(177.77)	(42.81)
Additions to Right of use assets (refer note 5(c))	(11.13)	(5.30)
Acquisition of property, plant and equipment (including capital work-in-progress, intangible assets, capital advances and payable towards purchase of capital goods)	(1,377.73)	(1,208.48)
Profit on sale of property, plant and equipment, net	16.72	820.10
WDV of property, plant and equipment and intangible assets sold	62.91	35.91
Proceeds from sale of property, plant and equipment	79.61	856.01

# TVS Upasana Limited

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

<b>5 (b) Capital work-in-progress (CWIP)</b>	<b>Amount</b>
<b>As at April 1, 2022</b>	<b>181.53</b>
Additions	1,209.83
Capitalisation	(882.70)
<b>As at March 31, 2023</b>	<b>508.66</b>
Additions	1,267.62
Capitalisation	(1,664.58)
<b>As at March 31, 2024</b>	<b>111.70</b>

### (b)(ii) Ageing details

#### As at March 31, 2024

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	42.74	68.96	-	-	111.70
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>42.74</b>	<b>68.96</b>	<b>-</b>	<b>-</b>	<b>111.70</b>

#### As at March 31, 2023

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	508.66	-	-	-	508.66
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>508.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>508.66</b>

The Company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

### (c) Right of use assets

	Land under long term lease	Total
<b>Gross block</b>		
<b>As at April 1, 2022</b>	2,545.42	2,545.42
Additions	5.30	5.30
Disposal	-	-
<b>As at March 31, 2023</b>	<b>2,550.72</b>	<b>2,550.72</b>
Additions	11.13	11.13
Disposal	-	-
<b>As at March 31, 2024</b>	<b>2,561.85</b>	<b>2,561.85</b>
<b>Accumulated amortisation</b>		
<b>As at April 1, 2022</b>	114.37	114.37
For the year	25.94	25.94
Disposals	-	-
<b>As at March 31, 2023</b>	<b>140.31</b>	<b>140.31</b>
For the year	25.99	25.99
Disposals	-	-
<b>As at March 31, 2024</b>	<b>166.30</b>	<b>166.30</b>
<b>Net block</b>		
As at March 31, 2023	2,410.41	2,410.41
<b>As at March 31, 2024</b>	<b>2,395.55</b>	<b>2,395.55</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)**

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

6 Intangible assets			As at March 31, 2024	As at March 31, 2023
<b>Gross block</b>	<b>Software</b>	<b>Total</b>		
<b>As at April 1, 2022</b>	<b>31.46</b>	<b>31.46</b>		
Additions	2.37	2.37		
Disposal	-	-		
<b>As at March 31, 2023</b>	<b>33.83</b>	<b>33.83</b>		
Additions	-	-		
Disposal	(0.34)	(0.34)		
<b>As at March 31, 2024</b>	<b>33.49</b>	<b>33.49</b>		
<b>Accumulated amortisation</b>				
<b>As at April 1, 2022</b>	<b>21.56</b>	<b>21.56</b>		
For the year	4.63	4.63		
Disposals	-	-		
<b>As at March 31, 2023</b>	<b>26.19</b>	<b>26.19</b>		
For the year	3.65	3.65		
Disposals	(0.32)	(0.32)		
<b>As at March 31, 2024</b>	<b>29.52</b>	<b>29.52</b>		
<b>Net Block</b>				
As at March 31, 2023	7.64	7.64		
<b>As at March 31, 2024</b>	<b>3.97</b>	<b>3.97</b>		
	<b>As at</b>	<b>As at</b>		
	<b>March 31,</b>	<b>March 31,</b>		
	<b>2024</b>	<b>2023</b>		
<b>7 Investments</b>				
<b>Investments measured at fair value through statement of profit and loss</b>				
<b>(I) Non-current investments</b>				
<b>Unquoted*</b>				
a) 55,000 (March 31, 2023: 55,000) Class B equity shares of ₹ 10/- each fully paid in Clean Switch India Private Limited	5.50	5.50		
b) 4,85,574 (March 31, 2023: 4,85,574) equity shares of ₹ 10/- each fully paid in Gamma Green Power Private Limited	48.56	48.56		
c) 9,61,200 (March 31, 2023: Nil) equity shares of ₹ 10/- each fully paid in First Energy TN 1 Private Limited, Pune	96.12	-		
d) 6,70,000 (March 31, 2023: Nil) equity shares of ₹ 10/- each fully paid in First Energy TN 5 Private Limited, Chennai	67.00	-		
<b>Total non-current investments (i)</b>	<b>217.18</b>	<b>150.18</b>		
* The right to sell / transfer these shares are subject to terms and conditions of the respective shareholder agreement.				
<b>(II) Current investments</b>				
<b>Investments in equity instruments</b>				
<b>Quoted</b>				
a) 1,000 (March 31, 2023: 1,000) equity shares of ₹ 2/- each, fully paid up in Sterling Tools Limited			3.07	4.03
b) 83 (March 31, 2023: 83) equity shares of ₹ 10/- each, fully paid up in Lakshmi Precision Screws Limited			0.00	0.00
c) 500 (March 31, 2023: 500) equity shares of ₹ 2/- each, fully paid up in Simmonds-Marshall Limited			0.34	0.19
d) 50 (March 31, 2023: 50) equity shares of ₹ 2/- each, fully paid up in Bharat Forge Limited			0.56	0.39
e) 13,900 (March 31, 2023: 13,900) equity shares of ₹ 10/- each, fully paid up in Sundaram Brake Linings Limited			94.45	39.36
f) 660 (March 31, 2023: 660) equity shares of ₹ 1/- each, fully paid up in State Bank of India			4.97	3.46
g) 1,994 (March 31, 2023: 1,994) equity shares of ₹ 5/- each, fully paid up in TVS Holdings Limited (formerly known as Sundaram-Clayton Limited) #			162.81	75.14
h) 1,994 (March 31, 2023: Nil) equity shares of ₹ 5/- each, fully paid up in Sundaram Clayton Limited #			27.94	-
i) 1,994 (March 31, 2023: 1,994) equity shares of ₹ 5/- each, fully paid up in ZF Commercial Vehicle Control Systems India Ltd (formerly known as WABCO India Limited)			302.71	207.55
j) 2,952 (March 31, 2023: 2,952) equity shares of ₹ 10/- each, fully paid up in India Motor Parts and Accessories Limited			28.60	17.54
<b>Unquoted</b>				
a) 231 (March 31, 2023: Nil) non convertible 0.1% redeemable preference shares of Rs.10/- each, fully paid up in Sundaram Clayton Limited # ^			3.07	4.03
<b>Total current investments (ii)</b>			<b>625.45</b>	<b>347.66</b>
<b>Total (I+II)</b>			<b>842.63</b>	<b>497.84</b>
^ Amount less than ₹ 0.01.				
Aggregate amount of quoted investments and market value thereof			625.45	347.66
Aggregate value of unquoted investments			217.18	150.18
Aggregate amount of impairment in value of investments			-	-
# During the year ended March 31, 2023, 231,304 non convertible 9% redeemable preference shares of ₹ 10/- each of TVS Holdings Limited (formerly known as Sundaram Clayton Limited) was allotted, post the NCLT approval of the composite scheme of arrangement of the Company. The shares allotted were redeemed during the year (also refer note 23).				
During the year ended March 31, 2024, 231 non convertible 0.1% redeemable preference shares were allotted by Sundaram Clayton Limited.				

# TVS Upasana Limited

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

	As at March 31, 2024		As at March 31, 2023	
	Non-current	Current	Non-current	Current
<b>8 Loans</b>				
(Unsecured considered good, unless otherwise stated)				
Loans to employees	7.12	9.09	7.58	10.74
	<b>7.12</b>	<b>9.09</b>	7.58	10.74

The Company's exposure to credit risks and market risks are disclosed in note 30.

### 9 Other financial assets

(Unsecured considered good, unless otherwise stated)

Security deposits	142.62	-	156.01	-
Interest receivable	-	0.05	-	0.05
	<b>142.62</b>	<b>0.05</b>	156.01	0.05

The Company's exposure to credit risk and loss allowances are disclosed in note 30.

### 10 Income Tax

	Year ended March 31, 2024	Year ended March 31, 2023
<b>A Amount recognised in statement of profit and loss</b>		
Current tax (a)	210.72	228.53
Deferred tax (b)	52.63	146.79
<b>Tax expense (a) + (b)</b>	<b>263.35</b>	<b>375.32</b>

### B Income tax recognised in other comprehensive income

	Year ended March 31, 2024			Year ended March 31, 2023		
	Amount	Tax benefit	Net of tax	Amount	Tax benefit	Net of tax
Re-measurement gain / (loss) on defined benefit plan	6.07	(1.53)	4.54	5.84	(1.47)	4.37
<b>Total</b>	<b>6.07</b>	<b>(1.53)</b>	<b>4.54</b>	5.84	(1.47)	4.37

### C Reconciliation of effective tax rate

	Year ended March 31, 2024		Year ended March 31, 2023	
	%	Amount	%	Amount
<b>Profit before tax</b>		<b>1,055.16</b>		1,580.58
Tax using the Company's domestic tax rate	27.82%	293.55	27.82%	439.72
Effect of:				
- Fair valuation of investments	(6.99%)	(73.73)	(0.83%)	(13.12)
- CSR expenditure disallowance, net	0.46%	4.87	0.33%	5.15
- Long term capital gain on sale of land	0.00%	-	(4.29%)	(67.86)
- Long term capital gain on sale of investments	0.49%	5.15	0.00%	-
- Impact on account of rate change (refer note F)	1.46%	15.38	2.65%	41.85
- Others	1.72%	18.13	(1.92%)	(30.42)
<b>Effective tax rate / tax expense</b>	<b>24.96%</b>	<b>263.35</b>	23.75%	375.32

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)**

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

**D Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax assets		Deferred tax liabilities		Net deferred tax (assets) / liabilities	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Property, plant and equipment and other intangible assets	-	-	1,020.44	985.24	1,020.44	985.24
Unamortised leasehold land	-	-	504.29	507.59	504.29	507.59
Prepaid expense on finance guarantee	-	-	12.16	16.29	12.16	16.29
Fair valuation of investments	-	-	33.17	7.15	33.17	7.15
Provision for employee benefits	57.40	52.80	-	-	(57.40)	(52.80)
Loss allowance on trade receivables	6.08	6.08	-	-	(6.08)	(6.08)
Others	-	0.84	-	-	-	(0.84)
<b>Sub-total</b>	<b>63.48</b>	<b>59.72</b>	<b>1,570.06</b>	<b>1,516.27</b>	<b>1,506.58</b>	<b>1,456.55</b>
Minimum alternate tax	390.43	418.62	-	-	(390.43)	(418.62)
	<b>453.91</b>	<b>478.34</b>	<b>1,570.06</b>	<b>1,516.27</b>	<b>1,116.15</b>	<b>1,037.93</b>

**Movement in temporary differences for the year ended March 31, 2024**

	Balance as at April 1, 2023	Recognized in profit and loss during 2023-24	Recognized in OCI during 2023-24	Others	Balance as at March 31, 2024
Property, plant and equipment and other intangible assets	985.24	35.20	-	-	1,020.44
Unamortised leasehold land	507.59	(3.30)	-	-	504.29
Prepaid expense on finance guarantee	16.29	-	-	(4.13)	12.16
Fair valuation of investments	7.15	26.02	-	-	33.17
Provision for employee benefits	(52.80)	(6.13)	1.53	-	(57.40)
Loss allowance on trade receivables	(6.08)	-	-	-	(6.08)
Others	(0.84)	0.84	-	-	-
<b>Sub-total</b>	<b>1,456.55</b>	<b>52.63</b>	<b>1.53</b>	<b>(4.13)</b>	<b>1,506.58</b>
Minimum alternate tax	(418.62)	22.75	-	5.44	(390.43)
<b>Total</b>	<b>1,037.93</b>	<b>75.38</b>	<b>1.53</b>	<b>1.31</b>	<b>1,116.15</b>

**Movement in temporary differences for the year ended March 31, 2023**

	Balance as at April 1, 2022	Recognized in profit and loss during 2022-23	Recognized in OCI during 2022-23	Others	Balance as at March 31, 2023
Property, plant and equipment and other intangible assets	840.99	144.25	-	-	985.24
Unamortised leasehold land	506.12	1.47	-	-	507.59
Prepaid expense on finance guarantee	24.08	-	-	(7.79)	16.29
Fair valuation of investments	0.66	6.49	-	-	7.15
Provision for employee benefits	(43.35)	(10.92)	1.47	-	(52.80)
Loss allowance on trade receivables	(6.08)	-	-	-	(6.08)
Others	(6.34)	5.50	-	-	(0.84)
<b>Sub-total</b>	<b>1,316.08</b>	<b>146.79</b>	<b>1.47</b>	<b>(7.79)</b>	<b>1,456.55</b>
Minimum alternate tax	(395.10)	(16.77)	-	(6.75)	(418.62)
<b>Total</b>	<b>920.98</b>	<b>130.02</b>	<b>1.47</b>	<b>(14.54)</b>	<b>1,037.93</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

### E Other tax assets and liabilities

	As at March 31, 2024		As at March 31, 2023	
	Non-current	Current	Non-current	Current
Advance tax, net	32.95	-	81.69	-
Provision for taxation, net of advance income tax	-	25.67	-	59.18
	<b>32.95</b>	<b>25.67</b>	81.69	59.18

F Pursuant to the Taxation Laws (Amendment) Ordinance, 2019 issued on September 20, 2019, which is effective from April 1, 2019, domestic companies have the option to apply a lower income tax rate with effect from April 1, 2019 subject to certain conditions specified there in. The Company based on an internal evaluation performed, has not exercised this option during the current year and accordingly, has continued to recognise provision for income tax for the year ended March 31, 2024 based on old rates and deferred taxes based on applicable income-tax rates in force at the time of reversal of applicable temporary differences.

11 Other assets	As at March 31, 2024		As at March 31, 2023	
	Non-current	Current	Non-current	Current
Prepaid expenses	70.04	66.90	95.01	47.95
Capital advances	92.66	-	161.08	-
Export incentives receivable	-	34.51	-	64.92
Balance with statutory/government authorities	46.08	-	46.08	-
Advances to suppliers	-	46.27	-	40.31
	<b>208.78</b>	<b>147.68</b>	302.17	153.18

12 Inventories	As at March 31, 2024	As at March 31, 2023
(Valued at lower of cost and net realizable value)		
Raw materials and components (includes goods in transit ₹ 57.43 (March 31, 2023: ₹ 30.86))	429.78	464.00
Work-in-progress	759.48	855.01
Finished goods (includes goods in transit of ₹ 347.12 (March 31, 2023: ₹ 317.95))	765.92	909.25
Loose tools	457.52	374.89
Consumables, Stores and spares	183.88	152.71
	<b>2,596.58</b>	2,755.86

For the carrying value of inventories pledged as securities for borrowings, refer note 17.

In the year ended March 31, 2024, the write-down value of inventories to net realisable value amounted to ₹ Nil (March 31, 2023: ₹ Nil)

### 13 Trade receivables

Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	4,023.20	4,062.17
Trade receivables which have significant increase in credit risk	-	-
Trade receivables credit impaired	-	-
	<b>4,023.20</b>	4,062.17
Less: Loss allowance	(24.18)	(24.18)
<b>Net trade receivables</b>	<b>3,999.02</b>	4,037.99
Of the above, trade receivables from related parties are as below:		
Receivables from related parties (refer note 34)	103.98	61.83
Less: Loss allowance	-	-
<b>Net trade receivables</b>	<b>103.98</b>	61.83
<b>Movement in loss allowance of trade receivables</b>		
Opening balance	24.18	24.18
Less: Amount written off	-	-
Add: Loss allowance	-	-
<b>Closing balance</b>	<b>24.18</b>	24.18

The Company's exposure to credit risks and loss allowances are disclosed in note 30.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)**

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

**13(a) Ageing schedule**

**As at March 31, 2024**

Particulars	Unbilled	Outstanding for following periods from the due date of payment						Total
		Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade receivables</b>								
(i) Considered good	88.47	2,276.93	1,516.87	117.05	18.39	5.48	-	4,023.20
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-
<b>Disputed Trade receivables</b>								
(i) Considered good	-	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>88.47</b>	<b>2,276.93</b>	<b>1,516.87</b>	<b>117.05</b>	<b>18.39</b>	<b>5.48</b>	<b>-</b>	<b>4,023.20</b>

**As at March 31, 2023**

Particulars	Unbilled	Outstanding for following periods from the due date of payment						Total
		Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade receivables</b>								
(i) Considered good	86.94	2,733.99	999.92	60.92	176.96	3.44	-	4,062.17
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-
<b>Disputed Trade receivables</b>								
(i) Considered good	-	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>86.94</b>	<b>2,733.99</b>	<b>999.92</b>	<b>60.92</b>	<b>176.96</b>	<b>3.44</b>	<b>-</b>	<b>4,062.17</b>

	As at March 31, 2024	As at March 31, 2023		As at March 31, 2024	As at March 31, 2023
<b>14 Cash and cash equivalents</b>			<b>15 Share capital and other equity</b>		
Balances with banks	3.16	3.21	<b>A Share capital</b>		
Cash on hand	0.06	0.34	<b>Authorized</b>		
	<u>3.22</u>	<u>3.55</u>	11,999,000 (March 31, 2023: 11,999,000) equity shares of ₹ 10/- each	1,199.90	1,199.90
			1,000 (March 31, 2023: 1,000) redeemable preference shares of ₹ 10/- each	0.10	0.10
				<u>1,200.00</u>	<u>1,200.00</u>
			<b>Issued, subscribed and fully paid up</b>		
			11,899,674 (March 31, 2023: 11,899,674) equity shares of ₹ 10/- each	1,189.97	1,189.97
				<u>1,189.97</u>	<u>1,189.97</u>

# TVS Upasana Limited

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

### (a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
<b>Equity shares of ₹ 10/- each fully paid up</b>				
At the commencement and end of the year	11,899,674	1,189.97	11,899,674	1,189.97

### (b) Rights, preferences and restrictions attached to equity shares

The Company has two class of shares viz., equity shares of face value of ₹ 10/- each and redeemable preference shares of face value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. The equity shares are entitled to receive dividend as declared from time to time the same is declared. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. 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. The terms and conditions of redeemable preference shares will be determined at the time of issue of such shares. The Company has not issued any redeemable preference shares and paid up capital consists only of equity shares.

### (c) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% holding	No. of shares	% holding
<b>Equity shares of ₹ 10/- each fully paid up held by</b>				
Sundram Fasteners Limited and its nominees, Holding company	11,899,674	100.00%	11,899,674	100.00%

### (d) Shares held by Promoters at the end of the year

	As at March 31, 2024			As at March 31, 2023		
	No. of shares held	% of total shares	% of change during the year	No. of shares held	% of total shares	% of change during the year
Sundram Fasteners Limited and its nominees	11,899,674	100.00%	-	11,899,674	100%	-

(e) The Company does not have any shares reserved for a subsequent issuance.

f) There are no bonus shares or buy-back of shares or shares issued for consideration other than cash during a period of five years immediately preceding financial year ended March 31, 2024.

### (g) Capital management

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services that are 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.

	As at March 31, 2024	As at March 31, 2023
Total debt (bank and other borrowings)	6,778.99	7,734.32
Cash and cash equivalents	(3.22)	(3.55)
<b>Net debt</b>	<b>A 6,775.77</b>	<b>7,730.77</b>
Total equity	11,907.57	11,100.79
<b>Equity</b>	<b>B 11,907.57</b>	<b>11,100.79</b>
<b>Net debt to equity</b>	<b>C = (A/B)*100 56.90%</b>	<b>69.64%</b>
	<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2023</b>

### B Other equity

#### (i) Dividends

No dividend was paid by the company.

#### ii) Nature and purpose of other reserves

##### Deemed equity

Deemed equity represents fair value of finance guarantee given by parent company without consideration recognised in accordance with Ind AS 109 on Financial Instruments.

	Year ended March 31, 2024	Year ended March 31, 2023
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### 16 Earnings per share (EPS)

Net profit attributable to equity shareholders	(A)	791.81	1,205.26
Weighted average number of equity shares outstanding as at reporting date	(B)	11,899,674	11,899,674
<b>Basic earnings per equity share</b>	<b>(A/B) (in ₹)</b>	<b>6.65</b>	<b>10.13</b>

### Diluted EPS

The Company does not have any potential equity shares and accordingly basic and diluted EPS would remain the same.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

	As at March 31, 2024		As at March 31, 2023	
	Non-current	Current	Non-current	Current
<b>17 Borrowings</b>				
<b>Financial liabilities at amortised cost</b>				
<b>a) Secured</b>				
<b>Term loan</b>				
From bank in local currency (refer note 4 below)	2,811.91	-	3,950.34	-
<b>Working Capital Loans</b>				
Working capital facilities from banks (refer note 5 below)	-	2,292.08	-	1,908.98
	<b>2,811.91</b>	<b>2,292.08</b>	<b>3,950.34</b>	<b>1,908.98</b>
Less: Current maturities of long term borrowings	(1,357.18)	1,357.18	(1,138.43)	1,138.43
	<b>1,454.73</b>	<b>3,649.26</b>	<b>2,811.91</b>	<b>3,047.41</b>
<b>b) Unsecured</b>				
Working capital facilities from banks (refer note 5 below)	-	1,100.00	-	1,300.00
Working capital loan from holding company (refer note 6 below)	-	575.00	-	575.00
	-	<b>1,675.00</b>	-	<b>1,875.00</b>
<b>c) Current maturities of long term borrowings</b>	-	-	-	-
<b>Total</b>	<b>1,454.73</b>	<b>5,324.26</b>	<b>2,811.91</b>	<b>4,922.41</b>

### Note:

- Term loans were applied for the purpose they were obtained. Further, short term loans availed have not been utilised for long term purposes by the Company.
- Quarterly returns or statements of current assets filed by the Company for the sanctioned working capital loans with banks or financial institutions are not materially different with that of books of account.
- The Company has not been declared as a wilful defaulter by any bank or financial institution or government or government authority.
- Term loan from banks include  
The Company has outstanding term loan froms bank with an aggregate outstanding of ₹ 2,811.91 (March 31, 2023 : ₹ 3,950.34) carrying interest rate ranging from 7.50% to 10.50% (March 31, 2023: 7.00% to 10.26%) p.a. The loans are secured by exclusive mortgage on the factory land and building at SIPCOT, Oragadam-Vallam, first pari pasu charge on movable fixed assets of the Company and corporate guarantee given by the holding company. The Company has availed a Guaranteed Emergency Credit Line (GECL) from HDFC bank with a principal repayment moratorium period of 12 months, which is secured by guarantee from NCGTC Ministry of Finance, Government of India and second charge on current assets.

### (5) Working capital loan from banks include

The Company has availed various working capital facilities from banks with an aggregate outstanding of ₹ 2,292.08 (March 31, 2023 : ₹ 1,908.98) carrying interest rates in the range of 5.15% to 10.55% (March 31, 2023: 5.00% to 10.0%) p.a. The facilities are repayable on demand and secured by hypothecation of current assets consisting of receivables, raw materials, work-in-progress and finished goods. During the current year, the Company has availed an unsecured export packing credit facility from ICICI bank with a tenure of 270 days or expiry of contracts, whichever is earlier.

### (6) Working capital loan from holding company

The Company has availed an unsecured working capital loan from its holding company which carries an interest rate of 7.14 % (March 31, 2023 : 4.32%) p.a which is repayable on demand.

### (7) During the current year the company has availed ₹ 11.00 (March 31, 2023 - ₹ 13.00) carrying interest rate of 6.20% (March 31, 2023: 4.67% to 5.09%) as unsecured export packing credit facility from ICICI Bank with a tenure of 270 days or expiry of contracts, whichever is earlier.

### (8) Reconciliation of cashflows from financing activities

	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	(3.22)	(3.55)
Current borrowings	3,967.08	3,783.98
Non-current borrowings (including current maturities)	2,811.91	3,950.34
<b>Net debt</b>	<b>6,775.77</b>	<b>7,730.77</b>

	Other assets		Liabilities from financing activities		Total
	Cash and cash equivalents		Current borrowings	Non-current borrowings	
<b>Balance as on April 1, 2023</b>	(3.55)		3,783.98	3,950.34	7,730.77
Net cash flows	0.33		-	-	0.33
Proceeds from short-term borrowings, net	-		183.10	-	183.10
Repayment of long-term borrowings	-		-	(1,138.43)	(1,138.43)
Interest paid	-		(416.16)	(174.25)	(590.41)
Interest expense	-		416.16	170.39	586.55
Net movement in interest accrued but not due on borrowings	-		-	3.86	3.86
<b>Net debt as on March 31, 2024</b>	<b>(3.22)</b>		<b>3,967.08</b>	<b>2,811.91</b>	<b>6,775.77</b>
<b>Balance as on April 1, 2022</b>	<b>(2.20)</b>		<b>3,155.30</b>	<b>6,097.59</b>	<b>9,250.69</b>
Net cash flows	(1.35)		-	-	(1.35)
Proceeds from short-term borrowings, net	-		628.68	-	628.68
Repayment of long-term borrowings	-		-	(2,147.25)	(2,147.25)
Interest paid	-		(398.44)	(221.54)	(619.98)
Interest expense	-		398.44	204.09	602.53
Net movement in interest accrued but not due on borrowings	-		-	17.45	17.45
<b>Net debt as on March 31, 2023</b>	<b>(3.55)</b>		<b>3,783.98</b>	<b>3,950.34</b>	<b>7,730.77</b>

# TVS Upasana Limited

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

	As at March 31, 2024		As at March 31, 2023	
	Non-current	Current	Non-current	Current
<b>18 Provisions</b>				
<b>Provision for employee benefits</b>				
Gratuity (refer note (i)(a))	158.84	38.34	147.78	33.57
Compensated absences (refer note (i)(b))	81.34	15.86	81.92	12.25
<b>Total</b>	<b>240.18</b>	<b>54.20</b>	<b>229.70</b>	<b>45.82</b>

**(i) Defined Benefit Plan**

**(a) Gratuity**

**1) Chennai unit**

Retirement benefit in the form of gratuity liability is a defined benefit obligation and is provided on the basis of an actuarial valuation made at the end of each financial year for unit located at Chennai. The gratuity scheme is unfunded and the actuarial liability is shown in the balance sheet.

The following tables summarise the components of net benefit expenses recognised and the amounts recognised in the balance sheet for the gratuity.

Particulars	Year ended	Year ended
	March 31, 2024	March 31, 2023
Amount recognised in statement of profit and loss	25.87	24.06
Amount recognised in other comprehensive income	(8.37)	(6.18)
<b>Total expenses</b>	<b>17.50</b>	<b>17.88</b>
<b>Net employee benefit expense</b>		
<b>Recognised in statement of profit and loss</b>		
Current Service cost	13.03	12.88
Interest cost on benefit obligation	12.84	11.18
(A)	<b>25.87</b>	<b>24.06</b>
<b>Recognised in other comprehensive income</b>		
Net actuarial (gain) / loss recognized in the year	(B) (8.37)	(6.18)
<b>Net benefit expense</b>	(A) +(B) <b>17.50</b>	<b>17.88</b>

**Net defined obligation**

	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	189.06	175.51
Fair value of plan assets	-	-
	<b>189.06</b>	<b>175.51</b>

**Changes in present value of the defined benefit obligation are as follows:**

	2024	2023
Balance at the beginning of the year	175.51	166.56
Interest expense	12.84	11.18
Current service cost	13.03	12.88
Benefits paid	(3.95)	(8.93)
Actuarial loss on obligation	(8.37)	(6.18)
<b>Balance at the end of the year</b>	<b>189.06</b>	<b>175.51</b>

**Principal actuarial assumptions used :**

	2024	2023
Discount rate	7.20%	7.40%
Salary escalation rate	9.00%	9.00%
Attrition rate	8.00%	8.00%

The estimates of future salary increases, considered in actuarial valuation takes into account of inflation, seniority, promotion, attrition and relevant factors, such as supply and demand in the employment market.

**Funding**

The Company expects to pay INR 30.22 lakhs in contributions to its defined benefit plans in 2024-25.

A quantitative sensitivity analysis for significant assumption as at the reporting dates are as shown below:

	Discount rate		Salary escalation rate		Attrition rate	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
<b>March 31, 2024</b>						
- Sensitivity Level (%)	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
- Impact on defined benefit obligation	(11.77)	13.17	11.09	(10.16)	(1.10)	1.19
<b>March 31, 2023</b>						
- Sensitivity Level (%)	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
- Impact on defined benefit obligation	(11.39)	12.80	10.77	(9.81)	(0.97)	1.07

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

### 2) Hosur unit

With respect to Hosur unit, the Company participates in the gratuity policy maintained by the holding company with Life Insurance Corporation of India. The net defined benefit cost is recognised based on the contribution payable, as determined by the holding company in respect of this unit based on actuarial valuation obtained centrally by holding company. The contribution made in this regard are as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
Contribution made to the defined benefit plan (including ₹ 2.31) (March 31, 2023 : ₹ 0.34) recognised in other comprehensive income (including balances carried forward)	8.12	5.84

**Note:** The Company believes that there is no further payment/ refund expected towards its employees out of fund remittances made centrally by the holding company.

Changes in present value of the defined benefit obligation are as follows:

Balance at the beginning of the year	5.84	5.70
Current service cost	5.81	5.49
Remeasurements on obligation	2.31	0.34
Payouts during the year	(5.84)	(5.70)
Balance at the end of the year	8.12	5.84

	As at March 31, 2024	As at March 31, 2023
<b>Classification</b>		

- Current

- Non-current

	38.34	33.57
	158.84	147.78
	197.18	181.35

### (b) Compensated absences

The Company's net obligation in respect of compensated absences is the amount of future benefit that employees have earned in return for their service in current and prior periods. Such benefit is discounted to determine its present value, and fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation obtained using the projected unit credit method.

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Recognised in Statement of Profit &amp; Loss</b>		
Current service cost	19.87	24.82
Interest cost on benefit obligation	6.81	6.55
Net actuarial gain recognised	(17.76)	(25.49)
	8.92	5.88

	As at March 31, 2024	As at March 31, 2023
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#### Principal actuarial assumptions used :

Discount rate	7.20% - 7.50%	7.40% - 7.50%
Salary escalation rate	9.00% - 10.00%	9.00% - 10.00%
Attrition rate	1.00% - 8.00%	1.00% - 8.00%

As at  
March 31,  
2024

As at  
March 31,  
2023

### 19 Trade payables

Total outstanding dues of micro enterprises and small enterprises; and (refer note below)	228.03	258.63
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,293.49	1,226.12
	1,521.52	1,484.75

Of the above, trade payables to related parties (refer note 34)

21.82

22.13

### Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006

Particulars

As at  
March 31,  
2024

As at  
March 31,  
2023

(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
- Principal	228.03	258.63
- Interest	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have 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;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(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.	-	-

The above disclosures have been provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

All trade payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payables are disclosed in note 30.

# TVS Upasana Limited

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

### (a) Ageing schedule

As at March 31, 2024

Particulars	Outstanding for following periods from the due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed dues</b>						
(i) MSME	228.03	-	-	-	-	228.03
(ii) Others	704.52	340.94	1.86	-	49.76	1,097.08
<b>Disputed dues</b>						
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
<b>Unbilled dues</b>	196.41	-	-	-	-	196.41
<b>Total</b>	<b>1,128.96</b>	<b>340.94</b>	<b>1.86</b>	<b>-</b>	<b>49.76</b>	<b>1,521.52</b>

As at March 31, 2023

Particulars	Outstanding for following periods from the due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed dues</b>						
(i) MSME	258.63	-	-	-	-	258.63
(ii) Others	709.25	307.48	2.10	0.06	50.92	1,069.81
<b>Disputed dues</b>						
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
<b>Unbilled dues</b>	156.31	-	-	-	-	156.31
<b>Total</b>	<b>1,124.19</b>	<b>307.48</b>	<b>2.10</b>	<b>0.06</b>	<b>50.92</b>	<b>1,484.75</b>

Particulars	As at	As at	Particulars	As at	As at
	March 31, 2024	March 31, 2023		March 31, 2024	March 31, 2023
<b>20 Other financial liabilities</b>			<b>21 Other current liabilities</b>		
<b>Financial liabilities at amortised cost</b>			Advance from customers	11.51	-
Interest accrued but not due on borrowings	27.04	30.90	Statutory dues	114.58	30.02
Payable towards purchase of capital goods				<b>126.09</b>	30.02
Total outstanding dues of micro enterprises and small enterprises; and	-	-			
Total outstanding dues other than micro enterprises and small enterprises	41.22	218.99			
Employee benefits payable	167.99	191.17			
Other payables	3.25	2.25			
	<b>239.50</b>	<b>443.31</b>			

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)**

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

	Year ended March 31, 2024	Year ended March 31, 2023		Year ended March 31, 2024	Year ended March 31, 2023
<b>22 Revenue from operations</b>			<b>23 Other income</b>		
a) Revenue from sale of products	16,611.67	16,054.92	Interest income	15.63	90.39
b) Rendering of services	129.34	129.13	Net foreign exchange gain	86.43	300.53
c) Other operating revenues (refer note (i) below)	695.76	685.93	Profit on sale of investments	23.13	-
<b>Total</b>	<b>17,436.77</b>	<b>16,869.98</b>	Fair value gain on financial instruments measured at fair value through profit or loss	277.79	49.33
<b>(i) Disaggregation of revenue from contracts with Customers</b>			Dividend income	3.15	3.00
In the following disclosure, revenue from contract with customers have been disaggregated based on type of revenue and customers markets:			Profit on sale of property, plant and equipment, net	16.72	820.10
a) Revenue from sale products			Miscellaneous income	22.87	6.09
(i) Domestic (including retail sales)	12,637.70	11,434.09		<b>445.72</b>	<b>1,269.44</b>
(ii) Exports	3,973.97	4,620.83	<b>24 Cost of materials consumed</b>		
	<b>16,611.67</b>	<b>16,054.92</b>	Opening stock of raw materials and components	464.00	447.57
b) Rendering of services	129.34	129.13	Add : Purchases made during the year	7,054.61	7,468.04
c) Total revenue from contracts with customers (a+b)	16,741.01	16,184.05	Less: Closing stock of raw materials and components	429.78	464.00
d) Other operating revenues				<b>7,088.83</b>	<b>7,451.61</b>
- Scrap sale	518.05	534.81	<b>25 Changes in inventories of finished goods and work-in-progress</b>		
- Export incentives	128.54	133.45	<b>A) Opening stock:</b>		
- Others	49.17	17.67	Work-in-progress	855.01	620.01
- Total other operating revenue	695.76	685.93	Finished goods	909.25	902.34
<b>Total revenue from operations (c+d)</b>	<b>17,436.77</b>	<b>16,869.98</b>		<b>1,764.26</b>	<b>1,522.35</b>
<b>(ii) Contract assets / contract liabilities</b>			<b>B) Closing stock:</b>		
The following disclosure provides information about receivables, contract assets and liabilities from contracts with customers.			Work-in-progress	759.48	855.01
	As at March 31, 2024	As at March 31, 2023	Finished goods	765.92	909.25
Receivables which are included in trade receivables (refer note 13)	3,999.02	4,037.99		<b>1,525.40</b>	<b>1,764.26</b>
Advance from customers (refer note 21)	11.51	-	<b>Total (A- B)</b>	<b>238.86</b>	<b>(241.91)</b>
<b>(iii) Reconciliation of revenue recognised with contract price</b>					
Revenue as per contracted price	16,623.27	16,073.74			
<b>Adjusted for:</b>					
Sales commission and cash discounts	(11.60)	(18.82)			
Total revenue from contract with customers	16,611.67	16,054.92			
(iv) Remaining performance obligation as at March 31, 2024 or at March 31, 2023 have an original expected duration of one year or less, as allowed by Ind AS 115					
(v) Invoices are issued according to contractual terms which is specific to each customers which is usually payable within 30 to 90 days					

# TVS Upasana Limited

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

	Year ended March 31, 2024	Year ended March 31, 2023		Year ended March 31, 2024	Year ended March 31, 2023
<b>26 Employee benefits expense</b>					
Salaries and wages	2,181.19	1,991.82	Rates and taxes	62.36	50.15
Expenses related to post-employment defined benefit plan (refer note 18)	31.68	29.55	Insurance	43.95	33.27
Contribution to provident and other funds (refer note below)	58.54	58.09	Freight and cartage outward	301.31	443.99
Staff welfare expenses	144.97	145.93	Advertisement and sales promotion	0.18	0.53
	<u>2,416.38</u>	<u>2,225.39</u>	Payment to auditors (refer (a) below)	11.83	11.08
Note: The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employee provident fund, which is a defined contribution plan. The same is charged to statement of profit and loss as and when it is accrued. The amount recognised as expense towards such provident fund contribution aggregated to ₹ 57.78 (March 31, 2023: ₹ 55.37).			Bank charges	7.70	6.15
			Printing and stationery	20.25	19.43
			Travel expenses	90.16	119.16
			Postage and telecom expenses	11.63	11.99
			Consultancy charges	48.77	67.93
			Corporate social responsibility expenditure (refer (b) below)	17.27	18.50
			Miscellaneous expenses	96.16	118.61
				<u>5,163.71</u>	<u>5,291.02</u>
<b>27 Finance costs</b>			<b>(a) Auditor's remuneration</b>		
Interest expense on financial liabilities measured at amortised cost	586.55	602.53	a) Statutory audit	7.00	7.00
Less: Borrowing costs capitalised (also refer note below)	(11.52)	-	b) Tax audit	2.00	2.00
	<u>575.03</u>	<u>602.53</u>	c) Other services (including certifications)	1.50	1.00
Note: The capitalisation rate used to determine the amount of borrowing costs to be capitalised is weighted average interest rate applicable to the company's borrowing, being 9.00% (March 31, 2023: Nil) per annum			d) Reimbursement of expenses	1.33	1.08
				<u>11.83</u>	<u>11.08</u>
<b>28 Depreciation and amortisation expense</b>			<b>(b) Details of corporate social responsibility expenditure (CSR)</b>		
Depreciation on property, plant and equipment (refer note 5(a))	1,314.88	1,199.63	a) Amount required to be spent by the Company during the year	17.27	18.41
Amortisation on right of use assets (refer note 5(c))	25.99	25.94	b) Amount approved by the Board to be spent during the year	17.50	18.50
Amortisation on other intangible assets (refer note 6)	3.65	4.63	c) Amount spent during the year (in cash)		
	<u>1,344.52</u>	<u>1,230.20</u>	(i) Construction/ acquisition of any asset	-	-
			(ii) On purposes other than (i) above		
			a) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	-	18.50
<b>29 Other expenses</b>			b) health care	17.50	-
Consumption of stores, tools and spares	3,429.69	3,404.85	d) Shortfall at the end of the year	-	-
Power and fuel	916.57	906.08	e) Total of previous years shortfall	-	-
Repairs and maintenance			f) Reason for shortfall	NA	NA
- building	19.17	20.82	g) Details of related party transactions	Nil	Nil
- plant and equipment	83.16	57.60			
- other assets	3.55	0.88			

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)**

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

**Details of excess amount spent:**

In case of Section 135(5) of the Companies Act (other than ongoing project)			
Opening balance as at April 01, 2023	Amount required to be spent during the year	Amount spent during the year from the Company's bank	Closing balance as at March 31, 2024*
-	17.27	17.50	0.23
In case of Section 135(5) of the Companies Act (other than ongoing project)			
Opening balance as at April 01, 2022	Amount required to be spent during the year	Amount spent during the year from the Company's bank	Closing balance as at March 31, 2023*
-	18.41	18.50	-

**30 Financial instruments - Fair values and risk management****A Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy

Particulars	March 31, 2024				March 31, 2023			
	FVTPL	FVOCI	Amortised Cost	Total	FVTPL	FVOCI	Amortised Cost	Total
<b>Financial assets</b>								
Investments	842.63	-	-	842.63	497.84	-	-	497.84
Trade receivables	-	-	3,999.02	3,999.02	-	-	4,037.99	4,037.99
Loans	-	-	16.21	16.21	-	-	18.32	18.32
Cash and cash equivalents	-	-	3.22	3.22	-	-	3.55	3.55
Security deposits	-	-	142.62	142.62	-	-	156.01	156.01
Interest receivable	-	-	0.05	0.05	-	-	0.05	0.05
<b>Total financial assets</b>	<b>842.63</b>	<b>-</b>	<b>4,161.12</b>	<b>5,003.75</b>	<b>497.84</b>	<b>-</b>	<b>4,215.92</b>	<b>4,713.76</b>
<b>Financial liabilities</b>								
Borrowings including interest thereon	-	-	6,806.03	6,806.03	-	-	7,765.22	7,765.22
Trade payables	-	-	1,521.52	1,521.52	-	-	1,484.75	1,484.75
Payable towards purchase of capital goods	-	-	41.22	41.22	-	-	218.99	218.99
Employee benefits payable	-	-	167.99	167.99	-	-	191.17	191.17
Other payables	-	-	3.25	3.25	-	-	2.25	2.25
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>8,540.01</b>	<b>8,540.01</b>	<b>-</b>	<b>-</b>	<b>9,662.38</b>	<b>9,662.38</b>

**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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

### 30 Financial instruments - Fair values and risk management (continued)

#### B Accounting classification and fair values (continued)

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard

Particulars	March 31, 2024				March 31, 2023			
	Carrying amount	Fair Value			Carrying amount	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial Assets</b>								
Investments	842.63	625.45	-	217.18	497.84	347.66	-	150.18
Trade receivables #	3,999.02	-	-	-	4,037.99	-	-	-
Loans #	16.21	-	-	-	18.32	-	-	-
Cash and cash equivalents #	3.22	-	-	-	3.55	-	-	-
Security deposits #	142.62	-	-	-	156.01	-	-	-
Interest receivable #	0.05	-	-	-	0.05	-	-	-
<b>Total financial assets</b>	<b>5,003.75</b>	<b>625.45</b>	<b>-</b>	<b>217.18</b>	<b>4,713.76</b>	<b>347.66</b>	<b>-</b>	<b>150.18</b>
<b>Financial liabilities</b>								
Borrowings including interest thereon #	6,806.03	-	-	-	7,765.22	-	-	-
Trade payables #	1,521.52	-	-	-	1,484.75	-	-	-
Payable towards purchase of capital goods #	41.22	-	-	-	218.99	-	-	-
Employee benefits payable #	167.99	-	-	-	191.17	-	-	-
Other payables #	3.25	-	-	-	2.25	-	-	-
<b>Total financial liabilities</b>	<b>8,540.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,662.38</b>	<b>-</b>	<b>-</b>	<b>-</b>

# For those financial assets and liabilities, which are not carried at its fair value, disclosure of fair value is not required as the carrying amounts approximates the fair values.

There has been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2024 and March 31, 2023.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

### C Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Market risk
- Credit risk
- Liquidity risk

#### Financial risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Company's risk management policies. The Company's senior management advises on financial risks and the appropriate financial risk governance framework for the Company.

The Company's risk management policies established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's senior management oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company's principal financial liabilities primarily comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company.

The sources of risks which the company is exposed to and their management is given below:

#### (i) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings. The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

#### a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. As at March 31, 2024, approximately 37% (March 31, 2023: 29%) of the Company's borrowings are at a fixed rate of interest.

#### Interest rate sensitivity

The following table illustrates the sensitivity to profits and equity to a reasonably possible change in interest rates of +/- 1% for the year ended March 31, 2024 (March 31, 2023: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

#### Interest rate exposure

Particulars	Floating rate	Fixed rate	Total borrowings
As at March 31, 2024	4,303.99	2,475.00	6,778.99
As at March 31, 2023	5,459.32	2,275.00	7,734.32
		As at	As at
		March 31,	March 31,
		2024	2023
Increase	+1%	(43.04)	(54.59)
Decrease	-1%	43.04	54.59

The Company does not expect any change in interest rates on fixed rate borrowings and accordingly have not presented any sensitivities on such borrowings.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

### Financial risk management (continued)

#### b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Currency risk (or foreign exchange risk) arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of this Ind AS, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. The amounts shown are those reported translated at the closing rate. Unhedged foreign currency risk exposure at the end of the reporting period has been expressed in *Rupees*.

	Short term exposure			Long-term exposure		
	USD	EURO	Others	USD	EURO	Others
<b>March 31, 2024</b>						
Financial assets	1,006.73	120.05	-	-	-	-
Financial liabilities	(6.64)	(0.99)	-	-	-	-
	<b>1,000.09</b>	<b>119.06</b>	-	-	-	-
<b>March 31, 2023</b>						
Financial assets	1,528.62	170.65	-	-	-	-
Financial liabilities	(0.99)	(59.38)	(2.04)	-	-	-
	<b>1,527.63</b>	<b>111.27</b>	<b>(2.04)</b>	-	-	-

#### Foreign currency sensitivity

The following table illustrates the sensitivity of profit and equity with respect to the Company's financial assets and financial liabilities in relation to the fluctuation in the respective currency with 'all other things being equal'. If the Indian Rupee had strengthened/ weakened against the respective currency 5% during the year ended March 31, 2024 (March 31, 2023: 5%), then this would have had the following impact on profit before tax and equity:

	Strengthening		Weakening	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
<b>Increase / (decrease) in profit and equity</b>				
USD	(50.00)	(76.38)	50.00	76.38
EURO	(5.95)	(5.56)	5.95	5.56
Others	-	0.10	-	(0.10)
	<b>(55.95)</b>	<b>(81.84)</b>	<b>55.95</b>	<b>81.84</b>

#### c) Equity price risk

The Company's investments in listed equity securities are current and unlisted equity securities are non-current. All the investments in the equity portfolio are reviewed and approved by the Board of Directors.

	As at March 31, 2024	As at March 31, 2023
At the reporting date, the exposure to listed equity securities at fair value	<b>625.45</b>	347.66

#### Sensitivity analysis – Equity price risk

The following table illustrates the sensitivity of profit and equity to a reasonably possible changes in equity price of +/- 5% for the year ended March 31, 2024 and March 31, 2023. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a changes in the equity price for each period, and the financial instruments held at each reporting date that are sensitive to changes in equity price. All other variables are held constant.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)**

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

**Financial risk management (continued)**

**Impact in profit and loss Account**

		As at March 31, 2024	As at March 31, 2023
Increase	+5%	31.27	17.38
Decrease	-5%	(31.27)	(17.38)

**Impact in equity**

Increase	+5%	8.70	4.84
Decrease	-5%	(8.70)	(4.84)

**(ii) Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including, foreign exchange transactions and other financial instruments.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Company's trade receivables, certain loans and advances and other financial assets. The Company enters into long term contracts with its customers whereby it mitigates the risk exposure on high risk customers. Further, 6 customers (March 31, 2023: 2) each individually contribute to more than 10% of the Company's total revenues. Outstanding customer receivables are regularly monitored and reviewed by the Management periodically.

The carrying amount of financial assets represents the maximum credit exposure.

Particulars	Reference	As at 31 March 2024	As at 31 March 2023
Investments	(i)	842.63	497.84
Trade receivables	(ii)	3,999.02	4,037.99
Loans	(iii)	16.21	18.32
Cash and cash equivalents	(iv)	3.22	3.55
Security deposits	(v)	142.62	156.01
Interest receivable	(v)	0.05	0.05
<b>Total</b>		<b>5,003.75</b>	<b>4,713.76</b>

**(i) Investments**

This balance represents investments made by the Company in instruments of certain listed companies and power generation companies in the past. The listed companies investments are liquid in nature as the same is freely transferable in the stock exchange.

Reconciliation of Level 3 fair values

	Amount
Balance as at April 1, 2022	54.06
Investments made during the year	96.12
Gains / (loss) included in statement of profit and loss	-
<b>Balance as at March 31, 2023</b>	<b>150.18</b>
Investments made during the year	67.00
Gains / (loss) included in statement of profit and loss	-
<b>Balance as at March 31, 2024</b>	<b>217.18</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

### Financial risk management (continued)

#### (ii) Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including end-user customers, their geographic location, industry, trading history with the Company and existence of previous financial difficulties. With respect to other financial assets, the Company does not expect any credit risk against such assets except as already assessed. The Company is monitoring the economic environment in the country and is taking actions to limit its exposure to customers with customers experiencing particular economic volatility.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivable and other financial assets, which comprise large number of small balances, based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information including considerations for the likelihood of increased credit risks. Further, the Company also makes an allowance for doubtful debts on a case to case basis.

The maximum exposure to credit risk for trade and other receivables are as follows:

	As at March 31, 2024	As at March 31, 2023
Not more than 180 days	3,882.28	3,820.85
More than 180 days	140.92	241.32
<b>Sub-total</b>	<b>4,023.20</b>	4,062.17
Less: Loss allowance in accordance with expected credit loss model	(24.18)	(24.18)
<b>Total</b>	<b>3,999.02</b>	4,037.99

The composition of trade receivable and unbilled revenue balances are as follows:-

Particulars	Year ended March 31, 2024				Year ended March 31, 2023			
	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit imapired	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit imapired
Not due	0.00%	2,276.93	0.04	No	0.00%	2,733.99	-	No
0 to 6 months	0.00%	1,516.87	0.02	No	0.00%	999.92	-	No
6 months to one year	0.27%	117.05	0.31	No	0.00%	60.92	-	No
More than one year	99.75%	23.87	23.81	No	13.40%	180.40	24.18	No
<b>Sub-total</b>		<b>3,934.73</b>	<b>24.18</b>			3,975.23	24.18	
Add: Unbilled dues		88.47	-			86.94	-	
<b>Total trade receivables</b>		<b>4,023.20</b>	<b>24.18</b>			4,062.17	24.18	

#### (iii) Loans

This balance is primarily constituted by loans given to employees. The Company does not expect any loss from non-performance by these counter parties.

	As at March 31, 2024	As at March 31, 2023
Loans to employees	16.21	18.32
<b>Net carrying amount</b>	<b>16.21</b>	18.32

#### (iv) Cash and cash equivalents

The Company has its cash and bank balances deposited with credit worthy banks as at the reporting date. The credit worthiness of these banks are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)**

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

**Financial risk management (continued)****(v) Others**

Other financial assets comprising of security deposits and advance recoverable primarily consists of deposits with TNEB for obtaining Electricity connections, rental deposits given for lease of premises. The Company does not expect any loss from non-performance by these counter-parties.

**(iii) Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's objective is to maintain a current ratio with an optimal mix of short term loans and long term loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders. The Board of Directors periodically reviews the Company's business requirements vis-a-vis the source of funding.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

Particulars	As at March 31, 2024			As at March 31, 2023		
	Carrying amount	Less than 180 days	More than 180 days	Carrying amount	Less than 180 days	More than 180 days
Borrowings and interest thereon	6,806.03	5,232.22	2,133.32	7,765.22	4,953.31	2,811.91
Trade payables	1,521.52	1,521.52	-	1,484.75	1,484.75	-
Payable towards purchase of capital goods	41.22	41.22	-	218.99	218.99	-
Employee benefits payable	167.99	167.99	-	191.17	191.17	-
Other payables	3.25	3.25	-	2.25	2.25	-
<b>Total</b>	<b>8,540.01</b>	<b>6,966.20</b>	<b>2,133.32</b>	<b>9,662.38</b>	<b>6,850.47</b>	<b>2,811.91</b>

**(iv) Offsetting financial assets and financial liabilities**

The Company does not have any financial instruments that are offset or are subject to enforceable master netting arrangements and other similar agreements.

**31 Contingent liabilities and commitments**

Contingent liabilities	As at March 31, 2024	As at March 31, 2023
(a) Claims against the company not acknowledged as debt		
- Sales tax / Entry Tax - under appeal	-	16.52
- Income-tax - under appeal	-	3.64
	-	20.16

Note:

(i) The Hon'ble Supreme Court in its ruling dated February 28, 2019 held that the allowances paid to employees are essentially a part of the basic wage, which are necessarily and ordinarily paid to all employees and are to be treated as wages for the purpose of ('PF') Provident Fund contribution, with fewer exception to the same. Based on legal advice, considering the interpretative challenges surrounding the retrospective application of the judgement and absence of reliable measurement of provisions relating to earlier periods, this matter has been disclosed as a contingent liability.

(ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial positions.

(b) Other money for which the company is contingently liable comprising of letter of credit	-	184.51
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**Capital commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for Property, Plant and Equipment	272.35	543.86
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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

### 32 Other statutory information

- (i) The Company does not have any Benami property where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- (iii) The Company has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to any persons or entities, including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise that the Intermediary shall:
  - 1) 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
  - 2) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (iv) 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:
  - a) 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
  - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (v) The Company does not have any transaction which is not recorded in the books of account 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).
- (vi) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.
- (vii) There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (viii) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (ix) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

### 33 Ratios as per the schedule III requirements:

#### a) Current ratio = Current assets divided by Current liabilities

Particulars	March 31, 2024	March 31, 2023
Current assets	7,381.09	7,309.03
Current liabilities	7,291.24	6,985.49
<b>Ratio</b>	<b>1.01</b>	<b>1.05</b>
<b>% change from previous year</b>	<b>(3.2%)</b>	
Reason for change more than 25% : Not applicable		

#### b) Debt-Equity Ratio = Total debt divided by total equity where total debt represents aggregate of current and non-current borrowings

Particulars	March 31, 2024	March 31, 2023
Total debt	6,778.99	7,734.32
Total equity	11,907.57	11,100.79
<b>Ratio</b>	<b>0.57</b>	<b>0.70</b>
<b>% change from previous year</b>	<b>(18.3%)</b>	
Reason for change more than 25% : Not applicable		

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)**

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

**33 Ratios as per the schedule III requirements (Contd.):****c) Debt Service Coverage Ratio = Earnings available for debt services divided by total interest and principal repayments**

<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Profit after tax	791.81	1,205.26
<b>Add:</b>		
Depreciation and amortisation expense	1,344.52	1,230.20
Finance cost	575.03	602.53
<b>Earnings available for debt services</b>	<b>2,711.36</b>	<b>3,037.99</b>
Interest payment on borrowings	578.89	602.53
Principal repayments	1,357.18	1,999.84
<b>Total interest and principal repayments</b>	<b>1,936.07</b>	<b>2,602.37</b>
<b>Ratio</b>	<b>1.40</b>	<b>1.17</b>
<b>% change from previous year</b>	<b>20.0%</b>	
Reason for change more than 25% : Not applicable		

**d) Return on equity ratio = Profit after tax divided by average total equity**

<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Profit after tax	791.81	1,205.26
Average total equity (refer note below)	11,504.18	10,491.32
<b>Ratio</b>	<b>6.88%</b>	<b>11.49%</b>
<b>% change from previous year</b>	<b>(40.1%)</b>	

Reason for change more than 25% : Change is attributable to decrease in profitability levels during the current year.

Note: Average total equity = (Total shareholder's equity as at beginning of respective year + total shareholder's equity as at end of respective year) divided by 2.

**e) Inventory turnover ratio = Cost of goods sold divided by average inventory**

<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Cost of goods sold (refer note 1 below)	10,757.38	10,614.55
Average inventory (refer note 2 below)	2,676.22	2,606.44
<b>Ratio</b>	<b>4.02</b>	<b>4.07</b>
<b>% change from previous year</b>	<b>(1.3%)</b>	

Reason for change more than 25% : Not applicable

Note:

1. Cost of goods sold includes cost of materials consumed and changes in inventories of finished goods and work-in-progress and consumption of stores, tools and spares.

2. Average inventory = (Total inventory as at beginning of respective year + total inventory as at end of respective year) divided by 2.

# TVS Upasana Limited

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

### 33 Ratios as per the schedule III requirements (Contd.):

#### f) Trade receivables turnover ratio = Sales divided by average trade receivables

Particulars	March 31, 2024	March 31, 2023
Turnover (refer note 1 below)	17,308.23	16,736.53
Average trade receivables (refer note 2 below)	4,018.51	4,044.72
<b>Ratio</b>	<b>4.31</b>	<b>4.14</b>
<b>% change from previous year</b>	<b>4.1%</b>	

Note:

1. Turnover represents revenue from operations excluding export incentives.
2. Average trade receivables = (Total trade receivables as at beginning of respective year + total trade receivables as at end of respective year) divided by 2.

Reason for change more than 25% : Not applicable

#### g) Trade payables turnover ratio = Purchases divided by average trade payables

Particulars	March 31, 2024	March 31, 2023
Purchases (refer note 1 below)	10,484.30	10,872.89
Average trade payables (refer note 2 below)	1,503.14	1,536.64
<b>Ratio</b>	<b>6.97</b>	<b>7.08</b>
<b>% change from previous year</b>	<b>(1.42%)</b>	

Reason for change more than 25% : Not applicable

Note:

1. Purchases includes purchases made during the year and consumption of stores, tools and spares.
2. Average trade payables = (Total trade payables as at beginning of respective year + Total trade payables as at end of respective year) divided by 2.

#### h) Net capital turnover ratio = Revenue from operations divided by working capital

Particulars	March 31, 2024	March 31, 2023
Revenue from operations	17,436.77	16,869.98
Working capital (refer note below)	89.85	323.54
<b>Ratio</b>	<b>194.07</b>	<b>52.14</b>
<b>% change from previous year</b>	<b>272.2%</b>	

Reason for change more than 25%: The increase is on account of increase in revenue from operations and corresponding improvement in working capital.

Note: 1. Working capital = Current assets - Current liabilities

#### i) Net profit ratio = Net profit after tax divided by revenue from operations

Particulars	March 31, 2024	March 31, 2023
Net profit after tax	791.81	1,205.26
Revenue from operations	17,436.77	16,869.98
<b>Ratio</b>	<b>4.54%</b>	<b>7.14%</b>
<b>% change from previous year</b>	<b>(36.4%)</b>	

Reason for change more than 25%: The decrease is attributable to a decrease in net profit during the current year.



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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)**

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

**33 Ratios as per the schedule III requirements (Contd.):****j) Return on capital employed = Earnings before interest and taxes (EBIT) divided by capital employed**

<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Earnings before interest and taxes (refer note 1 below)	<b>1,630.19</b>	2,183.11
Capital employed (refer note 2 below)	<b>19,802.71</b>	19,873.04
<b>Ratio</b>	<b>8.23%</b>	10.99%
<b>% change from previous year</b>	<b>(25.1%)</b>	

Reason for change more than 25% : The change is attributable to a decrease in EBIT.

Note:

1. EBIT = Profit before taxes + finance cost

2. Capital employed = Total equity + total debt + deferred tax liabilities

**k) Return on investments = Income generated from invested funds divided by average funds in treasury investments**

<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Income generated from invested funds	<b>3.15</b>	3.00
Invested funds in treasury investments	<b>486.56</b>	323.01
<b>Ratio</b>	<b>0.65%</b>	0.93%
	<b>(30.3%)</b>	

Reason for change more than 25% : The company has invested in equity instruments of power companies which generally do not declare any dividend.

Note: 1. Invested funds = Average of current investments

**34 Related party disclosures**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

**I Related Parties with whom transactions have taken place during the year:**

<b>Ultimate Holding Company</b>	TVS Sundram Fasteners Private Limited
<b>Holding Company</b>	Sundram Fasteners Limited, Chennai
<b>Fellow Subsidiaries</b>	TVS Next Limited, Chennai Sundram Fasteners Investments Limited, Chennai, Sundram Non-Conventional Energy Systems Limited, Chennai, Sundram International Limited, UK, Sundram International Inc, Michigan, USA,
<b>Key Management Personnel</b>	Suresh Krishna Usha Krishna S Meenakshisundaram Arundathi Krishna, Managing Director R Krishnan, Whole Time Director, CFO & Company Secretary
<b>Subsidiaries / joint ventures / associates of ultimate holding company:</b>	Nil

# TVS Upasana Limited

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

### II The significant related party transactions during the year and outstanding balance as at the reporting date are as follows:

Nature of Transaction	Ultimate holding Company	Holding Company	Fellow Subsidiaries	Key Management Personnel	Subsidiaries / joint ventures / associates of ultimate holding company	Enterprise in which key management personnel have significant influence
<b>Purchases</b>						
Goods and Materials	-	61.98	-	-	-	-
	-	(41.43)	-	-	-	-
<b>Sales</b>						
Goods and Materials	-	593.37	-	-	-	-
	-	(303.07)	-	-	-	-
<b>Services</b>						
Rendered	-	129.35	-	-	-	-
	-	(130.74)	-	-	-	-
Received	-	52.23	8.00	-	-	-
	-	(56.75)	(8.00)	-	-	-
<b>Borrowings and finance costs</b>						
Interest on inter corporate deposit	-	41.17	-	-	-	-
	-	(24.84)	-	-	-	-
Dividend received	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Others</b>						
Sale of property, plant and equipment	-	9.60	-	-	-	-
	-	(13.75)	-	-	-	-
Purchase of property, plant and equipment	-	-	0.42	-	-	-
	-	(0.03)	-	-	-	-
Management Contracts	-	-	-	70.41	-	-
	-	-	-	(61.08)	-	-
Guarantee Commission	-	31.98	-	-	-	-
	-	(40.29)	-	-	-	-
<b>Outstanding balances</b>						
Borrowings	-	575.00	-	-	-	-
	-	(575.00)	-	-	-	-
Due to the Company	-	103.98	-	-	-	-
	-	(61.83)	-	-	-	-
Due by the Company	-	21.82	-	-	-	-
	-	(22.13)	-	-	-	-

(Previous year figures are in brackets)

### III Terms and conditions of transactions with related parties

- Transactions with related parties are at arm's length and all the outstanding balances are unsecured.

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)**

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

**35 Segment reporting**

The Company primarily caters to only a single segment, manufacture and supply of automobile parts primarily comprising of spokes and nipples and cold extrusion components and accordingly has not presented segment information.

Information concerning principal geographic areas is as follows:

**Net sales to external customers by geographic area by location of customers**

	Year ended March 31, 2024	Year ended March 31, 2023
a) India	12,637.70	11,434.09
b) United States of America	3,465.14	3,737.24
c) Rest of the world	508.83	883.59

**Trade Receivable by geographic area**

a) India	2,896.42	2,362.90
b) United States of America	1,006.73	1,528.62
c) Rest of the world	120.05	170.65

**36 Leases****(i) ROU asset**

Refer note 5 (c) for detailed break-up of right of use assets and amortisation thereon.

**(ii) Amounts recognised in the statement of profit and loss**

	Year ended March 31, 2024	Year ended March 31, 2023
Amortisation on right of use assets (refer note 5(c))	25.99	25.94
Expenses relating to short-term leases and leases of low-value assets	4.44	4.26
	<b>30.43</b>	<b>30.20</b>

**37 Subsequent events**

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

The notes from 1 to 37 are an integral part of the financial statements

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As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm's registration No.: 101248W/W-100022

**S Sreenath Neelakandan**

Partner

Membership No. 228342

Place : Chennai

Date : May 21, 2024

For and on behalf of the Board of Directors of

**TVS Upasana Limited**

CIN: U65991TN1992PLC022619

**Suresh Krishna**

Chairman

DIN : 00046919

**R Krishnan**

Whole-time Director and

Chief Financial Officer &

Company Secretary

DIN: 00271938

**Arundathi Krishna**

Managing Director

DIN: 00270935

**S Meenakshisundaram**

Director

DIN: 00513901

