TVS SENSING SOLUTIONS PRIVATE LIMITED

(formerly ZF Electronics TVS (India) Pvt Ltd)

26th Annual Report

Registered Office:
"TVS BUILDING"
7B, West Veli Street
Madurai - 625 001
Tamil Nadu
India

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

Name of the Company	**TVS SENSING SOLUTIONS PRIVATE LIMITED** (formerly known as ZF Electronics TVS (India) Private Limited)
CIN	U30007TN1993PTC026291
Registered Office	TVS BUILDINGS 7B, West Veli Street Madurai 625 001 Tamil Nadu India.
Factory	Madurai Melur Road Vellaripatti Madurai 625 122 Tamil Nadu India.
Directors	Sri. R HARESH Sri. R NARESH Sri. A.S.VISWANATHAN Sri. PREM PRADEEP
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

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have pleasure in presenting the 26th Annual Report of the Company, together with the audited financial statements for the year ended 31st March, 2019.

1. Financial Performance / Highlights

The Company's financial performances for the year under review along with previous year's figures are given hereunder.

The particulars for the year ended 31st March, 2019 furnished below:

(Rupees in lakhs)

Particulars	2018-19	2017-18
Revenue from Business Operations	5675	4839
Other Income	137	68
Total Income	5812	4907
Materials Consumed	3345	2776
Employee Benefit Expenses	955	862
Other Expenses	1105	1157
Interest	149	166
Depreciation	190	192
Total Expenses	5744	5153
Profit / (Loss) before tax	68	(245)
Less : Tax Expenses / (Income)	(148)	(1)
Profit / (Loss) for the year	216	(244)
Other Comprehensive income for the year	(2)	3
Total Comprehensive income for the year	214	(242)
Earnings per share (Basic & Diluted) in Rs.	17.13	(24.44)

2. Dividend

The Board of Directors has not recommended any dividend for the year 2018-19.

3. 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.

4. 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:

a) Sales, Production and Profitability

b) The Revenue from Operations of the Company was Rs.5,675 lakhs as against the previous year's turnover of Rs.4,839 lakhs, which is an increase of about 17%.Your company has made Profit Before Tax of Rs.68 lakhs during the year and the Cash Profit for the year is Rs.257 lakhs.

c) Marketing and Market Environment:

The focus continues on automotive segment especially through custom switches, sensors, solenoids and electronics components carriers. The flow of new projects related to BS VI and safety regulations are steadily increasing for us to participate. The sale from the automotive segment continues to be around 50% and capacity enhancements for meeting the market demand is installed. During the current year it is decided to penetrate two wheeler market with speed sensors and custom switches arising out of safety regulations and BS VI. Also a market study is initiated to understand the opportunities and competition in the emerging applications from above requirements.

d) Future prospects including constraints affecting due to Government Policies:

The total revenue from operations projected for the period ended 31st March, 2020 as per annual budget is Rs.7,065 lakhs as against the previous year's sale of Rs.5,675 lakhs. This would be an overall growth of 25% year on year basis. Apart from the existing range, certain new projects which will lead to some sales this year itself have been included in the budget. The company continues to explore new technologies and opportunities in the sensing space. New projects with a potential of Rs.350 Million has been included in the above to the extent of Rs.1470 lakhs, while a new opportunities with a potential of Rs 1570 lakhs has been included to the extent of Rs.36 Million. The Company does not foresee any constraints in this business on account of Government Policies.

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

During the year, the Company has transferred the entire profits to Retained earnings under reserves & surplus.

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. Directors

Mr R Naresh, Director retire at this Annual General Meeting and being eligible offer himself for re-appointment. Mr Prem Pradeep has also been appointed as an Additional Director in the Board Meeting held on 5th December, 2018 and he will be eligible for re-appointment as a Director in the ensuing Annual General Meeting.

8. 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).

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

The information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished below:

A. Conservation of Energy:

i) Energy Conservation steps taken:

The energy requirement is only minimal as assembly operations are manual oriented. Efforts continue to optimize energy consumption through shift management

ii) Steps taken by the Company to utilize alternate source of Energy:

Alternate energy savings measures includes converting all fluorescent tube light lamps and fluorescent lamps to LED Lamps, installation of solar street lights and solar inverters, installation of LG Compressor in the plant and single phase compressor in the Tool room shop.

iii) Impact of the measures at i) & ii) above for reduction of energy consumption and consequent impact on the cost of production of goods.

iv) Capital investment on energy conservation equipment: Nil

B. Technology Absorption:

i) Efforts in Brief:

The Company had registered a huge inventory of RFQ's worth Rs.600 Million and it is confident of converting Rs.400 Million in 3 years.

The Company is also seeking new technology and business partners from specialized global players related to Automotive / Industrial Sensors, IOT and Electric Vehicle Sensing. This proposal is under active progress and the Company hopes to tide over in the coming years. Also all efforts are taken to enter new markets with current capabilities such as speed sensors for ABS application in two wheelers)

ii) Benefits derived as a result of the above efforts:

Technology Improvement
New Product Additions
Production & Sales improvement
Brand Image
Import Substitution

iii) Imported Technology Absorption during the last three years:

Nil

iv) Expenditure incurred on Research and Development:

Nil

C. Foreign Exchange Earnings and Outgo: Rs. lakhs

Particulars of Expenditure	2018-19	2017-18
Inflows: FOB Value of Exports	943	1022
Outflows: Import of Trading Goods, Raw Materials, Components and Consumables	1815	1903

10. 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 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.

11. Subsidiaries, Joint Ventures and Associate Companies

The Company does not have any Subsidiary or Joint Venture or Associate Companies.

12. 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 EGM held on 3rd December, 2018 and they shall hold office of the Statutory Auditors of the Company from the conclusion of the ensuing AGM and shall conduct audit for the period ended 31st March, 2019. They will be appointed as a Statutory Auditor of the Company in the ensuing Annual General Meeting.

13. The extract of the annual return as provided under sub-Section(3) of Section 92 in MGT-9

The extract of Annual Return as provided under Section 92(3) of the Companies Act, 2013 ('Act') in the prescribed form MGT-9 is annexed herewith as **Annexure1.**

14. Number of meetings of the Board

During the year, (7) meetings of the Board of Directors of the Company were convened and held on 21-05-2018, 04-06-2018, 24-06-2018,18-07-2018, 17-10-2018, 05-12-2018 and 05-03-2019respectively. The intervening gap between the meetings was within the period prescribed under the Act.

15. 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.

16. Composition Audit Committee and Remuneration & Nomination Committee

a. As per Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board) Rules, 2014, there was no requirement for the Company to have an Audit Committee.

b. Having regard to the limits specified in Companies Act, 2013, requirement of constituting Remuneration and Nomination Committee is not applicable to the Company.

17. 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.

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

All related party transactions that were entered into during the financial year were on an arm’s length basis and were in the ordinary course of business. There were no materially significant transactions with Related Parties during the financial year 2018-19 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. All related party transaction are placed before the Board for approval. None of the Directors have any pecuniary relationships or transactions vis-a-vis the Company.

19. 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. The Company presently has obtained adequate insurance like product Recall, Product liability and Loss of Profit Policy to cover the risks and damages of the business associated with the automotive industry.

20. 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.

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

During the year 2018-19, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status of the Company.

22. 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

23. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (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.

24. Shares

a) Buy Back of Securities

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

b) Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

c) Bonus Shares

No Bonus Shares were issued during the year under review.

d) Employee Stock Option Plan

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

e) Rights Issue Shares

The Company has issued Rights Issue of 5,82,524 numbers of Equity Shares to existing shareholder during the year under review, having a face value of Rs.10 each at a premium of Rs.93 per share.

25. 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.

26. 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

R Haresh
Chairman / Director
DIN: 00363096
Place: Madurai
Date:20.05.2019

ANNEXURE-1

FORM NO.MGT-9
EXTRACT OF ANNUAL RETURN
as on Financial Year Ended on 31-03-2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

i	CIN	U30007TN1993PTC026291
ii	Registration Date	01-12-1993
iii	Name of the Company	TVS Sensing Solutions Private Limited
iv	Category / Sub-category of the Company	Private Limited
V	Address of the Registered Office & Contact details	"TVS Building", 7B, West Veli Street, Madurai - 625 001, Tamil Nadu, Phone – 0452-2343801
vi	Whether listed company	No
vii	Name, Address & Contact details of the Registrar & Transfer Agent, if any	The Registrar of Companies, Chennai

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

Sl No.	Name & Description of Main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Switches	8536.5090	48%
2	Sensors	8536.5090	26%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

Sl No.	Name & Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	TVS Srichakra Investments Limited	U65100TN2010PLC074498	Holding	100%	--

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as % to total Equity):

Sl No.	Name & Address of the Company	CIN / GLN	No. of Equity Shares Held	% of Shares Held
1	TVS Srichakra Investments Limited	U65100TN2010PLC074498	15,82,524	100%

TVS Sensing Solutions Private Limited

CIN: U30007TN1993PTC026291

Registered Office:7B, West Veli Street, Madurai – 625 001

(i) CATEGORY-WISE SHAREHOLDING:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares		
A. PROMOTERS:										
1. INDIAN										
a) Individual/ HUF	-	-	-	-	-	-	-	-	-	-
b)Central Govt. of State Govt.	-	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	5,00,000	5,00,000	50%	-	15,82,524	15,82,524	100%	-	-
d) Bank / FI	-	-	-	-	-	-	-	-	-	-
e)Any Other	-								-	-
SUB TOTAL (A) (1)	-	5,00,000	5,00,000	50%	-	15,82,524	15,82,524	100%	-	-
2. FOREIGN										
a) NRI – Individual	-	-	-	-	-	-	-	-	-	-
b)Other Individual	-	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	5,00,000	5,00,000	50%	-	-	-	-	-	-
d) Bank / FI	-	-	-	-	-	-	-	-	-	-
e)Any Other	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	-	10,00,000	10,00,000	100%	-	15,82,524	15,82,524	100%	-	-
B. PUBLIC SHAREHOLDING:										
1. INSTITUTIONS										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b)Central Govt. of State Govt.	-	-	-	-	-	-	-	-	-	-
c) Bank / FI	-	-	-	-	-	-	-	-	-	-
d) Venture Capital Fund	-	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-	-
f) FIIS	-	-	-	-	-	-	-	-	-	-
g) Foreign Venture Cap. funds	-	-	-	-	-	-	-	-	-	-
h)Others (Specify)	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (B) (1)	-								-	-
2. NON-INSTITUTIONS										
a) Bodies Corporate	-	-	-	-	-	-	-	-	-	-
i) Indian & Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-	-
i) individual shareholders holding nominal Share Capital upto 1 Lakh	-	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	-	-	-	-	-	-	-	-	-	-
c) Others (Specify)										
SUB TOTAL (B) (2)	-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	-	10,00,000	10,00,000	100%	-	15,82,524	15,82,524	100%	-	-

(ii) SHAREHOLDING OF PROMOTERS:

Sl. No	Shareholders Name	Shareholding at the Beginning of the year			No. of Shares held at the End of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
	TVS Srichakra Investments Limited	5,00,000	50%	--	15,82,524	100%	--	50%
	ZF India Private Limited	5,00,000	50%	--	--	--	--	--
	Total	10,00,000	100%	--	15,82,524	100%	--	50%

(iii)CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE):

	There has been a change in the Promoters' shareholding during the year, with a promoter company becoming a 100% holding company.

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS, HOLDERS OF GDRs & ADRs):

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the Beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	--	--	--	--
	Date-wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	--	--	--	--
	At the end of the year (or on the date of separation, if separated during the year)	--	--	--	--

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No	Name of the Directors / KMP	Shareholding at the Beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	--	--	--	--
	Date-wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	--	--	--	--
	At the end of the year	--	--	--	--

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding / accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	157,941,000	--	--	157,941,000
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	311,000	--	--	311,000
Total (I + ii + iii)	158,252,000	--	--	158,252,000
Change in Indebtedness during the financial year				
Addition	--	--	--	--
Reduction	21,947,642	--	--	21,947,642
Net Change		--	--	--
Indebtedness at the end of the financial year				
i) Principal Amount	135,665,825	--	--	13,566,5825
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	638,533	--	--	638,533
Total (I + ii + iii)	136,304,358	--	--	136,304,358

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

Sl No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total Amount
1.	Gross Salary	--	--	--	--	--
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	--	--	--	--	--
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	--	--	--	--	--
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	--	--	--	--	--
2.	Stock Option	--	--	--	--	--
3.	Sweat Equity	--	--	--	--	--
4.	Commissioner	--	--	--	--	--
	- As % of Profit	--	--	--	--	--
	- Others, Specify	--	--	--	--	--
5.	Others, Please specify	--	--	--	--	--
	Total (A)	--	--	--	--	--
	Ceiling as per the Act	--	--	--	--	--

B. Remuneration to Other Directors:

Sl No.	Particulars of Remuneration	Name of Directors				Total Amount
	Independent Directors					
	a) Fee for attending Board Committee Meetings	--	--	--	--	--
	b) Commission	--	--	--	--	--
	c) Others, please specify	--	--	--	--	--
	Total (1)	--	--	--	--	--
	Other Non-Executive Directors					
	a) Fee for attending Board Committee Meetings	--	--	--	--	--
	Mr R Haresh					13,333
	Mr R Naresh					15,555
	Mr K V Suresh					4,444
	Mr A S Viswanathan					4,444
	Mr Prem Pradeep					4,444
	b) Commission	--	--	--	--	--
	c) Others, please specify	--	--	--	--	--
	Total (2)	--	--	--	--	42,220
	Total (B) = (1 + 2)	--	--	--	--	42,220
	Total Managerial Remuneration	--	--	--	--	42,220
	Overall Ceiling as per the Act	--	--	--	--	--

C. Remuneration to Key Managerial Personnel, other than MD / MANAGER / WTD:

Sl No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross Salary	--	--	--	--
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	--	--	--	--
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	--	--	--	--
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	--	--	--	--
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commissioner	--	--	--	--
	- As % of Profit	--	--	--	--
	- Others, Specify	--	--	--	--
5.	Others, Please specify	--	--	--	--
	Total	--	--	--	--

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made , if any (give Details)
A. COMPANY					
Penalty	--				--
Punishment	--		NIL		--
Compounding	--				--
B. DIRECTORS					
Penalty	--				--
Punishment	--		NIL		--
Compounding	--				--
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					

For and on behalf of the Board

R HARESH
Chairman
DIN : 00363096

Place : Madurai
Date : 20-05-2019

INDEPENDENT AUDITORS' REPORT

To the Members of TVS Sensing Solutions Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TVS Sensing Solutions Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of Profit and Loss, 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 (herein after referred to as " financial statements").

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 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 2019, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- 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.

Other Matters

The audited Standalone financial statements of the Company for the corresponding year ended 31 March 2018 prepared in accordance with Ind AS included in these standalone financial statements, have been audited by the predecessor auditors whose audit report dated 21st May 2018 expressed an unmodified opinion on those audited Standalone financial statements.

Our opinion is not modified in respect of this matter.

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 Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement 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 specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (g) 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 40 to the financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

3. As required by Section 197(16) of the Act, we report that the Company has not paid any remuneration to its directors other than sitting fees.

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

T.V.Balasubramanian
Partner
Membership No. 27251

Place of Signature: Madurai
Date: 20th May 2019

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 TVS Sensing Solutions Private Limited ("the Company") on the financial statements as of and for the year ended 31 March 2019.

(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 in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of the land and buildings which are freehold, are held in the name of the Company / erstwhile name of the company as at Balance Sheet date.

(ii) The inventory, except goods in transit and 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 and in respect of goods-in-transit, subsequent goods receipts have been verified or confirmations have been obtained from the parties. 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 clause 3(iii) of the Order is not applicable to the Company.

(iv) Based on our audit procedures & according to the information and explanation given to us, the Company has neither given any loan, guarantees or security nor made any investment during the year covered under section 185 and 186 of the Act. Therefore clause 3(iv) of the Order is not applicable to the Company.

(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) We have broadly reviewed the books of account maintained by the Company as specified under Section 148(1) of the Act, for maintenance of cost records in respect of the products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not, made a detailed examination of cost records with a view to determine whether they are accurate or complete.

(vii)

(a) According to the information and explanations given to us and the records of the Company examined by us, *except for few delays*, 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 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Income-tax, Sales Tax, Service tax, Goods and Services Tax(GST) and Duty of customs as at 31 March 2019, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Nature of statute	Nature of dues	Amount (Rs. Thousands)	Period to which amounts relates	Forum where dispute is pending
The Income Tax Act,1961	Fringe Benefit Tax	30	AY 2007-08	Deputy Commissioner of Income Tax, Madurai
The Income Tax Act,1961	Income Tax	73	AY 2012 - 13	Assistant Commissioner of Income Tax, Madurai
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	153 *	FY 2001-02 to 2005-06	Appellate Deputy Commissioner (CT), Madurai
Central Sales Tax Act, 1956	Central Sales Tax	86 *	FY 2001-02 to 2003-04	Appellate Deputy Commissioner (CT), Madurai

* Net of Rs.344 paid under protest

(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 remuneration to directors other than sitting fee. Hence requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act are 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 or private placement of shares or fully or partly paid convertible debentures of shares 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.

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

T.V.Balasubramanian
Partner
Membership No. 027251

Place of Signature: Madurai
Date: 20th May 2019

Annexure B

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

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

We have audited the internal financial controls over financial reporting of TVS Sensing Solutions Private Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting 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

Place of Signature: Madurai
Date: 20th May 2019

TVS SENSING SOLUTIONS PRIVATE LIMITED
(formerly known as ZF Electronics TVS (India) Private Limited)
Balance Sheet as at March 31, 2019
(Amount in INR Thousands, unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	153,201	147,485
Capital Work in Progress		1,336	-
Intangible assets	4	492	602
Financial assets			
(i) Other financial assets	5	1,621	1,340
Income tax assets (net)	6	354	243
Deferred tax assets (net)	17	19,695	3,625
Other non-current assets	7	4,636	2,303
Total non-current assets		**181,335**	**155,598**
Current assets			
Inventories	8	98,402	104,859
Financial assets			
(i) Trade receivables	9	134,718	104,034
(ii) Cash and cash equivalents	10	1,533	3,727
(iii) Loans	11	84	142
(iv) Other financial assets	12	1,890	1,132
Other current assets	13	20,831	26,055
Total current assets		**257,458**	**239,949**
Total assets		**438,793**	**395,547**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital			
Equity share capital	14	15,825	10,000
Other equity			
Reserves and surplus	15	164,450	88,914
Total equity		**180,275**	**98,914**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	16	-	68,744
Provisions	19	1,346	2,010
Government grants	18	1,203	1,574
Total non-current liabilities		**2,549**	**72,328**
Current liabilities			
Financial liabilities			
(i) Borrowings	20	75,664	77,197
(ii) Trade payables			
Total outstanding dues of micro and small enterprises	21	2,014	2,277
Total outstanding dues of creditors other than micro and small enterprises	21	72,395	101,993
(iii) Other financial liabilities	22	77,599	25,719
Provisions	23	6,950	5,342
Government grants	18	374	379
Current tax liabilities		1,166	
Other current liabilities	24	19,807	11,398
Total current liabilities		**255,969**	**224,305**
Total liabilities		**258,518**	**296,633**
Total equity and liabilities		**438,793**	**395,547**

The above Balance Sheet should be read in conjunction with the accompanying notes.

This is the Balance Sheet referred to in our report of even date.

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

For and on behalf of the Board of Directors

T. V. Balasubramaniam
Partner
Membership Number: 027251

R Haresh
Director

R Naresh
Director

Place: Madurai
Date: May 20, 2019

Place: Madurai
Date: May 20, 2019

TVS SENSING SOLUTIONS PRIVATE LIMITED
(formerly known as ZF Electronics TVS (India) Private Limited)
Statement of Profit and Loss for the year ended March 31, 2019
(Amount in INR Thousands, unless otherwise stated)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
INCOME			
Revenue from operations	25	567,505	483,942
Other income	26	13,663	6,789
Total income		**581,168**	**490,731**
EXPENSES			
Cost of materials consumed	27	315,521	249,710
Purchases of stock-in-trade		23,450	23,089
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(4,412)	4,869
Excise duty		-	9,379
Employee benefits expense	29	95,476	86,174
Finance costs	30	14,874	16,567
Depreciation and amortisation expense	31	18,954	19,181
Other expenses	32	110,549	106,309
Total expenses		**574,412**	**515,278**
Profit/(Loss) before tax		**6,756**	**(24,547)**
Income tax expense:	33		
Current tax		1,166	-
Deferred tax		(15,991)	(103)
Total tax expense		**(14,825)**	**(103)**
Profit/(Loss) for the year		**21,581**	**(24,444)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligation		(297)	397
Income tax relating to the above item	32	77	(103)
Other comprehensive income for the year, net of tax		**(220)**	**294**
Total comprehensive income for the year		**21,361**	**(24,150)**
Basic and Diluted earnings per share (in INR)	33	17.13	(24.44)

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

This is the Statement of Profit and Loss referred to in our report of even date.

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

For and on behalf of the Board of Directors

T. V. Balasubramaniam
Partner
Membership Number: 027251

R Haresh
Director

R Naresh
Director

Place: Madurai
Date: May 20, 2019

Date: May 20, 2019

TVS SENSING SOLUTIONS PRIVATE LIMITED
(formerly known as ZF Electronics TVS (India) Private Limited)
Statement of Cash Flows for the year ended March 31, 2019
(Amount in INR Thousands, unless otherwise stated)

		Notes	Year ended March 31, 2019	Year ended March 31, 2018
(A)	**Cash flows from operating activities**			
	Profit/(Loss) before tax		**6,756**	**(24,547)**
	Adjustments for:			
	Remeasurements of post-employment benefit obligation accounted in OCI		(297)	
	Depreciation and amortisation expense	30	18,954	19,181
	Interest expense	29	14,385	16,200
	Unrealised foreign currency exchange (gain)/loss (net)		(554)	3,779
	Advances written off	31	335	355
	Bad debts written off	31	-	42
	Allowance for doubtful debts	31	2,865	3,103
	Unwinding of discount on fair valuation of financial assets	25	-	(8)
	Gain on disposal of property, plant and equipment (net)	25	(145)	(6)
	Interest income	25	(156)	(140)
	Government grant recognised	25	(376)	(383)
	Allowance for doubful debts written back to the extent no longer required	25	(3,641)	(2,270)
	Liabilities/Provision written back to the extent no longer required	25	(6,882)	(2,900)
	Sub-total (1)		**31,244**	**12,406**
	Changes in operating assets and liabilities:			
	Increase/(decrease) in trade payables		(28,791)	50,303
	Increase/(decrease) in other financial liabilities		3,880	3,700
	Increase/(decrease) in other current liabilities		8,409	(2,266)
	Increase/(decrease) in provisions		7,825	4,300
	Increase/(Decrease) in government grants		-	134
	(Increase)/decrease in trade receivables		(30,424)	(16,929)
	(Increase)/decrease in inventories		6,457	(38,538)
	(Increase)/decrease in other financial assets and loans		(982)	(298)
	(Increase)/decrease in other current assets		4,889	(5,544)
	(Increase)/decrease in other non-current assets		(2,333)	(414)
	Sub-total (2)		**(31,070)**	**(5,552)**
	Cash generated from/(used in) operations (1) +(2) = (3)		**174**	**6,854**
	Income taxes paid (net of refunds) (4)	5	111	(166)
	Net cash generated from/(used in) operating activities (3)-(4)		**63**	**6,688**
(B)	**Cash flows from investing activities**			
	Interest received		156	140
	Proceeds from sale of property, plant and equipment		145	6
	Purchase of property, plant and equipment and intangible assets		(25,896)	(7,937)
	Net cash used in investing activities		**(25,595)**	**(7,791)**
(C)	**Cash flows from financing activities**			
	Proceeds from Issue of Equity Shares		60,000	-
	Proceeds from long-term borrowings		261	60,000
	Repayment of long-term borrowings		(21,005)	(27,222)
	Proceeds from/(repayment of) short-term borrowings (net)		(1,033)	(13,154)
	Interest paid		(14,885)	(16,412)
	Net cash generated from financing activities		**23,338**	**3,212**
	Net increase in cash and cash equivalents (A+B+C)		**(2,194)**	**2,109**
	Cash and cash equivalents as at the beginning of the year		3,727	1,617
	Cash and cash equivalents as at the end of the year		**1,533**	**3,727**
	Reconciliation of cash and cash equivalents as per the statement of cash flows			
	Cash and cash equivalents as per above comprise of the following:	10		
	Cash on hand		159	125
	Balances with banks		1,374	3,602
	Balances per statement of cash flows		**1,533**	**3,727**

Note:
a) Figures in bracket indicate cash outflow.
b) Refer Note 16 for Net Debt reconciliation

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

This is the Statement of Cash Flows referred to
in our report of even date.

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

For and on behalf of the Board of Directors

T. V. Balasubramaniam
Partner
Membership Number: 027251

R Haresh
Director

R Naresh
Director

Place: Madurai
Date: May 20, 2019

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Date: May 20, 2019

TVS SENSING SOLUTIONS PRIVATE LIMITED
(formerly known as ZF Electronics TVS (India) Private Limited)
Statement of Changes in Equity for the year ended March 31, 2019
(Amount in INR Thousands, unless otherwise stated)

(I) Equity share capital

	Amounts
Balance as at March 31, 2017	**10,000**
Changes in equity share capital during the year	-
Balance as at March 31, 2018	**10,000**
Changes in equity share capital during the year	5,825
Balance as at March 31, 2019	**15,825**

(II) Other equity

	Reserves and surplus			
	General reserve	Retained earnings	Securities Premium	Total other equity
Balance as at March 31, 2017	**24,599**	**88,465**	**-**	**113,064**
Profit/(Loss) for the year		(24,444)	-	**(24,444)**
Other comprehensive income	-	294	-	**294**
Balance as at March 31, 2018	**24,599**	**64,315**		**88,914**
Profit/(Loss) for the year	-	21,581		**21,581**
Other comprehensive income	-	(220)		**(220)**
Additions during the year			54,175	**54,175**
Balance as at March 31, 2019	**24,599**	**85,676**	**54,175**	**164,450**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

This is the Statement of Changes in Equity referred to
in our report of even date.

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

For and on behalf of the Board of Directors

T. V. Balasubramaniam
Partner
Membership Number: 027251

Place: Chennai
Date: May 20, 2019

R Haresh
Director

R Naresh
Director

Place: Madurai
Date: May 20, 2019

Notes to Standalone Financial Statements for the year ended March 31, 2019

1. Corporate Information

TVS Sensing Solutions Private Limited (formerly known as ZF Electronics TVS (India) Private Limited ('TVSSS' or 'the Company') is a deemed public limited company domiciled and incorporated in India having its registered office at TVS Building, 7-B West Veli Street, Madurai 625001. The Company is engaged in the business of trading, manufacturing and sale of electrical switches, sensors, computer peripheral devices, etc..

During the year, ZF India Private Limited, a shareholder has sold its share of investment in the Company to TVS Srichakra Investments Limited and accordingly the company has become a 100% subsidiary of TVS Srichakra Investments Limited with its ultimate holding company being TVS Srichakra Limited.

The name of the company was changed with effect from 5th July 2018 from its erstwhile name of ZF Electronics TVS (India) Private Limited.

The standalone financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 20, 2019.

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 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 an ongoing 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, 2019 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

i. Ind AS 115, which combines, enhances and replaces specific guidance on recognizing revenue with a single standard. It defines a new five-step model to recognize revenue from customer contracts,
ii. Amendment to Ind AS 40 providing the principle for transfer of asset to, or from, Investment Property,
iii. Amendment to Ind AS 21 requiring determination of exchange rate for translation of foreign currency where a pre-payment asset or a deferred income liability is recognized,
iv. Amendment to Ind AS 20 providing an alternative to the erstwhile presentation, whereby - Government grant related to assets can also be presented by deducting the grant from the carrying amount of the asset; and Non-monetary grant can be recognised at a nominal amount.

v. Amendment to Ind AS 12 requiring segregation of deductible temporary differences in accordance with tax laws and assessing them on that basis to recognize deferred tax asset. Further, consequential amendment has been made to state that deferred tax is not required to be recognised in respect of non-taxable government grant where the grant is deducted from carrying amount of asset.

vi. Amendment to Ind AS 16, whereby consequential amendment states that carrying amount of an item of PP&E may be reduced by government grants in accordance with Ind AS 20.

vii. Amendment to Ind AS 38, whereby consequential amendment states that intangible asset acquired free of charge or for a nominal amount, by way of government grant, may be recognised at fair value or a nominal amount.

viii. Amendment to Ind AS 28 permits the election of fair value or equity method of accounting for investments in associates and joint ventures by venture capital, mutual fund and other similar organizations, and,

ix. Amendment to Ind AS 112 provides the Applicability of disclosure requirements to interests classified as held for sale or as discontinued operation.

The company had changed its accounting policies following adoption of Ind AS 115. However, it did not have any significant impact on the financials as reported by the company. None of the other amendments had any effect on the company's financial statements.

d) Changes in Accounting Standards that may affect the Company after 31st March 2019

(i) New Accounting Standard on Lease

Ind AS 116 replaces existing standard Ind AS 17 "Leases". The standard is effective for annual periods beginning on or after April 1, 2019.

Ind AS 116 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low value items.

Lessor accounting remains similar to the current standard.

The Company is assessing the impact on its financial statements from adopting Ind AS 116 and plans to adopt the standard as at April 1, 2019.

(ii) Other Amendments

A number of other accounting standards have been modified on miscellaneous issues with effect from 1st April 2019. Such changes include clarification/guidance on:

(i) business combination accounting in case of obtaining control of a joint operation;
(ii) accounting in case of obtaining joint control of an operation wherein there was no joint control earlier;
(iii) income tax consequences in case of dividends;
(iv) accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities;
(v) accounting treatment for specific borrowings post capitalization of corresponding qualifying asset;
(vi) accounting for prepayment features with negative compensation in case of debt instruments;
(vii) accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans;
(viii) accounting for long-term interests in associates and joint ventures to which the equity method is not applied but that in substance form part of the net investment in the associate or joint venture (long-term interests).

None of these amendments are expected to have any material effect on the Company's financial statements.

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 presented in Indian Rupees has been rounded to the nearest Thousands except where otherwise indicated.

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

Assumptions and Key Sources of Estimation Uncertainty

i. Provisions for liabilities and charges

The value of provisions recognised 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. Employee Benefits - Defined Benefit Obligations (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

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, in the case of financial assets not recorded at FVTPL, transaction costs that are attributable to the acquisition of the financial asset. in the case of transaction costs of financial assets recorded at FVTPL 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 amortization 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.

Subsequent measurement

The financial liabilities are classified for subsequent measurement at amortized cost

The Company is classifying the following under amortized cost;

a) Borrowings from banks
b) Borrowings from others
c) Trade payables
d) 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 recorded 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.

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 or 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 Rs.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
Buildings	30 years
Furniture and Fixtures	5 – 10 years
Computers – excluding servers	3 years
Computers – servers	6 years
Vehicles	8 years

Estimated useful lives of the assets, based on technical evaluation done by the management's expert, where different from those specified by Schedule II to the Companies Act, 2013, have been considered 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 lease, the lease arrangement is classified either as finance or operating lease, based on the substance of the lease arrangement.

Assets taken on operating lease:

Assets taken on operating leases are not recognized in the Company's Balance Sheet. Payments made under operating leases are recognized in the statement of profit and loss on a straight-line basis over the lease term.

Deposits provided to lessors:

Any lease deposits paid by the company to the lessors are discounted to its fair value and the difference between the fair value and the deposit amount is recognized as pre-payments.

Subsequent to initial recognition, the security deposit is measured at amortized cost using the effective interest method with the carrying amount increased over the lease period up to the refundable amount. The amount of increase in the carrying amount of deposit is recognized as interest income. The lease prepayment is amortized on a straight-line basis over the lease term as lease rental expense.

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 recognised on their accrual and when no significant uncertainty on measurability or collectability exists.

Revenue from the sale of goods is recognised 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, excise duty 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.

Subsidies on export and other incentives

Government Subsidies and incentives, in the nature of MEIS are recognized when there is a reasonable assurance that the condition attaching to the incentive would be complied with and incentives will be recognized. Government grant received relating to assets are treated as Deferred Revenue and are recognized over the period in which the economic benefit is expected from such assets.

p) Employee benefits

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

i. Defined contribution plan (Provident fund)

In accordance with Indian law, eligible employees receive benefit from provident fund, which is a defined contribution plan. Both the employee and employer make monthly contributions to the plan, each equal to a specific percentage of employee’s basic salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company does not have any legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee service in the current and prior periods. Obligation for contributions to the plan is recognized as an employee benefit expense in the statement of profit and loss when incurred.

ii. Defined benefit plan (gratuity)

In accordance with applicable Indian laws, the Company provides for gratuity, which is a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee’s last drawn salary and the years of employment with the Company. The Company’s net obligation in respect of the gratuity plan is calculated by estimating the amount of future benefits that the employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service cost and the fair value of plan assets are deducted. The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Company’s obligations. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefit available in the form of any future refunds from the plan or reductions in the future contributions to the plan.

The Company recognizes all re-measurements of net defined benefit liability / asset directly in other comprehensive income and presented within retained earning under equity. The Company has an employees’ gratuity fund managed by the Life Insurance 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.

iii. 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 expense

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. Minimum Alternate Tax (MAT) is accounted as current tax when the Company is subjected to such provisions of the Income Tax Act. However, credit of such MAT paid is available when the Company is subjected to tax as per normal provisions in the future. Credit on account of MAT is recognized as an asset based on the management’s estimate of its recoverability in the future.

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. Differences relating to investments in subsidiaries and associates to the extent that it is probable that they will not reverse in the foreseeable future.

(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) 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 financial lease, the market rate of interest is determined by reference to similar lease agreements.

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 taking into account the different risks and returns, the organization structure and the internal reporting systems. The Company operates only in one segment namely 'trading, manufacturing and sale of electrical switches, sensors, computer peripheral devices, etc.'

(Amount in INR Thousands, unless otherwise stated)

3 Property, plant and equipment

Reconciliation of carrying amounts as at March 31, 2019

	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at March 31, 2018	Additions	Disposals	As at March 31, 2019	As at March 31, 2018	For the year	Disposals	As at March 31, 2019	As at March 31, 2019
Freehold land	7,653	-	-	7,653	-	-	-	-	7,653
Buildings	54,703	272	-	54,975	6,891	2,296		9,187	45,788
Plant and machinery	131,478	20,018		151,496	43,370	14,536		57,906	93,590
Furniture and fixtures	6,281	1,826		8,107	3,505	1,110		4,615	3,492
Computers	3,734	1,598		5,332	2,723	637		3,360	1,972
Vehicles	378	657	28	1,007	253	76	28	301	706
Total	**204,227**	**24,371**	**28**	**228,570**	**56,742**	**18,655**	**28**	**75,369**	**153,201**
Capital Work in Progress	**-**	**1,336**	**-**	**1,336**	**-**	**-**	**-**	**-**	**1,336**
	204,227	**25,707**	**28**	**229,906**	**56,742**	**18,655**	**28**	**75,369**	**154,537**

Reconciliation of carrying amounts as at March 31, 2018

	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at March 31, 2017	Additions	Disposals	As at March 31, 2018	As at March 31, 2017	For the year	Disposals	As at March 31, 2018	As at March 31, 2018
Freehold land	7,653	-	-	7,653	-	-	-	-	7,653
Buildings	54,703	-	-	54,703	4,596	2,295	-	6,891	47,812
Plant and machinery	126,654	4,824	-	131,478	28,940	14,430	-	43,370	88,107
Furniture and fixtures	6,090	191	-	6,281	2,347	1,158	-	3,505	2,776
Computers	3,081	702	49	3,734	1,967	805	49	2,723	1,011
Vehicles	378	-	-	378	175	78	-	253	125
Total	**198,559**	**5,717**	**49**	**204,227**	**38,025**	**18,766**	**49**	**56,742**	**147,485**

3.1 Refer to note 2(i) for information on significant accounting policies.
3.2 Refer to notes 16, 20 and 43 for information on property, plant and equipment pledged as security by the Company.
3.3 Refer to note 40 for Contractual commitments for the acquisition of PPE.
3.4 The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition i.e., 1st of April 2015 and hence the carrying amount (net block) as per previous GAAP on that date has been considered as gross block. Reffer below for the gorsss block value and the accumulated depreciation on 1st April 2015 under previous GAAP

Particulars	Gross Block as on 1st April 2015	Accumulated Depreciation as on 1st April 2015	Net block as on 1st April 2015
Freehold land	7,653	-	7,653
Buildings	71,223	16,520	54,703
Plant and machinery	149,941	46,718	103,223
Furniture and fixtures	19,470	13,731	5,739
Computers	9,086	7,687	1,399
Vehicles	1,867	1,489	378
Total	**259,240**	**86,145**	**173,095**

4 Intangible assets

Reconciliation of carrying amounts as at March 31, 2019

	Gross carrying amount				Accumulated amortisation				Net carrying amount
	As at March 31, 2018	**Additions**	**Disposals**	**As at March 31, 2019**	**As at March 31, 2018**	**For the year**	**Disposals**	**As at March 31, 2019**	**As at March 31, 2019**
Software	2,063	189	-	2,252	1,461	299	-	1,760	492
Total	**2,063**	**189**	**-**	**2,252**	**1,461**	**299**	**-**	**1,760**	**492**

Reconciliation of carrying amounts as at March 31, 2018

	Gross carrying amount				Accumulated amortisation				Net carrying amount
	As at March 31, 2017	**Additions**	**Disposals**	**As at March 31, 2018**	**As at March 31, 2017**	**For the year**	**Disposals**	**As at March 31, 2018**	**As at March 31, 2018**
Software	1,792	271	-	2,063	1,046	415	-	1,461	602
Total	**1,792**	**271**	**-**	**2,063**	**1,046**	**415**	**-**	**1,461**	**602**

4.1 Refer to note 2(j) for information on significant accounting policies.

4.2 The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition i.e., 1st of April 2015 and hence the carrying amount (net block) as per previous GAAP on that date has been considered as gross block. Reffer below for the gorsss block value and the accumulated depreciation on 1st April 2015 under previous GAAP

Particulars	Gross Block as on 1st April 2015	Accumulated Depreciation as on 1st April 2015	Net block as on 1st April 2015
Software	4,733	3,755	978
Total	**4,733**	**3,755**	**978**

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		As at March 31, 2019	As at March 31, 2018
5	**Other financial assets**		
	Non-current		
	Deposits with banks with maturity period more than 12 months (held as lien by bank against bank guarentee)	1,254	910
	Deposits with Government authorities	345	345
	Security deposits	22	85
	Total	**1,621**	**1,340**
6	**Income tax assets (net)**		
	Balance as at the beginning of the year	243	1,030
	Less: MAT regrouped along with Deferred Tax Asset		953
	Add: Taxes paid	111	166
	Balance as at the end of the year	**354**	**243**
7	**Other non-current assets**		
	Unsecured, considered good		
	Capital advances	3,420	970
	Advances other than capital advances:		
	Deposits with Government authorities	1,198	1,319
	Prepaid expenses	18	14
	Total	**4,636**	**2,303**
8	**Inventories**		
	Raw materials [Refer note (a) below]	69,752	80,590
	Work-in-progress	7,948	6,548
	Finished goods [Refer note (c) below]	16,445	13,269
	Traded goods [Refer note (b) below]	4,180	4,344
	Stores and spares	77	108
	Total	**98,402**	**104,859**
	Notes:		
a)	Raw materials includes in-transit	9,613	12,495
b)	Traded goods includes in-transit	1,694	581
c)	Inventory is net of provision for slow-moving and non-moving items	15,047	14,253
d)	Finished goods includes in-transit	2,421	4,798

Mode of Valuation : Inventories are valued at lower of cost (computed on a weighted average basis) and estimated Net Realisable Value after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. Finished Goods and Work-in-progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

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		As at March 31, 2019	As at March 31, 2018
9	**Trade receivables**		
	Secured and Considered good	-	-
	Unsecured and Considered good	134,718	104,034
	Receivable with Significant Increase in Credit Risk	-	-
	Receivable Credit Impaired	2,865	3,641
		137,583	**107,675**
	Less: Allowance for doubtful debts	2,865	3,641
	Total	**134,718**	**104,034**

Note 9.1 Age of Receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Within the Credit Period	105,153	85,157
1 -30 days past due	23,647	15,789
31-90 days past due	4,893	3,213
More than 90 days past due	3,890	3,516
	137,583	107,675
Less : Sales Return and Expected Credit Loss Adjustments	2,865	3,641
Total	**134,718**	**104,034**

Also, Refer Note 37 for expected credit loss provision

		As at March 31, 2019	As at March 31, 2018
10	**Cash and cash equivalents**		
	Balances with banks:		
	- in current accounts	1,374	3,602
	Cash on hand	159	125
	Total	**1,533**	**3,727**
11	**Loans**		
	*Unsecured, considered good**		
	Advances to employees	84	142
	Total	**84**	**142**
	* *There are no advances with significant increase in risk or credit impaired*		
12	**Other financial assets**		
	Current		
	Unsecured, considered good		
	Other receivables from group company		981
	Others	1,890	151
	Total	**1,890**	**1,132**
13	**Other current assets**		
	Unsecured, considered good		
	Balances with Government authorities	506	3,919
	Advances to suppliers	15,212	18,522
	Prepaid expenses	4,151	3,614
	Fund balance - Leave Encashment (Earned Leave)	962	-
	Unsecured, credit impaired		
	Advances to suppliers	626	291
	Less : Provision for doubtful advances	(626)	(291)
	Total	**20,831**	**26,055**

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	As at March 31, 2019	As at March 31, 2018
14 Equity share capital		
Authorised:		
2,000,000 (March 31, 2018 - 2,000,000) equity shares of Rs. 10 each	20,000	20,000
Issued:		
1,582,524 (March 31, 2018 - 1,000,000) equity shares of Rs. 10 each	15,825	10,000
Subscribed and paid-up:		
1,582,524 (March 31, 2018 - 1,000,000) equity shares of Rs. 10 each fully paid-up	**15,825**	**10,000**

(a) Reconciliation of number of equity shares

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	1,000,000	10,000	1,000,000	10,000
Shares issued during the year (Rights Issue)	582,524	5,825	-	-
Balance as at the end of the year	**1,582,524**	**15,825**	**1,000,000**	**10,000**

(b) Terms and rights attached for equity shares

The Company has only one class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	%	Number of shares	%
Equity shares held by:				
TVS Srichakra Investments Limited *	1,582,524	100%	500,000	50%
ZF India Private Limited		0%	500,000	50%
Total	**1,582,524**		**1,000,000**	

* Shares held by holding company with effect from 4th June 2018

(d) Rights Issue

On 18th July 2018, the company invited it's shareholders to subscribe to a rights issue of 5,82,524 equity shares at an issue price of INR 103 per share. The issue was fully subscribed.

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	As at March 31, 2019	As at March 31, 2018
15 Reserves and surplus		
General reserve	24,599	24,599
Retained earnings	85,676	64,315
Securities Premium	54,175	-
Total	**164,450**	**88,914**
General reserve		
Balance as at the beginning of the year	24,599	24,599
Additions during the year	-	-
Deductions/adjustments during the year	-	-
Balance as at the end of the year	**24,599**	**24,599**
Retained earnings		
Balance as at the beginning of the year	64,315	88,465
Profit/(Loss) for the year	21,581	(24,444)
Items of other comprehensive income recognised directly in retained earnings:		
Remeasurements of post-employment benefit obligation, net of tax	(220)	294
Balance as at the end of the year	**85,676**	**64,315**
Securities Premium		
Balance as at the beginning of the year	-	-
Additions during the year	54,175	-
Deductions/adjustments during the year	-	-
Balance as at the end of the year	**54,175**	**-**

Nature and purpose of reserves:

General reserve: Part of retained earnings credited as per the erstwhile Companies Act, 1956. This is available for distribution to shareholders.

Retained earnings: Company's cumulative earnings since its formation minus the dividends and any transfers effected to General Reserve.

Securities Premium : The amount received in excess of face value of the equity shares is recognised in securities premium reserve

	As at March 31, 2019	As at March 31, 2018
16 Borrowings		
Non-current		
Secured:		
Term loans from banks:		
Term loan-I (Refer note 16.1)	-	21,177
Term loan-II (Refer note 16.2)	60,021	59,760
Less: Current maturities of long-term borrowings (Refer note 22)	(60,000)	(12,000)
Less: Interest accrued but not due on term loans (Refer note 22)	(21)	(193)
Total	**-**	**68,744**

16.1 Term loan-I with sanctioned amount of INR 60,000 is repayable in 20 equal quarterly installments of INR 3,000 commencing from February 2015. Interest is charged by bank on a monthly basis at 10.8% p.a. on the outstanding balance. Loan is secured by a first charge on specific fixed assets acquired out of the term loan, pari passu first charge on mortgage of land and buildings and pari passu second charge on the current assets of the Company.This term loan is subsequently closed during the current financial year.

16.2 Term loan-II with sanctioned amount of INR 60,000 is repayable in June 2019. Interest is charged by bank on a monthly basis at 12.50% p.a. on the outstanding balance. Loan is primarily secured by a pari passu first charge on movable fixed assets of the Company.

16.3 Term Loan with sanctioned amount of INR 45,000 is repayable in 5 years including 12 months moratorium. Loan is primarily secured by factory land & building and plant and machinery of the company. The loan was sanctioned during the year but has not been utilised as on 31st March 2019.

16.4 Refer note 43 for the carrying amounts of assets pledged as security in respect of the above borrowings.

Net Debt Reconciliation

Particulars	Cash and Cash Equivalents	Current Borrowings	Non Current Borrowings	Total
Net Debt as at 1st April 2017	1,617	(88,977)	(48,181)	**(135,541)**
Cash Flows	2,110	11,662	(32,756)	**(18,984)**
Proceeds from availment	0	-	-	-
Repayments	0	-	-	-
Interest Expenses	0	7,658	8,542	**16,200**
Interest paid	0	(7,658)	(8,542)	**(16,200)**
Net Debt as at 1st April 2018	**3,727**	**(77,315)**	**(80,937)**	**(154,525)**
Cash Flows	(2,194)	1,033	-	**(1,161)**
Proceeds from availment	-	-	-	-
Repayments	-	-	20,916	**20,916**
Interest Expenses	-	5,674	8,711	**14,385**
Interest paid	-	(5,674)	(8,711)	**(14,385)**
Net Debt as at 31st March 2019	**1,533**	**(76,282)**	**(60,021)**	**(134,770)**

(Amount in INR Thousands, unless otherwise stated)

17 Deferred tax liabilities/(assets) (net)

The balance comprises temporary differences attributable to:

Particulars	March 31, 2017	Provided/(reversed) during the year	March 31, 2018	Provided/(reversed) during the year	March 31, 2019
Deferred tax liabilities					
Depreciation	11,547	(1,894)	9,653	38	9,691
Others	161	273	434	(184)	250
Total deferred tax liabilities (A)	**11,708**	**(1,621)**	**10,087**	**(146)**	**9,941**
Deferred tax assets					
Allowance for doubtful debts	(2,020)	1,074	(947)	201	(746)
Expenses allowable in tax on payment basis	(4,799)	127	(4,672)	1,617	(3,055)
Carry forward tax losses	(4,889)	420	(4,469)	(16,426)	(20,895)
Carry forward tax credits	(3,625)	-	(3,625)	(1,315)	(4,940)
Total deferred tax assets (B)	**(14,380)**	**1,621**	**(13,712)**	**(15,923)**	**(29,636)**
Deferred tax liabilities/(assets) (net)	**(3,625)**	**(0)**	**(3,625)**	**(16,069)**	**(19,695)**

Break-up of deferred tax charge:

- to statement of profit and loss		(103)		(15,992)	
- to other comprehensive income		103		(77)	
		(0)		(16,069)	

(Amount in INR Thousands, unless otherwise stated)

		As at March 31, 2019	As at March 31, 2018	
18	**Government grants**			
	Balance as at the beginning of the year	1,953	2,202	
	Add: Grants during the year	-	134	
	Less: Released to profit or loss	(376)	(383)	
	Balance as at the end of the year	**1,577**	**1,953**	
	Non-current portion	1,203	1,574	
	Current portion	374	379	
	Total	**1,577**	**1,953**	-

Government grants are related to duty benefit availed by the Company by investing in property, plant and equipment in the export oriented unit. There are no unfulfilled conditions or other contingencies attached to these grants.

		As at March 31, 2019	As at March 31, 2018
19	**Provisions**		
	Non-current		
	Provision for employee benefits:		
	Provision for gratuity (Refer note 29.1)	1,110	2,010
	Provision for compensated absences	236	-
	Total	**1,346**	**2,010**
20	**Borrowings**		
	Current		
	Secured:		
	From banks (Refer note below):		
	Working capital loans repayable on demand from banks	76,282	77,315
	Less: Interest accrued but not due (Refer note 21)	(618)	(118)
	Total	**75,664**	**77,197**

Note:
Working capital loans represents cash credit, bills discounted and packing credit facilities from banks which are secured by a hypothecation of inventories and receivables both present and future and by way of equitable mortgage by deposit of title deeds of the Company's immovable properties situated at Madurai.

Refer note 43 for the carrying amounts of assets pledged as security in respect of the above borrowings.

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	As at March 31, 2019	As at March 31, 2018
21 Trade payables		
Total outstanding dues of micro and small enterprises (Refer note 41)	2,014	2,277
Total outstanding dues of creditors other than micro and small enterprises	72,395	101,993
Total	**74,409**	**104,270**
22 Other financial liabilities		
Current maturities of long-term debt (Refer note 16)	60,000	12,000
Interest accrued but not due on loans (Refer notes 16 and 20)	639	311
Employee benefits payable	9,929	11,630
Creditors for capital goods	5,975	81
Others	1,056	1,697
Total	**77,599**	**25,719**
23 Provisions		
Current		
Provision for employee benefits:		
Provision for gratuity (Refer note 29.1)	1,473	566
Provision for compensated absences	25	296
Other provisions:		
Provision for sales tax (Refer note (a) below)	781	2,314
Provision for warranty (Refer note (b) below)	4,641	2,136
Provision for fringe benefit tax	30	30
Total	**6,950**	**5,342**
Notes:		
(a) Provision for sales tax		
Balance as at the beginning of the year	2,314	419
Additions	-	1,895
Total	2,314	2,314
Amounts used	(245)	-
Unused amounts reversed	1,778	-
Balance as at the end of the year	**781**	**2,314**
(b) Provision for warranty		
Balance as at the beginning of the year	2,136	-
Additions	2,505	2,136
Total	4,641	2,136
Amounts used	-	-
Balance as at the end of the year	**4,641**	**2,136**

Provision for sales tax represents the differential sales tax liability on account of non-collection of declaration forms.

Provision for warranty represents the estimated warranty claims in respect of products sold which are still under warranty at the end of reporting period.

	As at March 31, 2019	As at March 31, 2018
24 Other current liabilities		
Advances from customers	15,783	9,246
Statutory dues including provident fund and tax deducted at source	4,024	2,152
Total	**19,807**	**11,398**

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	Year ended March 31, 2019	Year ended March 31, 2018
25 Revenue from operations		
Sale of products:		
Finished goods (including excise duty)	504,821	437,081
Traded goods	33,421	37,018
Other operating revenue:		
Job work charges	1,665	2,205
MEIS Income	4,781	-
Tooling income	19,334	4,106
Scrap sales	3,483	3,532
Total	**567,505**	**483,942**
26 Other income		
Liabilities written back to the extent no longer required	801	2,900
Provision written back to the extent no longer required	6,081	-
Allowance for doubtful debts written back to the extent no longer required	3,641	2,270
Government grant income	376	383
Interest income	156	140
Unwinding of discount on fair valuation of financial assets	-	8
Gain on disposal of property, plant and equipment (net)	145	6
Miscellaneous income	2,463	1,082
Total	**13,663**	**6,789**

(Amount in INR Thousands, unless otherwise stated)

		Year ended March 31, 2019	Year ended March 31, 2018
27	**Cost of materials consumed**		
	Raw materials consumed		
	Raw materials inventory as at the beginning of the year	80,590	37,198
	Add: Purchases	304,683	293,102
	Less: Raw materials inventory as at the end of the year	69,752	80,590
	Total	**315,521**	**249,710**
28	**Changes in inventories of finished goods, stock-in-trade and work-in-progress**		
	Inventory as at the beginning of the year:		
	Work-in-progress	6,548	9,935
	Finished goods	13,269	14,275
	Stock-in-trade	4,344	4,820
	Total (A)	**24,161**	**29,030**
	Inventory as at the end of the year:		
	Work-in-progress	7,948	6,548
	Finished goods	16,445	13,269
	Stock-in-trade	4,180	4,344
	Total (B)	**28,573**	**24,161**
	(Increase)/decrease (A-B)	**(4,412)**	**4,869**

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		Year ended March 31, 2019	Year ended March 31, 2018
29	**Employee benefits expense**		
	Salaries, wages and bonus	82,148	72,469
	Contribution to provident and other funds (Refer note (a) below)	4,719	4,169
	Gratuity (Refer note 29.1)	1,217	1,032
	Staff welfare expenses	7,392	8,504
	Total	**95,476**	**86,174**
	Note (a): This comprises of contribution to the following:		
	- Provident fund	3,559	3,105
	- Superannuation fund	1,158	1,062
	- Labour welfare fund	2	2
		4,719	4,169

29.1 Disclosures as per Ind AS 19 - Employee benefits

Defined benefit plan - Gratuity

The Company operates a gratuity plan which is funded and being administered by the Life Insurance Corporation of India (LIC). Every employee is entitled to a benefit (lump sum payment) equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vests after 5 years of continuous service.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation and plan assets over the year are as follows:

Particulars - Gratuity	Year ended March 31, 2019	Year ended March 31, 2018
Present Value of Defined Benefits	10,237	9,236
Service cost	1,029	902
Interest cost	784	179
Actuarial (gain)/loss	264	369
Benefits Paid	(248)	(448)
Projected benefit obligation at the end of the year	12,066	10,237
Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	7,617	6,758
Interest income	639	530
Employer's contribution	1,509	814
Benefits paid	(248)	(448)
Actuarial gain/(loss)	(33)	(36)
Fair value of plan assets at the end of the year	9,483	7,617
Amount recognised in balance sheet		
Present value of projected benefit obligaiton at the end of the year	12,066	10,237
Fair value of plan assets at the end of year	9,483	7,617
Funded status amount of liability recognised in balance sheet	2,583	2,621
Expense Recognised in statement of Profit or Loss		
Service cost	1,029	902
Interest cost	784	179
Interest income	(639)	(530)
Net gratutity cost	1,174	551
Actual return on plan asset	606	494
Summary of actuarial assumptions		
Discount rate	7.75%	7.63%
Expected rate of plan assets	7.75%	0.01%
Salary escalation rate	7%	7%
Average future working life time	13.39	12.82

Discount rate - based on prevailing market yeilds of Indian governement securitires as at the balance sheet date for estimated term of obligations expected rate of return on plan assets - expectation of the average long term rate of return expected on investment of the funds during the estimated terms of the obligations salary escalation rate - estimates of future salary increases considered taken into account the inflation, seniority, promotion and other relevant factors contributions - the company expects to contribute Rs. 1508.51 thousands to its gratuity fund during the year ending Mar 31, 2020.

The expected cash flows for payment of gratuity over the next few years are as follows :

Particulars - Gratuity	Year ended March 31, 2019	Year ended March 31, 2018
1 year	493	566
2 to 5 years	2,998	2,645
6 to 10 years	7,224	6,984

Sensitivity analysis of significant actuarial assumption:

Particulars - Gratuity	31st March 2019	
	% Increase in DBO	Liability (in thousands)
Discount Rate + 100 basis points	-8.41%	11,052
Discount Rate - 100 basis points	9.70%	13,237
Salary growth rate + 100 basis points	9.04%	13,157
Salary growth rate - 100 basis points	-7.92%	11,111
Attrition Rate + 100 basis points	0.08%	12,076
Attrition Rate - 100 basis points	-0.06%	12,059
Mortality Rate	0.01%	12,067

Particulars - Gratuity	31st March 2018	
	% Increase in DBO	Liability (in thousands)
Discount Rate + 100 basis points	-8.05%	9,413
Discount Rate - 100 basis points	9.26%	11,186
Salary growth rate + 100 basis points	8.32%	11,089
Salary growth rate - 100 basis points	-7.31%	9,489
Attrition Rate + 100 basis points	0.14%	10,252
Attrition Rate - 100 basis points	-0.13%	10,224
Mortality Rate	0.02%	10,240

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Particulars - Leave Encashment - Earned Leave	Year ended March 31, 2019	Year ended March 31, 2018
Service cost	428	389
Interest cost	(62)	(41)
Actuarial (gain)/loss	524	355
Projected benefit obligation at the end of the year	2,238	2,198
Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	2,997	2,309
Interest income	232	195
Employer's contribution	6	500
Benefits paid	-	-
Actuarial gain/(loss)	(34)	(7)
Fair value of plan assets at the end of the year	3,201	2,997
Amount recognised in balance sheet		
Present value of projected benefit obligaiton at the end of the year	2,238	2,198
Fair value of plan assets at the end of year	3,201	2,997
Funded status amount of (liability) / asset recognised in balance sheet (Refer Note 13)	962	799

Particulars - Leave Encashment - Sick Leave	Year ended March 31, 2019	Year ended March 31, 2018
Present Value of defined Obligation at beginning	296	306
Service cost	60	68
Interest cost	23	23
Actuarial (gain)/loss	(118)	(101)
Projected benefit obligation at the end of the year	261	296

Risk exposure

Through its defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

i) An independent actuary (a Fellow member of the Institute of Actuaries of India) has carried out an actuarial valuation of the Scheme as at March 31, 2019, using the projected unit credit method. This plan is exposed to actuarial risk such as investment risk, salary risk and interest risk. Since the benefits are lump sum in nature, the plan is not subject to any longevity risk.

ii) Investment risk (Asset volatality):
The Scheme's present value of defined benefit obligation is calculated using a discount rate determined with reference to Government of India bond rate. If the return on the Scheme's assets underperform this rate, the accounting deficit will increase.

iii) Salary risk:
The Scheme's present value of defined benefit obligation is linked to the future salaries, therefore, increase in salary escalation rate will increase the Scheme's liability.

iv) Interest risk (Changes in bond yields):
A decrease in the bond rates will increase the Scheme's liability, although this will be partially offset by an increase in the value of the plans' bond holdings.

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			Year ended March 31, 2019		Year ended March 31, 2018
30	**Finance costs**				
	Interest on working capital loans		5,674		7,658
	Interest on term loans		8,710		8,542
	Others		490		367
	Total		**14,874**		**16,567**
31	**Depreciation and amortisation expense**				
	Depreciation of property, plant and equipment		18,655		18,766
	Amortisation of intangible assets		299		415
	Total		**18,954**		**19,181**
32	**Other expenses**				
	Consumption of stores and spares		2,056		1,660
	Tooling expenses		15,281		1,933
	Sub-contracting charges		8,870		9,592
	Power and fuel		9,646		8,642
	Rent (Refer note below)		1,679		1,834
	Contract labour charges		15,261		18,270
	Provision for warranty		2,505		2,136
	Factory expenses		10,297		4,719
	Repairs and maintenance:				
	Buildings		795		725
	Machinery		3,879		2,899
	Others		6,347		4,685
	Insurance		1,806		1,716
	Rates and taxes		2,088		5,069
	Travelling and conveyance expenses		6,777		6,622
	Payment to Auditors:				
	- As auditor				
	- Statutory audit fee		700		1,870
	- Tax audit fee		100		100
	- Reimbursement of expenses		-		69
	Legal and professional expenses		6,831		9,918
	Freight outwards		1,827		1,122
	Communication expenses		624		764
	Royalty		-		1,742
	Printing and stationery		899		773
	Sales commission		442		876
	Bank charges and commission		1,898		1,326
	Bad debts written off	-	-	3,774	
	Less: Allowance for doubtful debts utilised	-	-	3,732	42
	Allowance for doubtful debts		2,865		3,103
	Advances written off		335		355
	Provision for sales tax		781		1,895
	Directors' sitting fees		38		30
	Research and development expenses		524		466
	Net loss on foreign currency transactions and translation		650		6,731
	Miscellaneous expenses		4,748		4,625
	Total		**110,549**		**106,309**

Note:

Rent is towards cancellable leases for office premises/machinery. These lease arrangements range for a period between 11 months to 36 months and are renewable for further period on mutually agreeable terms.

TVS Sensing Solutions Private Limited
(formerly known as ZF Electronics TVS (India) Private Limited)
Notes forming part of the financial statements for the year ended March 31, 2019
(Amount in INR Thousands, unless otherwise stated)

		Year ended March 31, 2019	Year ended March 31, 2018
33	**Income tax expense**		
	(a) Income tax expense		
	Current tax	1,166	-
	Total current tax expense	**1,166**	**-**
	Deferred tax		
	Decrease/(increase) in deferred tax assets	(15,923)	1,621
	(Decrease)/increase in deferred tax liabilities	(145)	(1,621)
	Total deferred tax expense/(benefit)	**(16,068)**	**-**
	Income tax expense	**(14,902)**	**-**
	(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
	Profit/(Loss) before income tax expense	**6756**	**(24547)**
	Tax at the applicable tax rate of 26%	**1756**	**(6321)**
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
	Expenses not eligible for tax deduction	84	205
	Impact of change in Substantively enacted tax rate	(35)	0
	Tax Losses for which no Deferred Tax was recognised	0	5696
	Tax losses for earlier period to the extent on which deferred tax asset was (created)/reversed	(16426)	420
	Impact of other reconciling items	(281)	
	Income tax expense	**(14,902)**	**-**
	(c) Tax losses		
	Unused tax losses for which no deferred tax asset has been recognised Potential tax benefit at 26% (March 31, 2017 - 30.90%)	-	29,532

(Amount in INR Thousands, unless otherwise stated)

34 Earnings per share

	Year ended March 31, 2019	Year ended March 31, 2018
Profit/(Loss) attributable to equity holders of the Company (A)	21,581	(24,444)
Weighted average number of equity shares outstanding (B)	1,260,141	1,000,000
Face value per equity share (in INR)	10	10
Earnings per equity share (Basic) (in INR) (A / B)	17.13	(24.44)

There is no dilution to the Basic Earnings per equity share as there are no dilutive potential equity shares.

35 Segment information

The Company's chief decision maker (CODM), viz. the Board of Directors, examines the Company's performance both from a product and geographical perspective and has determined its business segment as 'trading, manufacturing and sale of electrical switches, sensors, computer peripheral devices, etc.'. Accordingly, the total segment revenue, total segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total capital expenditure during the year, total amount of charge of depreciation and amortisation during the year are all as reflected in the financial statements as at and for the year ended March 31, 2019.

Information about revenue from major products	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Finished goods:		
- Switches	227,896	220,719
- Sensors	141,333	112,333
- Others	135,592	104,029
	504,821	437,081
Traded goods:		
- Switches	29,094	25,662
- Computer peripheral devices	3,159	9,317
- Others	1,168	2,039
	33,421	37,018
Other operating revenue	29,263	9,843
	567,505	**483,942**

Information about revenue from major geographies

India	472,675	381,694
Germany	81,910	76,586
Others	12,920	25,662
	567,505	**483,942**

Information about non-current assets from major geographies
All the non-current assets are held within India.

Information about revenue from major customers
Two external customers contributed more than 10% of the total revenues of the Company. Their share of the revenues for the year ended March 31, 2019 are 15% (March 31, 2018 - 17%) and 14% (March 31, 2018 - 12%) respectively.

(Amount in INR Thousands, unless otherwise stated)

36 Fair value measurements

Financial instruments by category*

	Amortised cost	
	March 31, 2019	**March 31, 2018**
Financial assets		
Trade receivables	134,718	104,034
Cash and cash equivalents	1,533	3,727
Deposits with banks	1,254	910
Security deposits and other financial assets	2,257	581
Employee advances	84	142
Other receivables	1,890	981
Total financial assets	**141,737**	**110,375**
Financial liabilities		
Trade payables	74,409	104,270
Borrowings including term loans	136,303	158,252
Capital creditors	5,975	81
Other payables	10,985	13,327
Total financial liabilities	**227,672**	**275,930**

* 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)

37 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, the primary source of credit risk is that all of these are unsecured. Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment. The Company considers the probability of default upon initial recognition of trade receivables and whether there has been a significant increase in the credit risk on an on-going basis throughout each reporting period. As at the balance sheet date, based on the credit assessment, the historical trend of low default is expected to continue. The Company estimates the expected credit loss of trade receivables based on an allowance matrix underpinned by historical data of default rates and experience. The Company provides for expected credit loss for trade receivables under simplified approach based on the following:

As at March 31, 2019:

Particulars	**Less than 1 year**	**More than 1 Year**	**Total**
Gross carrying amount of trade receivables	135,395	2,188	137,583
Expected credit loss rate	0.5%	100.0%	
Expected credit loss (loss allowance provision)	677	2,188	2,865
Loss allowance based on specific identification		-	-
Carrying amount of trade receivables (net of impairment)	**134,718**	**-**	**134,718**

As at March 31, 2018:

Particulars	**Less than 1 year**	**More than 1 Year**	**Total**
Gross carrying amount of trade receivables	106,102	1,573	107,675
Expected credit loss rate	0.7%	100.0%	
Expected credit loss (loss allowance provision)	731	1,573	2,304
Loss allowance based on specific identification	1,337	-	1,337
Carrying amount of trade receivables (net of impairment)	**104,034**	**-**	**104,034**

Reconciliation of loss allowance provision - Trade receivables	
Loss allowance on March 31, 2017	**6,539**
Changes in loss allowance (net)	(2,898)
Loss allowance on March 31, 2018	**3,641**
Changes in loss allowance (net)	(776)
Loss allowance on March 31, 2019	**2,865**

(Amount in INR Thousands, unless otherwise stated)

37 Financial risk management (contd)

(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 and to close out market positions. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) 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 debt financing plans.

(i) Financing arrangements
The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	March 31, 2019	March 31, 2018
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	23,718	12,803
- Expiring beyond one year (bank loans)	45,000	-

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.

(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	Total
March 31, 2019					
Liabilities					
Borrowings	135,664	135,664	-	-	135,664
Trade payables	74,409	74,409	-	-	74,409
Other financial liabilities	17,599	17,599	-	-	17,599
Assets					
Trade receivables	134,718	134,718			134,718
Cash and Cash equivalents	1,533	1,533			1,533
Loans	84	84			84
Other Financial Assets	3,511	1,890	1,621		3,511
March 31, 2018					
Liabilities					
Borrowings	157,941	89,197	68,744		157,941
Trade payables	104,270	104,270			104,270
Other financial liabilities	13,719	13,719			13,719
Assets					
Trade receivables	104,034	104,034			104,034
Cash and Cash equivalents	3,727	3,727			3,727
Loans	142	142			142
Other Financial Assets	2,472	1,132	1,340		2,472

(C) Market risk

(i) Foreign currency risk
The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR).

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	March 31, 2019		
Particulars	**USD**	**Euro**	**GBP**
Financial assets			
Trade receivables	5,269	15,092	43
Other receivables	-	-	-
Exposure to foreign currency risk (assets)	**5,269**	**15,092**	**43**
Financial liabilities			
Trade payables	8,382	23,122	966
Borrowings	-		-
Exposure to foreign currency risk (liabilities)	**8,382**	**23,122**	**966**

(Amount in INR Thousands, unless otherwise stated)

37 Financial risk management (contd)

	March 31, 2018		
Particulars	**USD**	**Euro**	**GBP**
Financial assets			
Trade receivables	7,735	22,726	43
Other receivables	-		-
Exposure to foreign currency risk (assets)	**7,735**	**22,726**	**43**
Financial liabilities			
Trade payables	8,021	56,992	8
Borrowings	-	24,453	-
Exposure to foreign currency risk (liabilities)	**8,021**	**81,445**	**8**

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	Impact on profit after tax	
Particulars	**March 31, 2019**	**March 31, 2018**
USD sensitivity		
INR/USD increase by 5% * (March 31, 2019 - 5%) *	(115)	(14)
INR/USD decrease by 5% * (March 31, 2019 - 5%) *	115	14
Euro sensitivity		
INR/Euro increase by 5% * (March 31, 2019 - 5%)*	(297)	(2,936)
INR/Euro decrease by 5% * (March 31, 2019 - 5%) *	297	2,936
GBP sensitivity		
INR/GBP increase by 5% * (March 31, 2019 - 5%) *	(34)	2
INR/GBP decrease by5% * (March 31, 2019 - 5%) *	34	(2)

* Holding all other variables constant

(ii) Interest rate risk

The Company's main interest rate risk arises from borrowings with variable rates.

Interest rate risk exposure

As at the end of the reporting period, the Company has the following variable rate borrowings outstanding:

Particulars	**March 31, 2019**	**March 31, 2018**
Variable rate borrowings	136,303	157,941
Weighted average interest rate	12.00%	11.25%
% of total borrowings	100%	100%

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on profit after tax	
	March 31, 2019	**March 31, 2018**
Interest rate		
Increase by 5% *	(605)	(657)
Decrease by 5% *	605	657

* Holding all other variables constant

(Amount in INR Thousands, unless otherwise stated)

38 Capital management

(a) Risk management

The Company's objectives when managing capital are to

• safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

• maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with the others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents)

divided by

Total 'equity' (as shown in the balance sheet).

The Company's strategy is to maintain an optimal gearing ratio. The gearing ratios were as follows:

	March 31, 2019	March 31, 2018
Net debt	134,770	154,525
Total equity	180,275	98,914
Net debt to equity ratio	**75%**	**156%**

Loan covenants

Under the terms of the major borrowing facilities, the Company is required to comply with financial covenants in the nature of debt service coverage ratio, interest coverage ratio and maintain a postitive net worth. The Company has complied with these covenants throughout the reporting period.

(b) Dividends

Company has not declared any dividend during the financial years 2017-18 and 2018-19.

(Amount in INR Thousands, unless otherwise stated)

39 Related party disclosures
A List of related parties:

(a) Ultimate Holding Company — TVS Srichakra Limited (wef 04.06.2018)

(b) Holding Company — TVS Srichakra Investments Limited (wef 04.06.2018)

(c) Joint venture partners — TVS Srichakra Investments Limited (upto 03.06.2018)

ZF India Private Limited (upto 03.06.2018)

(b) Other related parties with whom transactions have taken place during the year

(i) Group entities of joint venture partners — ZF Friedrichshafen AG (upto 03.06.2018)

ZF Electronics Systems Pleasant Prairie LLC, USA (upto 03.06.2018)

ZF Electronics UK Limited (upto 03.06.2018)

ZF Electronics (Zhuhai) Company Limited (upto 03.06.2018)

(ii) Key management personnel (KMP) — Mr. R Haresh (Chairman/Director)
(iii) Relative of KMP — Mr. R Naresh (Director)
(iv) Entities in which KMP exercises significant influence — TV Sundaram Iyengar & Sons Private Limited
Sundaram Industries Private Limited

B Particulars of transactions:

	Year ended March 31, 2019									
Description	**TVS Srichakra Investments Limited**	**TVS Srichakra Limited**	**ZF Electronics Systems Pleasant Prairie LLC**	**ZF Friedrichshafen AG**	**ZF Electronics UK Limited**	**ZF Electronics (Zhuhai) Company Limited**	**TV Sundaram Iyengar & Sons Limited**	**Sundaram Industries Private Limited**	**KMP**	**Relative of KMP**
Purchase of goods	-	-	379	15,264	-	-	-	807	-	-
Purchase of fixed asset							657	-	-	-
Sale of goods	-	-	-	14,411	-	-	-	-	-	-
Job work charges income	-	-	-	-	-	-	-	332	-	-
Rent expense	1,008	-	-	-	-	-	-	-	-	-
Loan taken	10,000									
Loan repaid	(10,000)									
Interest repaid	47									
Sitting fees	-	-	-	-	-	-	-	-	12	14
Travelling and conveyance expenses	-	-	-	-	-	-	16	-	-	-
Shares issued during the year	60,000	-	-	-	-	-	-	-	-	-
Reimbursement of expenses	-	278	-	90	-	-	5	-	-	-

(Amount in INR Thousands, unless otherwise stated)

39 Related party disclosures (contd)

	Year ended March 31, 2018									
Description	**TVS Srichakra Investments Limited**	**TVS Srichakra Limited**	**ZF Electronics Systems Pleasant Prairie LLC**	**ZF Friedrichshafen AG**	**ZF Electronics UK Limited**	**ZF Electronics (Zhuhai) Company Limited**	**TV Sundaram Iyengar & Sons Limited**	**Sundaram Industries Private Limited**	**KMP**	**Relative of KMP**
Purchase of goods	-	-	5,333	92,739	-	108	-	611	-	-
Sale of goods	-	-	3,462	76,586	-	-	-	-	-	-
Job work charges income	-	114	-	-	-	-	-	814	-	-
Royalty expense	-	-	1,742	-	-	-	-	-	-	-
Rent expense	1,008	86	-	-	-	-	-	-	-	-
Sitting fees	-	-	-	-	-	-	-	-	8	6
Guarantees given by	60,000	-	-	-	-	-	-	-	-	-
Power and fuel	-	-	-	-	-	-	817	-	-	-
Travelling and conveyance expenses	-	-	-	-	-	-	364	10	-	-
Reimbursement of expenses	981	-	-	368	-	-	-	-	-	-
Repairs and maintenance - Machinery	-	-	36	-	-	-	-	-	-	-
Staff welfare	-	2,207	-	-	-	-	-	-	-	-
Allowance for doubtful debts	-	-	-	1,337	-	-	-	-	-	-
Allowance for doubtful debts written back to the extent no longer required	-	-	-	262	-	-	-	-	-	-
Bad debts written off (Allowance for doubtful debts created in the FY 2016-2017)	-	-	-	2,992	-	-	-	-	-	-

(Amount in INR Thousands, unless otherwise stated)

39 Related party disclosures (contd)

C Particulars of outstanding balances:

	As at March 31, 2019						
Description	**TVS Srichakra Investments Limited**	**TVS Srichakra Limited**	**ZF Electronics Systems Pleasant Prairie LLC**	**ZF Friedrichshafen AG**	**ZF Electronics UK Limited**	**TV Sundaram Iyengar & Sons Limited**	**Sundaram Industries Private Limited**
Trade receivables	-	-	-	-	-	-	66
Trade payables	91	-	-	-	-		209

	As at March 31, 2018						
Description	**TVS Srichakra Investments Limited**	**TVS Srichakra Limited**	**ZF Electronics Systems Pleasant Prairie LLC**	**ZF Friedrichshafen AG**	**ZF Electronics UK Limited**	**TV Sundaram Iyengar & Sons Limited**	**Sundaram Industries Private Limited**
Trade receivables	-	-	1,452	22,530	43	-	117
Other receivables	981	-	-	-	-	-	-
Trade payables	91	2,165	503	55,648	-	-	150
Guarantees given by	60,000	-	-	-	-	-	-
Allowance for doubtful debts	-	-	-	1,337	43	-	-

	As at March 31, 2019	**As at March 31, 2018**
40 a. Contingent liabilities		
Claims against the Company not acknowledged as debts:		
Income tax matters	73	93
Sales tax matters	583	583
Total	**656**	**676**
b. Capital commitments		
Estimated value of contracts in capital account remaining to be executed [Net of capital advances INR 3420 (March 31, 2018 - INR 970)]	20,603	3,899

(Amount in INR Thousands, unless otherwise stated)

41 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, 2019	Year ended March 31, 2018
Principal amount due to a suppliers registered under the MSMED Act and remaining unpaid as at year end	1,471	2,036
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	543	241
Principal amounts paid to suppliers registered under the MSMED Act beyond the appointed day during the year	15,573	18,253
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	302	42
Futher interest remaining due and payable for earlier years	241	199

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.

42 Transfer Pricing

The independent review for assessing compliance with Transfer Pricing Rules issued by the Central Board of Direct Taxes under the provisions of the Income Tax Act, 1961 for the year ended March 31, 2019 is yet to commence. However, on the basis of the self assessment of the operations during the year and an independent review carried out in the previous year, the management does not expect any significant deviation from the requirements of the aforesaid Transfer Pricing Rules.

43 Assets pledged as security

Particulars	March 31, 2019	March 31, 2018
Current		
Financial assets		
(i) Trade receivables	134,718	104,034
(ii) Cash and cash equivalents	1,533	3,727
(iii) Loans	84	142
(iv) Other financial assets	1,890	1,132
Non-financial assets		
(i) Inventories	98,402	104,859
(ii) Other current assets	20,831	26,055
Total current assets pledged as security	**257,458**	**239,949**
Non-current		
(i) Freehold land	7,653	7,653
(ii) Buildings	45,788	47,812
(iii) Plant and machinery	93,590	88,107
Total non-current assets pledged as security	**147,032**	**143,573**
Total assets pledged as security	**404,490**	**383,522**

44 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.

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

For and on behalf of the Board of Directors

T. V. Balasubramaniam
Partner
Membership Number: 027251

R Haresh
Director

R Naresh
Director

Place: Madurai
Date: May 20, 2019

Place: Madurai
Date: May 20, 2019