FIBER OPTIC SENSING SOLUTIONS PRIVATE LIMITED

(A Subsidary of TVS Sensing Solutions Private Limited)

2nd Annual Report

Registered Office:
No.10,Jawhar Road,
Chokkikulam,
Madurai 625 002.
Tamil Nadu
India

Factory
Madurai - Melur Road
Vellaripatti
Madurai 625 122
Tamil Nadu
India

Name of the Company	**FIBER OPTIC SENSING SOLUTIONS PRIVATE LIMITED** **(A Subsidary of TVS Sensing Solutions Private Limitedz0**
CIN	U31900TN2019PTC131018
Registered Office	No.10,Jawhar Road, Chokkikulam, Madurai 625 002 Tamil Nadu India.
Factory	Madurai Melur Road Vellaripatti Madurai 625 122 Tamil Nadu India.
Directors	Sri. V.BALAJI Sri.T.K.RAVI
Auditors	PKF SRIDHAR & SANTHANAM LLP Chartered Accountants Firm Registration No: 003990S / S200018 91-92 VII Floor, Dr Radhakrishnan Salai Mylapore Chennai 600004 Tamil Nadu India
Bankers	HDFC Bank Ltd, Madurai ICICI Bank Ltd, Madurai

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have pleasure in presenting the Second Annual Report of the Company, together with the audited financial statements for the year ended 31st March, 2021.

Financial Performance / Highlights

The Company's financial performance for the year under review is given hereunder.

The particulars for the year ended 31st March, 2021 furnished below:

(Rupees in '000)

Particulars	2020-21	2019-20
Revenue from Business Operations	5885	17
Other Income	24	13
Total Income	**5909**	**30**
Materials Consumed	2135	Nil
Employee Benefit Expenses	10515	4315
Other Expenses	2971	4067
Interest	2493	160
Depreciation	890	513
Total Expenses	**19004**	**9055**
Profit / (Loss) before tax	**(13095)**	**(9025)**

1. Dividend

The Board of Directors has not recommended any dividend for the year 2020-21.

2. Transfer of Unclaimed Dividend to Investor Education and Protection Fund

There are no pending dividend amounts which are required to be transferred to Investor Education and Protection Fund.

3. Business Review / The state of the company's affairs

Your Directors wish to present the details of the Business operations for the year under review:

Sales, Production and Profitability:
The company was incorporated during the FY 2019-20, and in the process of establishing Marketing Collaterals, Development Center and engaging System Integrators.

Marketing and Market Environment:
The company is in the process of gaining strong sales funnel. However due to COVID 19 epidemic the situation remains uncertain.

The company continues to have a strong sales funnel, however the speed of conversion and development programs depends upon revival of the industry.

4. The amounts, if any, which it proposes to carry to any reserves

During the year, the Company does not carry any amount to reserves.

5. Directors

There is no change in the Directors of the Company during the year under review.

6. Material changes and commitment if any affecting the Financial position of the Company occurred between end of the Financial year to which this Financial statements relate and the date of the Report

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate and to the date of this report.

7. 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 (erstwhile Section 58A of the Companies Act, 1956).

8. The Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

Your Company has no activity relating to conservation of energy or technology absorption. The Company does not have any foreign exchange earnings or outgo.

9. Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors state as under:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that 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 / Loss of the Company for that period;

3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. The Directors have prepared the annual accounts on a going concern basis;

5. The Company has adequate internal systems and financial controls in place to ensure compliance of laws applicable to the Company; and

6. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

10. Subsidiaries, Joint Ventures and Associate Companies

The Company has not invested in any new subsidiary during this year under review.

11. Statutory Auditor

The Statutory Auditors of the Company M/s PKF Sridhar &Santhanam LLP, Chartered Accountants, Chennai (Registration No.003990S / S200018) were appointed in the First Annual General Meeting of the Company held on 16th September, 2020 and is liable to retire at the conclusion of the Sixth Annual General Meeting of the Company.

12. The annual return as provided under sub-Section(3) of Section 92 in MGT-7

The Annual Return as provided under Section 92(3) of the Companies Act, 2013 ('Act') in the prescribed form MGT-7 is made available in the company website www.tvsss-foss.com.

13. Number of meetings of the Board

During the year, (3) meetings of the Board of Directors of the Company were convened and held on 04-06-2020, 25-09-2020, and 15-01-2021 respectively. The intervening gap between the meetings was within the period prescribed under the Act.

14. Independent Directors

Having regard to the limits specified in Companies Act 2013, requirement of appointment of Independent Directors and statement of declaration given by them is not applicable to the Company.

15. Particulars of loans, guarantees or investments under Section 186(2)

The Company does not have any loan or guarantee under the provisions of Section 186 of the Companies Act, 2013.

16. Particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 in the prescribed form

There were no materially significant transactions with Related Parties during the financial year 2020-21 which were in conflict with the interest of the Company. Hence, no details are required to be furnished in Form AOC-2 in terms of Section 134(3)(h) of the Companies Act, 2013.

17. Risk Management Policy

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal. The Company is in the process of framing a risk management policy and to take steps to mitigate risks.

18. Corporate Social Responsibility (CSR)

Section 135 of the Companies Act, 2013 is not applicable to the Company as the Company does not have the specified turnover or net worth or profit criteria and hence, there is no requirement for the Company to undertake CSR activities.

19. Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company

During the year 2020-21, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status of the Company.

20. Internal Control Systems and its adequacy

Your Company's internal control system has been designed to provide for

a. Accurate recording of transactions with internal checks and prompt reporting
b. Adherence to applicable Accounting Standards
c. Compliance with applicable statutes

21. Disclosure under the Sexual Harassment of women at work place (prevention, prohibition and Redressal) Act, 2013

Your Directors state that during the year under review, there were no cases received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

22. Shares

a) Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

b) Bonus Shares

No Bonus Shares were issued during the year under review.

c) Employee Stock Option Plan

The Company has not provided any Stock Option Scheme to the employees

23. Particulars of employees and related disclosures

There are no employees who are covered under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

24. Acknowledgement

Your Directors express their sincere thanks to bankers, business associates, consultants, stakeholders and others for their continued support and co-operation.

For and on behalf of the Board

V Balaji
Director
DIN: 08533753

Place: Madurai
Date : 18/05/2021

INDEPENDENT AUDITORS' REPORT

To the Members of **Fiber Optic Sensing Solutions Private Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fiber Optic Sensing Solutions Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, 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 a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and loss, 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 (ICAI) 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.

Emphasis of matter

We draw attention to Note 2(f)(iii) to the financial statements, regarding the management's assessment of the impact of Covid-19 including assessment of liquidity and going concern assumptions, recoverable values of its financial and non-financial assets appearing in the financial statements of the company as at 31 March 2021 and impact on revenues and costs. The Company has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, and its judgments on the implications, expects to recover the carrying amount of these assets. This being an unprecedented event which is difficult to estimate, the actual implications could vary.

Our opinion is not modified in respect of the above matter.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Directors' report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during 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.

Responsibilities of the Management and Those Charged with Governance for 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 financial position, financial performance, total 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) prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditors’ 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 auditors’ 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 the 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 management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- 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 (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 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. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), 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 Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) At this juncture, we are unable to comment whether the matter described in the Emphasis of Matter paragraph, may have an adverse effect on the functioning of the Company.

(g) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2021.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act, as applicable:

   In our opinion and according to the information and explanations given to us, Company has not paid any remuneration to its directors.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

T V Balasubramanian
Partner
Membership No. 027251
UDIN: 21027251AAAADG7986

Place of Signature: Chennai
Date: 18th May 2021

Annexure A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Fiber Optic Sensing Solutions Private Limited ("the Company") on the financial statements as of and for the year ended 31 March 2021.

(i) In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every 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.

(c) According to the information and explanations given to us, the records examined by us, in respect of immovable properties of land and building that have been taken on lease and disclosed as right of use assets in the financial statements, the lease agreements are in the name of the Company as at Balance Sheet date.

(ii) The inventory, except stocks lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in the books of account.

(iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of making investments. The Company has not provided any guarantees or securities. The Company has not granted any loans under Section 185.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.

(vi) The Company is not required to maintain cost records specified by the Central Government under sub-section (1) of section 148 of the Act.

(vii)

(a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs, Goods and Services Tax

(GST), cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs, Goods and Services Tax (GST), cess and any other statutory dues were in arrears, as at 31 March 2021 for a period of more than six months from the date they became payable.

(b) There are no dues relating to Income Tax and Goods and Service Tax (GST) which have not been deposited on account of any dispute.

(viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government, or dues to debenture holders.

(ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under the clause 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.

(xi) According to the information and explanations given to us, the Company has not paid any managerial remuneration during the year and hence clause 3(xi) of the Order is not applicable.

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause (xii) of the Order are not applicable.

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

(xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment of shares allotment or private placement of shares or fully or partly paid convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable.

(xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.

(xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934. Accordingly, the provisions of clause (xvi) of the Order is not applicable.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

T V Balasubramanian
Partner
Membership No. 027251
UDIN: 21027251AAAADG7986

Place of Signature: Chennai
Date: 18th May 2021

Annexure B

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

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 Companies Act, 2013

We have audited the internal financial controls with reference to financial statements of Fiber Optic Sensing Solutions Private Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "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, 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 control 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 control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 control 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.

Opinion

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 2021, based on the internal control 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.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

T V Balasubramanian
Partner
Membership No. 027251
UDIN: 21027251AAAADG7986

Place of Signature: Chennai
Date: 18th May 2021

FIBER OPTIC SENSING SOLUTIONS PRIVATE LIMITED
(A Subsidiary of TVS Sensing Solutions Private Limited)
Balance Sheet as at 31st March, 2021
(Amount in INR Thousands, unless otherwise stated)

		Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I.	**ASSETS**				
1	**Non-current assets**				
	(a)	Property, Plant and Equipment	**3**	229	94
	(b)	Right of use Asset	**4**	351	1,188
	(c)	Other Intangible Assets	**5**	35	48
	(d)	Financial Assets			
		(i) Other financial Assets	**6**	440	416
	(e)	Deferred Tax Asset	**7**	5,449	2,149
2	**Current assets**				
	(a)	Inventories	**8**	-	63
	(b)	Financial Assets			
		(i) Trade receivables	**9**	5,073	
		(ii) Cash and cash equivalents	**10**	3,920	12,727
	(C)	Other Current Assets	**11**	129	257
		TOTAL		**15,626**	**16,942**
II.	**EQUITY AND LIABILITIES**				
	Equity				
	(a)	Equity Share capital	**12**	100	100
	(b)	Other Equity	**13**	-16,671	-6,876
	Liabilities				
1	**Non-current liabilities**				
	(a) Financial Liabilities				
		(i) Borrowings	**14**	20,000	20,000
		(ii) Lease Liabilities	**4**	-	385
2	**Current liabilities**				
	(a) Financial Liabilities				
		(i) Trade Payables			
		Total outstanding dues of micro and small enterprises	**15**	1,601	
		Total outstanding dues of creditors other than micro and small enterprises	**15**		
		(ii) Lease Liabilities	**4**	385	847
		(iii) Other Financial Liabilities	**16**	6,593	2,058
	(b) Other current liabilities		**17**	3,618	428
		TOTAL		**15,626**	**16,942**

Summary of significant accounting policies - Refer Note 2
The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
For **PKF Sridhar & Santhanam LLP**
Firm Registration Number: 003990S/S200018
Chartered Accountants

For and on behalf of the Board of Directors

V. Balaji
Director
DIN:08533753

T.K Ravi
Director
DIN:08533754

T V Balasubramanian
Partner
Membership No: 027251

Place: Madurai
Date: 18.05.2021

Place: Chennai
Date: 18.05.2021

FIBER OPTIC SENSING SOLUTIONS PRIVATE LIMITED
(A Subsidiary of TVS Sensing Solutions Private Limited)
Statement of Profit and loss for the year ended 31st March, 2021
(Amount in INR Thousands, unless otherwise stated)

	Particulars	Note No.	Year Ended March 31,2021	Period Ended March 31,2020
I.	Revenue from operations	**18**	5,885	17
II.	Other income	**19**	24	13
III.	**Total Income (I + II)**		5,909	30
IV.	**Expenses:**			
	Material consumed	**20**	2,135	
	Employee Benefit Expenses	**21**	10,515	4,315
	Finance costs	**22**	2,493	160
	Depreciation and amortization expense	**3 to 5**	890	513
	Other expenses	**23**	2,971	4,067
	Total Expenses		19,004	9,055
V.	**Profit before exceptional items and tax (III-IV)**		-13,095	-9,025
VI.	Exceptional items		-	-
VII.	**Profit before tax (V - VI)**		-13,095	-9,025
VIII	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax	**7**	-3,300	-2,149
IX	**Profit (Loss) for the period (VI - VII)**		-9,795	-6,876
X	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI	**Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit and Other Comprehensive Income for the period)**		-9,795	-6,876
	Face value per share - Rs.10		10.00	10.00
	Earnings per equity share (for continuing & discontinued operation):			
	(1) Basic	**24**	-979.49	-687.60
	(2) Diluted		-979.49	-687.60

Summary of significant accounting policies - Refer Note 2
The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board of Directors

As per our report of even date attached
For **PKF Sridhar & Santhanam LLP**
Firm Registration Number: 003990S/S200018
Chartered Accountants

V. Balaji
Director
DIN:08533753

T.K.Ravi
Director
DIN:08533754

T V Balasubramanian
Partner
Membership No: 027251

Place: Madurai
Date: 18.05.2021

Place: Chennai
Date:18.05.2021

FIBER OPTIC SENSING SOLUTIONS PRIVATE LIMITED
(A Subsidiary of TVS Sensing Solutions Private Limited)
Statement of Cash Flow for the year ended 31st March 2021
(Amount in INR Thousands, unless otherwise stated)

Particulars	Year ended 31st March 2021	Period ended 31st March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	-13,095	-9,025
Adjustments for :		
Depreciation	890	513
Interest expense	2,479	160
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**-9,726**	**-8,352**
Adjustments for :		
Inventories	63	-63
Trade receivables	-5,073	
Trade payables	1,601	
Other non-current assets	-24	-416
Other current assets	128	-257
Other Financial Liabilities	2,135	1,979
Other current Liabilities	3,190	428
Cash Generated From Operations	-7,706	-6,681
Direct taxes paid	-	
NET CASH GENERATED/(USED IN) FROM OPERATING ACTIVITIES (A)	**-7,706**	**-6,681**
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property Plant and Equipment & Intangibles	-175	-167
NET CASH (USED IN) INVESTING ACTIVITIES (B)	**-175**	**-167**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares		100
Proceesds from issue of Compulsory Convertible preference shares		20,000
Lease payments on ROU assets	-926	-525
NET CASH FLOW FROM FINANCING ACTIVITIES: (C)	**-926**	**19,575**
NET DECREASE CASH AND CASH EQUIVALENTS (A+B+C)	**-8,806**	**12,727**
CASH AND CASH EQUIVALENTS - OPENING BALANCE	**12,727**	**-**
CASH AND CASH EQUIVALENTS - CLOSING BALANCE (Refer Note 9)	**3,920**	**12,727**
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	**-8,807**	**12,727**

Summary of significant accounting policies - Refer Note 2
The accompanying notes are an integral part of the financial statements.

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'

As per our report of even date attached
For **PKF Sridhar & Santhanam LLP**
Firm Registration Number: 003990S/S200018

For and on behalf of the Board of Directors

V. Balaji
Director
DIN:08533753

T.K Ravi
Director
DIN:08533754

T V Balasubramanian
Partner
Membership No: 027251

Place: Madurai
Date: 18.05.2021

Place: Chennai
Date:18.05.2021

FIBER OPTIC SENSING SOLUTIONS PRIVATE LIMITED
(A Subsidiary of TVS Sensing Solutions Private Limited)
Statement of Changes in Equity as at 31 st March, 2021
(Amount in INR Thousands, unless otherwise stated)

A. Equity Share Capital

Equity shares of Rs. 10/- each issued, subscribed and fully paid

	Amount (Rs.)
At 08 August 2019	
Issue of share capital	100
At 31 March 2020	100
Issue of share capital	-
At 31 March 2021	**100**

B. Other Equity

Particulars	**Retained Earnings**	**Total**
Balance as at August 08, 2019	-	-
Profit for the year ended March 31,2020	(6,876)	
Balance as at March 31, 2020	**(6,876)**	**(6,876)**
Profit for the year ended March 31, 2021	**(9,795)**	
Balance as at March 31, 2021	**(16,671)**	**(6,876)**

Summary of significant accounting policies - Refer Note 2
The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board of Directors

As per our report of even date attached
For **PKF Sridhar & Santhanam LLP**
Firm Registration Number: 003990S/S200018

V. Balaji
Director
DIN:08533753

T.K Ravi
Director
DIN:08533754

T V Balasubramanian
Partner
Membership No: 027251

Place: Madurai
Date: 18.05.2021

Place: Chennai
Date:18.05.2021

FIBER OPTIC SENSING SOLUTIONS PRIVATE LIMITED
(A Subsidiary of TVS Sensing Solutions Private Limited)
Net Debt Reconciliation
(Amount in INR Thousands, unless otherwise stated)

Particulars	**As at 31.03.2021**	**As at 31.03.2020**
Cash and Cash Equivalents	3,920	12,727
Non Current Liability	-20,000	-20,000
Lease liability on ROU Assets (current and non current)	-385	-1,232
	-16,465	**-8,505**

Particulars	**Cash and Cash Equivalents**	**Lease Liablity**	**Non Current Liability Borrowings**	**Total**
Net (Debt) / Cash and Cash Equivalents as on 08.08.2019				
Cash Inflow/(Outflow)	12,727		-	12,727
Proceeds from issue of CCPS	-		-20,000	-20,000
Lease liability on ROU Assets (current and non current)		-1,232		-1,232
Net (Debt) / Cash and Cash Equivalents as on 31.03.2020	**12,727**	**-1,232**	**-20,000**	**-8,505**
Cash Inflow/(Outflow)	-8,807			-8,807
Interest Expenses		-79		-79
Lease liability on ROU Assets Paid		926		926
Net (Debt) / Cash and Cash Equivalents as on 31.03.2021	**3,920**	**-385**	**-20,000**	**-16,465**

Fiber Optic Sensing Solutions Private Limited

Significant Accounting Policies and Notes to Financial Statements for the year ended March 31, 2021

1. Corporate Information

Fiber Optic Sensing Solutions Private Limited ('the Company') domiciled and incorporated in India having its registered office at No 10 Jawahar road, Chokkikulam, Madurai 625002. The Company is engaged in the business of trading, manufacturing, and sale of fiber optic sensors.

The Company was incorporated on August 8 2019.

The company is a 90% subsidiary of TVS Sensing Solutions Private Limited with its ultimate holding company being TVS Srichakra Limited.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on 18th May 2021

2. Significant Accounting Policies

a) Basis of preparation

The financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis of accounting, except for items in Statement of Cash Flow and certain items of Assets and Liabilities that have been measured on fair value basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. GAAP comprises Indian Accounting standards as specified in section 133 of the Act read together with rule 4 of Companies (Indian Accounting Standard) Rules 2015 and relevant amendment Rules issued thereafter to the extent applicable, pronouncements of regulatory bodies applicable to the Company and other provisions of the Act. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to existing accounting standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on a periodic basis.

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 Note 2(x). Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

b) Statement of Compliance with Ind AS

The Financial Statements comprising Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity, Statement of Cash Flow together with notes for the year ended March 31, 2021 have been prepared in accordance with Ind AS as notified above.

c) Changes in Accounting Standards

There were certain amendments to the Accounting Standards which were applicable from this financial year, namely

- Ind AS 1 Presentation of Financial Statements - Substitution of the definition of term 'Material'
- Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors - In order to maintain consistency with Ind AS 1, the respective changes have been made to Ind AS 8 also.
- Ind AS 10 Events after the Reporting Period - Clarification on the disclosures requirements to be made in case of a material non- adjusting event.
- Ind AS 34 Interim Financial Reporting - In order to maintain consistency with the amendments made in other Ind AS, respective changes have been made to Ind AS 34.
- Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - Clarification on the accounting treatment for restructuring plans.
- Ind AS 103-Business combination-Detailed guidance on term 'Business' and 'business combinations' along with providing an optional testto identify concentration of fair value.
- Ind AS 107 Financial Instruments: Disclosures - Clarification on certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.
- Ind AS 109 Financial Instruments - Clarification on temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.
- Ind AS 116 Leases - Clarification on whether rent concessions as a direct consequence of COVID-19 pandemic can be accounted as lease modification or not.

None of these amendments had any significant effect on the company's financial statements.

d) Changes in Accounting Standards that may affect the Company after 31st March 2021

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards.
There is no such notification which would have been applicable from April 1, 2021

e) Functional and Presentation Currency

Items included in financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian rupee is the functional currency of the Company.

The Financial Statements are presented in Indian Rupees which is company's presentation currency. All financial information have been presented in Indian Rupees in full figures.

f) Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Critical Judgments in applying accounting policies

Lease:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any option to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Assumptions and Key Sources of Estimation Uncertainty

i. Provisions for liabilities and charges

The value of provisions recognized in the Financial Statements represent the best estimate to date made by management for a range of issues. This estimate entails the adoption of assumptions which depend on factors that may change over time and which could therefore have a significant impact on the current estimates made by management in preparing the Financial Statements.

ii. Useful life of Property, Plant & Equipment (PPE)

The Company reviews the estimated useful lives of PPE at the end of each reporting period.

iii. Estimation of uncertainties relating to the global health pandemic from COVID-19:

On March 11, 2020, the World Health Organization declared Covid-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple ‘lock-downs’ across the country, from March 22, 2020, and extended up to June 30, 2020.

The business has been impacted during the year on account of COVID-19. The Company witnessed softer revenues due to the lockdown imposed during the first six months of the year. With the unlocking of restrictions, the Company’s business gradually improved. During the second half of the year, the Company witnessed signs of recovery and is back on track. Whilst there has been a second wave of the COVID-19 pandemic in the last few months in some States, there has also been increased vaccination drive by the Government and the Company continues to closely monitor the situation. The Company has also assessed the possible impact of COVID-19 in preparation of the standalone financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its investments, financial and non-financial assets and impact on revenues and costs. The Company has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets.The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

g) Financial Instruments

i. Financial Assets

Financial assets comprise trade receivables, cash and cash equivalents and other financial assets.

Initial recognition:

All financial assets are recognized initially at Fair value plus transaction costs that are attributable to the Acquisition of the financial asset (In case of financial assets recorded at FVTPL, transaction costs are recognized immediately in statement of profit and loss).

Subsequent measurement:

i. Financial assets measured at amortized cost:

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using Effective Interest Rate (EIR) method. The EIR amount is recognized as finance income in the statement of profit and loss.

The Company while applying above criteria has classified the following at amortized cost

a) Trade receivable

b) Other financial assets

The company does not have any financial assets carried at fair value through OCI or profit & loss.

Derecognition of financial asset

Financial assets are derecognized when the contractual right to cash flows from the financial asset expires or the financial asset is transferred, and the transfer qualifies for Derecognition. On Derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of Derecognition) and the consideration received (including any new asset obtained less any new liability Assumed) shall be recognized in the statement of profit and loss.

Impairment of financial asset

Trade receivables and other financial assets are tested for impairment based on the expected credit losses for their respective financial asset

a) Trade receivable

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rate reflecting future economic conditions. In this approach, assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

b) Other financial assets

Other financial assets are tested for impairment and expected credit losses are measured at an amount equal to 12 month expected credit loss. If the credit risk on the financial asset has increased significantly since initial recognition, then the expected credit losses are measured at an amount equal to life-time expected credit loss.

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are initially recognized at fair value plus any transaction cost that are attributable to the acquisition of financial liability except financial liabilities at fair value through profit and loss which are initially measured at fair value.

The company has issued compulsorily convertible preference shares carrying a dividend rate of 12% per annum. In accordance with INDAS 32 & INDAS 109 the same has been treated as a non current financial liability.

Subsequent measurement

The financial liabilities are classified for subsequent measurement at amortized cost

The Company is classifying the following under amortized cost;

a) Lease Liabilities
b) Other Financial Liabilities

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount.

De-recognition of financial liabilities

A financial liability is de-recognized when and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

ii. Derivative financial instruments

Foreign exchange forward contracts and options are entered into by the Company to mitigate the risk of changes in foreign exchange rates associated with certain payables, receivables and forecasted transactions denominated in certain foreign currencies. These derivative contracts that do not qualify for hedge accounting under Ind AS 109, are initially recognized at fair value on the date the contract is entered into and subsequently measured through statement of profit and loss. Gains or loss arising from changes in the fair value of the derivative contracts are recognized in the statement of profit and loss.

iii. Hedge accounting

The company has not designated any hedge instruments and hence requirements under Ind AS 109 in respect of hedge accounting does not arise.

iv. Offsetting of financial assets and liabilities

Financial assets and liabilities are offset, and the net amount is presented in Balance Sheet when, and only when, the Company has a legal right to offset the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

v. Reclassification of financial assets

The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

h) Share capital and Dividend to Shareholders

Equity Shares are classified as equity. Where any shares are issued, incremental costs directly attributable to the issue of new equity shares or share options will be recognized as deduction from equity, net of any tax effects.

Dividend distribution to equity shareholders is distribution to owners of capital in statement of changes in equity, in the period in which it was paid. Final Dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as liability on the date of declaration by the Company's Board of Directors.

i) Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable, accumulated impairment losses. Cost includes expenditure that is directly attributable to acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

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

Gains and losses on disposal of an item of property plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and equipment and are recognized net within "other income/other expenses" in the statement of profit and loss.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefit embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognized. The cost of day to day servicing of property, plant and equipment are recognized in statement of profit and loss.

Depreciation

Depreciation is recognized in the Statement of profit and loss under straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. Assets costing Rs.5000 or below acquired during the year considered not material are depreciated in full retaining Re.1 per asset. The Useful life has been considered in line with schedule II except in the following cases which are based on technical estimates.

Estimated useful life in years

Particulars	Useful life
Plant and Machinery	5 – 15 years
Furniture and Fixtures	5 – 10 years

Estimated useful lives of the assets, is based on technical evaluation done by the management's expert, where it is different from those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets

j) Intangible assets

Intangible assets that are acquired by the company, which have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the intangible asset.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in the statement of profit and loss.

Amortization of intangible asset with finite useful lives

Amortization is recognized in the statement of profit and loss on a straight line basis over the estimated useful lives of intangible assets from the date that they are available to use based on the estimates made by the management w.r.t the useful life and residual value.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

k) Impairment of Non-financial assets

The carrying amount of the Company's non-financial asset, 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.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing the value in use and its fair value less cost to sell, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to asset. For impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows into continuing use that are largely independent of cash inflows of other assets or group of assets (the cash generating unit).

An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of cash generating unit are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit or group of units on a pro rata basis.

Reversal of impairment loss

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

l) Leases

At the inception of a contract, the Company assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

The Company recognizes 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

The lease liability is initially measured at the present value of the remaining lease payments at the commencement date, discounted using the Company's incremental borrowing rate.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense over the lease term.

m) Inventories

Inventories are measured at the lower of cost (determined using Weighted average method) and net realizable value. Cost comprises the fair value of consideration for the purchase and all directly attributable costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated cost necessary to make the sale.

Cost includes direct material cost, direct labour cost, taxes and duties (other than duties and taxes for which input credit is available), freight, other direct expenses and an appropriate proportion of variable and fixed overhead expenditure.

Cost of the purchased inventory are determined after deducting rebates and discounts. Provision is made for obsolete, non-moving & defective stocks, wherever necessary.

n) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized 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 benefit will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision 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 a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

o) Revenue recognition

Revenue is recognized on their accrual and when no significant uncertainty on measurability or collectability exists.

Revenue from the sale of goods is recognized when the performance obligations towards customers have been met at an amount that reflects the consideration to which the company believes it is entitled to in exchange for the transfer of goods to customers, net of any sales returns and GST. Performance obligations are deemed to have been met when the control of goods has been transferred to the customer, depending on the individual terms of the contract of sale.

Considering the general terms of sales, there is no significant financing element included in the sales consideration.

p) Employee benefits

Employee benefits are accrued in the period in which the associated services are rendered by employees of the Company,

Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans 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.

i. Compensated absences

The employees of the Company are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence. The Company recognizes an obligation for compensated absences in the period in which the employee renders the services.

The Company provides for the expected cost of compensated absence in statement of profit or loss as additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated based on actuarial valuations carried out by an independent actuary at the balance sheet date.

q) Finance Income and Expense

Finance income comprises interest income on funds invested, dividend income, fair value gains on financial assets at fair value through profit or loss. Interest income is recognized using effective interest method. Dividend income is recognized in statement of profit and loss on date when the company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expense comprises interest expense on loans and borrowings, bank charges, unwinding of discount on provision.

r) Borrowing costs

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. Other borrowing costs are recognized as expenses in the period in which they are incurred. To the extent the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowings costs eligible for capitalization by applying a capitalization rate to the expenditure incurred on such asset. The capitalization rate is determined based on the weighted average of borrowing costs applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of qualifying asset. The amount of borrowing costs that the Company capitalizes during a period does not exceed the amount of borrowing costs incurred during that period.

s) Warranty

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

t) Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:

(i) The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

(ii) Arising due to taxable temporary differences arising on the initial recognition of goodwill, as the same is not deductible for tax purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. 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 the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

u) Foreign Currency Transactions and balances

Transactions in foreign currencies are initially recognized in the financial statements using exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the relevant functional currency at the exchange rates prevailing at the reporting date. Foreign currency differences arising on translation are recognized in statement of profit and loss for determination of net profit or loss during the period.

v) Earnings per share

Basic Earnings Per Share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company after adjusting impact of dilution shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

w) Fair value measurements

Ind AS requires the determination of fair value for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 - Unadjusted quoted prices in active market for identical assets and liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable outputs for the assets and liabilities

For assets and liabilities that are recognized in the financial statement at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and/or disclosures purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. However, in respect of such financial statements, fair value generally approximates the carrying amount due to the short-term nature of such assets. This fair value is determined for disclosure purpose or when acquired in a business combination.

(ii) Lease security deposits.

Any lease deposits paid by the company to the lessors are discounted to its fair value and thereafter accounted on amortised cost method over the lease period.

(iii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flow discounted at the market rate of interest at the reporting date. For leases, the applicable rate of interest is determined by reference to incremental borrowing rate.

x) Current and non-current classification

An asset is classified as current if:

(a) it is expected to be realized or sold or consumed in the Company's normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) it is expected to be realized within twelve months after the reporting period; or

(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

(a) it is expected to be settled in normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) it is expected to be settled within twelve months after the reporting period;

(d) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

y) Statement of Cash Flow

Cash flows are reported using the indirect method, whereby, profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

z) Segment Reporting

Operating segments are identified and reported considering the different risks and returns, the organization structure and the internal reporting systems. The Company's business activity falls within a single reportable business segment, viz, Trading, manufacturing and sale of fiber optic sensors for intrusion detection systems.

(Amount in INR Thousands, unless otherwise stated)

3 Property Plant and Equipment

(i) Carrying Amount of Property Plant & Equipment

	Gross Block				Accumulated depreciation				Net Block
	As at March 31,2020	**Additions**	**Disposals**	**As at March 31,2021**	**As at March 31,2020**	**For the year**	**Disposals**	**As at March 31,2021**	**As at March 31,2021**
Furniture and fixtures	93		-	93	5	14		19	74
Computers	22	175	-	197	16	26		42	155
Total	**115**	**175**	**-**	**290**	**21**	**40**	**-**	**61**	**229**

	Gross Block			Accumulated depreciation				Net Block
	Additions	**Disposals**	**As at March 31,2021**	**As at March 31,2020**	**For the year**	**Disposals**	**As at March 31,2020**	**As at March 31,2020**
Buildings		-	-	#REF!				-
Furniture and fixtures	93	-	93	-	5	-	5	88
Computers	22	-	22	-	16		16	6
Total	**115**	**-**	**115**	**-**	**21**	**-**	**21**	**94**

Note: Refer Note 2(i) for accounting of Property, Plant & Equipment

4 Right of use Asset

	Gross Block				Accumulated depreciation				Net Block
Category of ROU Asset	**As at March 31,2020**	**Additions**	**Disposals**	**As at March 31, 2021**	**As at March 31,2020**	**For the year**	**Disposals**	**As at March 31,2021**	**As at March 31,2021**
Buildings	1,676	-	-	1,676	488	837		1,325	351
Total	**1,676**	**-**	**-**	**1,676**	**488**	**837**	**-**	**1,325**	**351**

The following is the movement in lease liabilities during the period ended March 31, 2021:

Category of ROU Asset	**As at March 31,2020**	**Additions**	**Disposals**	**Finance cost accrued during the period**	**Payment of Lease liabilities**	**As at March 31, 2021**	**Non - Current March 31,2021**	**Current March 31,2021**
Buildings	1,232		-	79	926	385	-	385
Total	**1,232**	**-**	**-**			**385**	**-**	**385**

	Gross Block			Accumulated depreciation				Net Block
Category of ROU Asset	**Additions**	**Disposals**	**As at March 31,2021**	**As at March 31,2020**	**For the year**	**Disposals**	**As at March 31,2021**	**As at March 31,2021**
Buildings	1,676	-	1,676		488		488	1,188
Total	**1,676**	**-**	**1,676**	**-**	**488**	**-**	**488**	**1,188**

The following is the movement in lease liabilities during the period ended March 31, 2020:

Category of ROU Asset	**Additions**	**Disposals**	**Finance cost accrued during the period**	**Payment of Lease liabilities**	**As at March 31, 2020**	**Non - Current March 31,2020**	**Current March 31,2020**
Buildings	1,676	-	81	525	1,232	385	847
Total	**1,676**	**-**			**1,232**	**385**	**847**

Note: Refer Note 2(l) for accounting on leases

5 Intangible Assets

Reconciliation of carrying amounts as at March 31, 2021

	Gross Block				Accumulated amortisation				Net Block
	As at March 31,2020	**Additions**	**Disposals**	**As at March 31, 2021**	**As at March 31,2020**	**For the year**	**Disposals**	**As at March 31,**	**As at March 31, 2021**
Software	52	-		52	4	13	-	17	35
Total	**52**	**-**	**-**	**52**	**4**	**13**	**-**	**17**	**35**

Reconciliation of carrying amounts as at March 31, 2020

	Gross Block			Accumulated amortisation			Net Block
	Additions	**Disposals**	**As at March 31, 2020**	**For the year**	**Disposals**	**As at March 31,**	**As at March 31, 2020**
Software	52		52	4	-	4	48
Total	**52**	**-**	**52**	**4**	**-**	**4**	**48**

Note: Refer Note 2(J) for accounting on intangibles **assets**

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6 Other Financial Assets - Deposit

	As at March 31, 2021	As at March 31, 2020
Rental Deposit (Refer Note 2(w))	440	416
Total	**440**	**416**

FIBER OPTIC SENSING SOLUTIONS PRIVATE LIMITED
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7 Deferred tax liabilities/(assets) (net)

The balance comprises temporary differences attributable to:

Particulars		Provided/(reversed) during the year	As at March 31, 2020
Deferred tax assets			
Depreciation		2	2
Current Year Loss		2147	2,147
Total deferred tax assets	**-**	**2,149**	**2,149**
Deferred tax liabilities/(assets) (net)	**-**	**(2,149)**	**(2,149)**

Particulars	As at March 31, 2020	Provided/(reversed) during the year	As at March 31, 2021
Deferred tax assets			
Depreciation	2	(7)	(5)
Carryforward Tax losses	2,147	3,307	5,454
Total deferred tax assets	**2,149**	**3,300**	**5,449**
Deferred tax liabilities/(assets) (net)	**(2,149)**	**(3,300)**	**(5,449)**

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		As at March 31, 2021	As at March 31, 2020
8	**Inventories**		
	(Valued at lower of cost and Net realisable value)		
	Raw Materials	-	63
	Total	**-**	**63**
9	**Trade receivables**		
	Unsecured and Considered good	5,073	-
		5,073	**-**
10	**Cash & Cash Equivalents**		
	Cash on hand	25	10
	Balances with bank on Current Accounts	3,895	12,717
	Total	**3,920**	**12,727**
11	**Other Current Assets**		
	Unsecured, considered good		
	Travel Advance	60	80
	GST Input Credit		118
	Advance - Others	14	10
	Rental Deposit - Prepayment	8	29
	Other Receivables	-	20
	Prepaid Expenses	47	
	Total	**129**	**257**

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12 Equity Share Capital

Share capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
1,00,000 equity shares of Rs. 10 each	1,000	1,000
2,00,000 Preference Shares of Rs.100 each	20,000	20,000
Issued, subscribed and fully paid up		
10,000 Equity Shares of Rs.10 each	100	100
Total	**100**	**100**

12.1 Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2021	As at March 31, 2020
Shares outstanding at the beginning of the period	**10,000**	
Shares issued during the period		10,000
Shares bought back during the period	-	-
Shares outstanding at the end of the period	**10,000**	**10,000**

12.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

12.3 Equity Shares held by holding/ ultimate holding company/or their subsidiaries/associates

Particulars	As at March 31, 2021	As at March 31, 2020
Name of Shareholder	TVS Sensing Solutions Private Limited	TVS Sensing Solutions Private Limited
Number of equity shares held	9,000	9,000
Percentage of shareholding	90%	90%

12.4 Shareholding more than 5% of the equity shares of the Company:

Name	Shareholding %	Shareholding %
TVS Sensing Solutions Private Limited	90%	90%
Mr. Hitesh Mehta	10%	10%

12.5 The Company does not have any outstanding shares reserved for issue under ESOP

12.6 Preference Share Capital

Particulars	As at '31 March 2021	As at '31 March 2020
Issued, subscribed and fully paid up		
2,00,000 Preference Shares of Rs.100 each	20,000	20,000
Total	**20,000**	**20,000**

Reconciliation of the preference shares outstanding at the beginning and at the end of the reporting period

Particulars	As at '31 March 2021	As at '31 March 2020
Shares outstanding at the beginning of the period	**200,000**	**-**
Shares issued during the period		200,000
Shares bought back during the period	-	-
Shares outstanding at the end of the period	**200,000**	**200,000**

Terms/rights attached to prefrence shares

Refer Note 14

Preference Shares held by holding/ ultimate holding company/or their subsidiaries/associates

Particulars	As at '31 March 2021	As at '31 March 2020
Name of Shareholder	TVS Sensing Solutions Private Limited	TVS Sensing Solutions Private Limited
Number of preference shares held	200,000	200,000
Percentage of shareholding	100%	100%

Shareholding more than 5% of the preference shares of the Company:

Name	Shareholding %	Shareholding %
TVS Sensing Solutions Private Limited	100%	100%

Note: The same is disclosed as Non-Current Borrowings as per INDAS 109. Refer Note 14 for details.

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13 Other Equity

Other Equity	As at March 31, 2021	As at March 31, 2020
Surplus/(Defecit) in the statement of profit and Loss		
Opening balance	-6,876	-
Add: Net profit/ (Net loss) for the current year	-9,795	-6,876
	-16,671	**-6,876**
Total Reserves and Surplus	**-16,671**	**-6,876**

(Amount in INR Thousands, unless otherwise stated)

14	**Financial Liabilites - Non-Current**		
	Borrowings	**As at March 31, 2021**	**As at March 31, 2020**
	12% Compulsorily Convertible Preference Shares	20,000	20,000
	Total	**20,000**	**20,000**

a. Shares were issued on 24th March 2020 and are cumulative, participating and convertible.

b. Shares carry a preferential right, vis-à-vis Equity Shares of the Company, with respect to payment of dividend and repayment in case of a winding up or repayment of capital.

c. Terms of Conversion:

(i) Optional Conversion: The holder of Preference Shares/ Board / Company has an option to convert the Preference Shares at any time within three years from the date of allotment provided one month notice showing the intention regarding the conversion of Preference Shares is given.

(ii) Mandatory Conversion: At the time of expiry of a period of 3 (Three) years from the date of issuance of CCPS.

Upon conversion of CCPS in to equity shares of the Company, such equity shares shall rank *pari passu* to all existing equity shares of the Company.

d. Finance Cost of 12% Preference Dividend has been accrued in the financials.

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	Particulars	As at March 31, 2021	As at March 31, 2020
15	**Trade payables**		
	Total outstanding dues of micro and small enterprises (Refer note)	1601	
	Total outstanding dues of creditors other than micro and small enterprises	-	
		1601	
16	**Current Financial Liabilities**		
	Payable to Holding Company	6,593	2,058
	Total	**6,593**	**2,058**
17	**Other Current Liabilities**		
	Other outstanding liabilities	456	180
	Other recoveries	24	15
	Statutory liabilities	534	233
	Employee Benefits Payable	2,604	
	Total	**3,618**	**428**

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	Particulars	Year ended 2020-21	Period ended 2019-20
18	**Revenue from Operations**		
	Sale of goods	**5,480**	
	Sale of services	405	17
	Total	**5,885**	**17**
19	**Other Income**		
	Interest income on rental deposit	24	13
	Total	**24**	**13**
20	**Material Cost**		
	Material Cost	2,135	
	Total	**2,135**	**-**
21	**Employee Benefit Expenses**		
	Salaries, wages and bonus	10,460	4,315
	Staff welfare expenses	55	
	Total	**10,515**	**4,315**
22	**Finance cost**		
	Finance charges accrued on the CCPS	2,400	79
	Finance charges accrued on Lease liability	79	81
	Interest - Others	14	
	Total	**2,493**	**160**
23	**Other Expenses**		
	Rates & taxes	401	388
	Commission	-	125
	Sales Promotion Expenses	281	276
	Travelling and Boarding Expense	382	863
	Consultancy	142	1,938
	Statutory Audit Fees	200	200
	Product development Expenses	942	
	Miscellanous Expenses	623	277
	Total	2,971	4,067

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		Year ended March 31, 2021	Year ended March 31, 2020
24	**Earnings per share**		
	Profit/(Loss) attributable to equity holders of the Company (A)	(9,795)	(6,876)
	Weighted average number of equity shares outstanding (B)	10,000	10,000
	Face value per equity share (in INR)	10	10
	Earnings per equity share (Basic & Diluted) (in INR) (A / B)	(979.49)	(687.60)

Note:
The Company has issued 12% Compulsory Convertible Preference Shares which are convertible at fair value at the end of three years

These are anti-dilutive and hence accordingly not adjusted above.

FIBER OPTIC SENSING SOLUTIONS PRIVATE LIMITED
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Notes to Financial Statements for the year ended 31st March, 2021
(Amount in INR Thousands, unless otherwise stated)

25 Segment reporting

The Company’s business activity falls within a single reportable business segment, viz, Trading, manufacturing and sale of fiber optic sensors.

26 Related party and transactions

a) Related parties

The related party where control/joint control/significant influence exists are subsidiaries, joint ventures and associates. Key managerial personnel are those persons having authority and responsibility in planning, directing and controlling the activities of the entity, directly or indirectly, including any director whether executive or otherwise. Key management personnel include the board of directors and other senior management executives. The other related parties are those with whom the company has had transaction during the years Mar 31, 2021 as follows:

Related parties	Relationship	Country of incorporation	% of ownership interest
TVS Sensing Solutions Private Limited	Holding Company	India	90%
TVS Srichakra Limited	Ultimate Holding Company		
TVS Srichakra Investments Limited	Intermediate Holding Company		
V.Balaji	Director - Key Managerial Personnel		
T.K Ravi	Director - Key Managerial Personnel		

b) Related party transactions and outstanding balances

Related party transactions for the period ending Mar 31, 2021

	TVS Sensing Solutions Private Limited	TVS Srichakra Limited
Finance charges accrued on the CCPS	2,400	
Purchase	2,072	
Sales		4800
Expense debited	4,628	
Expense debits reimbursed	2,493	

Outstanding balances as at 31st Mar'21	**TVS Sensing Solutions Private Limited**	**TVS Srichakra Limited**
Equity Investment	90	
Non-current Other financial liabilities - 12% Compulsorily Convertible Preference Shares	20,000	
Current Other financial liabilities	6,593	
Trade Receivables		4,488
Trade payable	1,587	

Related party transactions for the period ending Mar 31, 2020

	TVS Sensing Solutions Private Limited
Equity Share Capital	90
Compulsory Convertible Preference Shares issued during the year	20,000
Advance taken	8,979
Repayment of advance received	7,000
Finance charges accrued on the CCPS	79

Outstanding balances as at 31st Mar'20	**TVS Sensing Solutions Private Limited**
Equity Investment	90
Non-current Other financial liabilities - 12% Compulsorily Convertible Preference Shares	20,000
Current Other financial liabilities	2,058

FIBER OPTIC SENSING SOLUTIONS PRIVATE LIMITED
(A Subsidiary of TVS Sensing Solutions Private Limited)
Notes to Financial Statements for the year ended 31st March, 2021
(Amount in INR Thousands, unless otherwise stated)

27 Fair value measurements

Financial instruments by category*	As at March 31, 2021	As at March 31, 2020
Financial assets		
Trade receivables	5,073	
Cash and cash equivalents	3,920	12,727
Other financial assets - Security Deposits	440	416
Total financial assets	**9,433**	**13,143**
Financial liabilities		
Lease Liability	385	847
Other non current financial Liability	20,000	20,385
Other current financial liability	6,593	2,058
Trade payables	1,601	
Total financial liabilities	**28,579**	**23,290**

* There are no financial assets or liabilities carried at fair value through OCI or profit or loss.

(i) Fair value hierarchy

There are no assets / liabilities which are being remeasured at fair value on a recurring basis in each period. All assets and liabiltiies are carried at amortised cost.

(Amount in INR Thousands, unless otherwise stated)

28 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and their impact in the financial statements.

(A) Credit risk

Credit risk primarily arises from cash and cash equivalents and trade receivables measured at amortised cost. There is minimal credit risk on other financial assets. With respect to cash and cash equivalents, the Company deposits surplus cash only with banks holding high credit ratings.
For trade receivables, they are primarily due from its ultimate holding company and so there is minimal credit risk

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external requirements and maintaining financing plans.

(ii) Maturities of financial assets and liabilities

The table below analyses the Company's financial assets liabilities into relevant maturity groupings based on their contractual maturities for all financial assets and liabilities.
The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial assets and liabilities:

Particulars	Carrying amount	Less than 1 year	Between 1 year and 5 years	Above 5 years
March 31, 2021				
Liabilities				
Trade Payables	1,601	1,601		
Other financial liabilities	26,978	6,978		20,000
Assets				
Trade receivables	5,073	5,073		
Cash and Cash equivalents	3,920	3,920		
Other Financial Assets	440	440		
March 31, 2020				
Liabilities				
Other financial liabilities	23,290	2,905	385	20,000
Assets				
Cash and Cash equivalents	12,727	12,727		
Other Financial Assets	416		416	

(C) Market risk

The Company was incorporated on August 8 2019. The operations are in the nascent stage and so currently its sales are primarily to its ulitmate holding company and so does not face major market risks.

(D) Other risk - COVID-19

Financial Assets measured at fair value amounting to NIL and measured at amortised cost amounting to Rs. 9,433 Thousands have been considered for the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19.

29 Capital Management

The Company's capital comprises of equity share capital, retained earnings. The primary objective of company's capital management is to maximise shareholders value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions.
The Company has also raised funds through the issue of 2,00,000, 12% Compulsory convertible preference shares of Rs 100 each.

(Amount in INR Thousands, unless otherwise stated)

30 Disclosures relating to micro and small enterprises

The Company has certain amounts due to suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	Year ended March 31, 2021	Period ended March 31, 2020
Principal amount due to a suppliers registered under the MSMED Act and remaining unpaid as at year end	1,601	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	14	-
Principal amounts paid to suppliers registered under the MSMED Act beyond the appointed day during the year	858	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	14	-
Futher interest remaining due and payable for earlier years	-	-

Note: The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

31 Events occuring after the reporting period

No significant event is to be reported between the closing date and that of the meeting of the Board of Directors.

32 A. Income tax expense and Reconciliation of tax expense and accounting profit multiplied by statutory tax rate:

Particulars	Year ended 31-Mar-21	Period ended 31-Mar-20
Income tax expense:		
Current tax	-	
Deferred tax:		
Decrease/(increase) in deferred tax assets	-3,300	-2149
Total	**-3,300**	**-2149**
Reconciliation:		
Profit/(Loss) before income tax expense	-13,095	-9025
Tax at the applicable tax rate of 25.17%	-3,296	-2,272
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		123
Impact of other reconciling items	-4	
Income tax expense	**-3,300**	**-2,149**

33 The Company has no Contingent liabilities as at March 31 2021

34 The Company was incorporated on 8th August 2019. Financials for the previous period are from 8th August 2019 to 31st March 2020.

For and on behalf of the Board of Directors

For **PKF Sridhar & Santhanam LLP**
Firm Registration Number: 003990S/S200018
Chartered Accountants

V. Balaji
Director
DIN:08533753

T.K Ravi
Director
DIN:08533754

T V Balasubramanian
Partner
Membership No: 027251

Place: Madurai
Date: 18.05.2021

Place: Chennai
Date: 18.05.2021