# TVS SRICHAKRA INVESTMENTS LIMITED

## SEVENTH ANNUAL REPORT 2016 - 17

**TVS SRICHAKRA INVESTMENTS LIMITED**
**CIN : U65100TN2010PLC074498**
**REGD.OFFICE : TVS BUILDING, 7-B WEST VELI STREET, MADURAI – 625 001**
**Website : www.tvstyres.com**
**PHONE NO. 452 – 2532116; FAX. 452 2532591**

## NOTICE TO SHAREHOLDERS

Notice is hereby given that the Seventh Annual General Meeting of the Company will be held at 1.00 p.m. on Wednesday, 23rd August, 2017, at TVS Building, 7-B West Veli Street, Madurai 625 001 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited financial statements of the Company for the year ended 31st March, 2017 and Report of the Directors and Auditors thereon.

2. To appoint a director in the place of Mr R Naresh ((DIN: 00273609), who is liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offer himself for re-appointment.

3. To appoint a director in place of Ms Shobhana Ramachandhran (DIN: 00273837), who is liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offer herself for re-appointment.

4. To re-appoint M/s. PKF Sridhar & Santhanam, (ICAI Registration No. 003990S / S200018) Chartered Accountants, Chennai, to hold office as Statutory Auditors of the Company and to authorize the Board of Directors of the Company to fix their remuneration.

   RESOLVED THAT pursuant to the provisions of Sections 139 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) M/s PKF Sridhar & Santhanam, Chartered Accountants, Chennai, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 12th AGM of the Company, to audit the books of account of the company for a period of five financial years commencing from 2017-2018 on such remuneration as may be mutually agreed upon between the Boards of Directors of the Company.

   RESOLVED FURTHER THAT the appointment of M/s. PKF Sridhar & Santhanam, Chartered Accountants, Chennai, (ICAI Registration Number - 003990S / S200018) for a period of 5 years shall be subject to ratification by Shareholders at every AGM of the Company.

By Order of the Board

Place : Madurai
Date : 15.5.2017

R NARESH
CHAIRMAN
(DIN: 00273609)

## <u>NOTES:</u>

1. **A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member.** The proxy form duly stamped and executed, should be deposited at the Registered Office of the company at least forty-eight hours before the time fixed for the commencement of the meeting.

   A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such a person shall not act as proxy for any other member.

   Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution / authority, as applicable.

   Corporate members, intending to send their authorized representative, are requested to send certified true copy of the Board resolution authorizing their representatives to attend and vote at the AGM.

## DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Seventh Annual Report of the Company along with the audited accounts for the year ended 31st March, 2017.

Pursuant to the notification dated 16th February, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("IND AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1st April, 2016. Financial statements for the year ended and as at 31st March, 2016 have been restated to conform to IND AS.

## FINANCIAL HIGHLIGHTS

**(Rs.in Cr)**

| **Particulars** | **Year ended 31.3.2017** | **Year ended 31.3.2016** |
|---|---|---|
| Revenue from operations (net of Duty) | 0.22 | 0.12 |
| Profit before Interest, Depreciation and tax | -0.07 | -0.13 |
| Interest | 5.22 | 0.71 |
| Depreciation | 0.36 | 0.35 |
| Profit/(Loss)before tax | -5.65 | -1.19 |
| Taxes | | |
| Profit/(Loss) After tax | -5.65 | -1.19 |

## OPERATING RESULTS

Your Company has recorded revenue of Rs.0.22 Cr during the year under review and has registered a loss of Rs.5.65 Cr before tax.

## FINANCE

Cash and cash equivalent as at the end of 31st March, 2017 was at Rs.6.78 Cr.

## EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as **"Annexure A".**

## PARTICULARS OF FRAUD OTHER THAN THOSE THAT ARE REPORTABLE TO THE CENTRAL GOVERNMENT REPORTED BY STATUTORY AUDITOR UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013

No fraud has been reported by the Statutory Auditor under section 143(12) of the Act.

## HIGHLIGHTS ON PERFORMANCE OF ASSOCIATE AND ITS CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY

ZF Electronics TVS India Pvt. Limited, an associate Company, recorded a total revenue of INR 46 crores (PY INR 44 crores). The Company incurred a net loss INR 4 crores (PY INR 1.1 crores), mainly due to increase in cost of raw materials. The Company, along with its Joint Venture partner, is identifying business development opportunities and aggressive cost reduction actions for turning around the Company and continuing its past track record of profitability.

## DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, the directors would like to state that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) 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 loss of the company for that period;

c) the directors had 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;

d) the directors had prepared the annual accounts on a going concern basis; and

e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The Company has not made any inter-corporate investments during the year.

## BUSINESS RISK MANAGEMENT

Key Business Risks are identified and monitored by the Company on a regular and continuous basis.

## MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments, which affect the financial position of the Company, occurred after the close of the financial year till the date of this report.

## STATUTORY AUDITOR

M/s PKF Sridhar & Santhanam (PKF), (Firm Registration No. 003990S/S200018) Chartered Accountants, Chennai Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting (AGM) and are eligible for re-appointment.

The Board of Directors recommend subject to the approval of the members at the ensuing AGM, the appointment of M/s PKF Sridhar & Santhanam, Chartered Accountants (Firm Regn. No.003990S/S200018), as Statutory Auditors of the Company for a period of 5 years from the conclusion of the ensuing Annual General Meeting till the conclusion of the 12th Annual General Meeting.

M/s PKF Sridhar & Santhanam have expressed their willingness to be appointed as Statutory Auditor and have confirmed their eligibility to the effect that their re-appointment, if made, would be within the limits prescribed under the Act and that they are not disqualified for re-appointment. The statutory auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Members may consider the re-appointment of M/s PKF Sridhar & Santhanam, Chartered Accountants, Chennai, as Statutory Auditors of the Company from the conclusion of Seventh Annual General Meeting (AGM) till the conclusion of the Twelfth AGM, subject to ratification by members at every AGM.

The Auditors' Report to the shareholder does not contain any qualification.

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules 2014 is annexed herewith as **"Annexure B".**

**INDUSTRIAL RELATIONS**

The Company ensures that healthy, cordial and peaceful industrial relations are maintained with the workers and employees at all levels.

**RELATED PARTY TRANSACTIONS**

All contracts / arrangements/ transactions entered by the Company with the related parties during the financial year were in the ordinary course of business and on an arm's length basis. The details of materially significant related party transaction in Form AOC – 2 are furnished as **"Annexure C'.** These transactions were entered to meet the operational requirements of the Company and are also at an arm's length basis and in the ordinary course of business.

**DIRECTORS**

**Directors liable to retire by rotation**

Mr. R Naresh ((DIN: 00273609) and Ms. Shobhana Ramachandhran (DIN: 00273837), retire by rotation at the ensuing AGM and being eligible offer themselves for re-appointment.

**BOARD MEETINGS**

Four Board Meetings were held during the financial year 2016-17 on 4.5.2016, 20.8.2016, 13.12.2016 and 10.2.2017. All the above Board meetings were attended by Mr. R Naresh and Ms. Shobhana Ramachandhran. Mr. R Haresh has attended 1 meeting and Mr. P Vijayaraghavan has attended 2 meetings.

## GENERAL

- During the year, your Company has not issued any shares with differential rights as to voting, dividend or otherwise nor issued sweat equity / stock options. The paid up equity capital as on 31st March, 2017 was Rs.2,05,00,000/-.

- The Company has in place adequate internal financial controls with reference to financial statements. During the year, the financial controls were reviewed and no reportable weakness in the operation was observed.

- The Company has not accepted any deposits from the public / members falling under section 73 of the Companies Act, 2013 read with the rules.

- The Company believes that women should be able to do their work in a safe and respectful environment which enhances productivity. During the year, no cases were reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013,

- No significant or material order was passed by the courts or regulators or tribunals impacting the going concern status and Company's operation in future.

## ACKNOWLEDGEMENT

The Directors thank the stakeholders for their support.

By Order of the Board

Place: Madurai
Date : 15.5.2017

R NARESH
CHAIRMAN
(DIN: 00273609)

## ANNEXUTRE “A” TO THE DIRECTORS’ REPORT

## EXTRACT OF ANNUAL RETURN
## AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### FORM NO. MGT-9

### I. REGISTRATION AND OTHER DETAILS

| | | |
|---|---|---|
| i) | CIN | U65100TN2010PLC074498 |
| ii) | Registration Date | 5th February, 2010 |
| iii) | Name of the Company | TVS SRICHAKRA INVESTMENTS LIMITED |
| iv) | Category / Sub-Category of the Company | Company limited by shares / Indian Non-Government Company |
| v) | Address of the Registered Office and contact details | TVS Building, 7-B West Veli Street, Madurai 625 001<br>Tel : 0452 – 3011061 |
| vi) | Whether Listed Company | No |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | NA |

### 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 and Description of main products / services | NIC Code of the Product / Service | % to total turnover of the Company |
|---|---|---|---|
| 1 | Leasing of Immovable Property | | 100% |

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl No | Name and address of the Company | CIN / GLN | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1. | TVS Srichakra Limited, TVS Building, 7-B, West Veli Street, Madurai 625001 | L25111TN1982PLC009414 | Holding Company | 100 | 2(46) |

## IV. SHAREHOLDING PATTERN (EQUITY Share Capital break up as percentage of Total Equity)

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 shares | Demat | Physical | Total | % of Total shares | |
| **A. PROMOTERS** | | | | | | | | | |
| (1) **Indian** | | | | | | | | | |
| a) Individual / HUF | - | - | - | - | - | - | - | - | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corporate | - | 2050000 | 2050000 | 100 | - | 2050000 | 2050000 | 100 | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any Other | - | - | - | - | - | - | - | - | - |
| **Sub-total (A)(1)** | - | 2050000 | 2050000 | 100 | - | 2050000 | 2050000 | 100 | - |
| **(2) Foreign** | | | | | | | | | |
| a) NRIs - Individuals | - | - | - | - | - | - | - | - | - |
| b) Other - Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corporate | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any Other | - | - | - | - | - | - | - | - | - |
| **Sub-total (A)(2)** | - | - | - | - | - | - | - | - | - |
| **Total Shareholding of Promoter (A) = (A)(1) + (A)(2)** | - | 2050000 | 2050000 | 100 | - | 2050000 | 2050000 | 100 | - |
| **B. PUBLIC SHAREHOLDING** | | | | | | | | | |
| **1) Institutions** | | | | | | | | | |
| a) Mutual Funds | | | | | | | | | |
| b) Banks / FI | | | | | | | | | |
| c) Central Govt | | | | | | | | | |
| d) State Govt(s) | | | | | | | | | |
| e) Venture Capital Funds | | | | | | | | | |
| f) Insurance Companies | | | | | | | | | |
| g) FIIs | | | | | | | | | |
| h) Foreign Venture Capital Funds | | | | | | | | | |
| i) Others (specify) | | | | | **NA** | | | | |
| **Sub-total (B)(1)** | - | - | - | - | - | - | - | - | - |

| 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 shares | Demat | Physical | Total | % of Total shares | |
| 2) a) | **Non-Institutions** Bodies Corporate | | | | | | | | | |
| i) | Indian | | | | | | | | | |
| ii) | Overseas | | | | | | | | | |
| b) | Individuals | | | | | | | | | |
| i) | Individual shareholders holding nominal share capital upto Rs.1 lakh | | | | | | | | | |
| ii) | Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | | | | | | | | | |
| c) | Others (specify) | | | | | **NA** | | | | |
| | **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** | - | 2050000 | 2050000 | 100 | - | 2050000 | 2050000 | 100 | - |

### ii) Shareholding of Promoters

| Sl. No | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of 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 | % change in shareholding during the year |
| 1 | TVS Srichakra Limited, TVS Building, 7-B, West Veli Street, Madurai 625001 | 2050000 | 100 | - | 2050000 | 100 | - | - |
| | **TOTAL** | 2050000 | 100 | - | 2050000 | 100 | - | - |

### iii) Change in Promoter's Shareholding (please specify, if there is no change)

| **Sl. No.** | **Particulars** | **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** |
| 1 | At the beginning of the year | **NO CHANGE** | | | |
| 2 | Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | | | | |
| 3 | at the end of the year | | | | |

**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 end 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 |
| 1 | At the beginning of the year | NOT APPLICABLE | | | |
| 2 | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | | | | |
| 3 | At the end of the year (or on the date of separation, if separated during the year) | | | | |

**v) Shareholding of Directors & KMP :**

| Sl. No | For each of the Directors & KMP | Shareholding at the end 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 |
| 1 | At the beginning of the year | NOT APPLICABLE | | | |
| 2 | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus /sweat equity etc) | | | | |
| 3 | At the end of the year | | | | |

**V INDEBTEDNESS**

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

**Rs. In Crores**

| | **Secured Loans excluding deposits** | **Unsecured Loans** | **Deposits** | **Total Indebtedness** |
|---|---|---|---|---|
| **Indebtness at the beginning of the financial year** | | | | |
| i) Principal Amount | - | 42.35 | - | 42.35 |
| ii) Interest due but not paid | - | 0.53 | - | 0.53 |
| iii) Interest accrued but not due | - | - | - | - |
| **Total (i+ii+iii)** | - | 42.88 | - | 42.88 |
| **Change in Indebtedness during the financial year** | | | | |
| Additions | - | 4.74 | - | 4.74 |
| Reduction | - | - | - | - |
| **Net Change** | - | 4.74 | - | 4.74 |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | - | 42.35 | - | 42.35 |
| ii) Interest due but not paid | - | 5.27 | - | 5.27 |
| iii) Interest accrued but not due | - | - | - | - |
| **Total (i+ii+iii)** | - | 47.62 | - | 47.62 |

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole time director and/or Manager:**

| **Sl.No** | **Particulars of Remuneration** | **Name of the MD/WTD/Manager** | | | **Total Amount** |
|---|---|---|---|---|---|
| 1 | **Gross salary** | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | **NOT APPLICABLE** | | | |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | | | | |
| | (c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | | | | |
| 2 | Stock option | | | | |
| 3 | Sweat Equity | | | | |
| 4 | Commission as %<br>- of profit<br>- 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** | NOT APPLICABLE | |
| | Fee for attending Board Committee Meetings | | |
| | Commission | | |
| | Others, pease specify | | |
| | Total (1) | | |
| | **Other Non Executive Directors** | | |
| | Fee for attending Board Committee Meetings | | |
| | Commission | | |
| | Others, pease specify | | |
| | Total (2) | | |
| | Total (B) = (1+2) | | |
| | Total Managerial Remuneration | | |
| | 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 | | | Total Amount |
|---|---|---|---|---|---|
| | | CEO | Company Secretary | CFO | |
| 1 | Gross Salary | NOT APPLICABLE | | | |
| 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 Income Tax Act 1961 | | | | |
| c) | Profits in lieu of salary under section 17(3) of Income Tax Act, 1961 | | | | |
| 2 | Stock Option | | | | |
| 3 | Sweat Equity | | | | |
| 4 | Commission | | | | |
| | - as % of profit | | | | |
| | - others, specify | | | | |
| 5 | Others, please specify | | | | |
| | Total | | | | |

**VII Penalties / Punishment / Compounding of Offences**

There were no penalties / punishment / compounding of offences for the year ended 31st March, 2017.

By Order of the Board

Place : Madurai
Date : 15.5.2017

R NARESH
CHAIRMAN
(DIN: 00273609)

**ANNEXUTRE "B" TO THE DIRECTORS' REPORT**

## A. CONSERVATION OF ENERGY:

| | | |
|---|---|---|
| i | Measures taken / impact on conservation | **NOT APPLICABLE** |
| ii | Alternate source of energy | |
| iii | Capital Investment on energy conservation equipment | |

## B. TECHNOLOGY ABSORPTION:

| | | |
|---|---|---|
| i | Efforts towards technology absorption | **NOT APPLICABLE** |
| ii | Benefits derived (product improvement, cost reduction, product development or import substitution) | |
| iii | Imported technology (imported during the last three years reckoned from the beginning of the financial year)-<br><br>(a) details of imported technology<br><br>(b) year of import<br><br>(c) whether the technology been fully absorbed<br><br>(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and<br><br>(e) expenditure incurred on Research and Development | |

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

**Rs.**

| | | |
|---|---|---|
| a) | Foreign Exchange earnings actual inflow | **NOT APPLICABLE** |
| b) | Foreign Exchange actual outflow | |

By Order of the Board

Place : Madurai
Date : 15.5.2017

R NARESH
CHAIRMAN
(DIN: 00273609)

**ANNEXURE "C" TO THE DIRECTORS' REPORT**
**FORM AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.**

1. Details of contracts or arrangements or transactions not at arm's length basis

(a) Name(s) of the related party and nature of relationship

(b) Nature of contracts / arrangements / transactions

(c) Duration of the contracts / arrangements / transactions

(d) Salient terms of the contracts or arrangements or transactions including the value, if any

(e) Justification for entering into such contracts or arrangements or transactions

(f) Date(s) of approval by the Board

(g) Amount paid as advances, if any

(h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188

THE ABOVE INFORMATION IS NOT APPLICABLE AS THE COMPANY HAS NOT ENTERED INTO ANY TRANSACTION WITH RELATED PARTIES "NOT AT ARMS LENGTH BASIS".

2. Details of material contracts or arrangement or transactions at arm's length basis

| A | B | C | D | E | F |
|---|---|---|---|---|---|
| Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements /transactions | Duration of the contracts / arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board, if any | Amount paid as advances, if any |
| ZF Electronics TVS (India) Pvt. Ltd | Leasing of property | April 2016-March 2017 | Leasing of property for Rs.11.08 lakhs was made during the FY 2016-17 | 8.6.2014 | NIL |

By Order of the Board

Place : Madurai
Date : 15.5.2017

R NARESH
CHAIRMAN
(DIN: 00273609)

## INDEPENDENT AUDITOR'S REPORT

To the members of TVS Srichakra Investments Limited

### Report on the IND AS Financial Statements

We have audited the accompanying IND AS financial statements of TVS Srichakra Investments Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit & Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes to Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the IND AS 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 IND AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these IND AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the IND AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the IND AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the IND AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IND AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IND AS 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 31st March, 2017, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Other Matter**

The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) on which we expressed an unmodified opinion dated 06-05-2016 and 16-05-2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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

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

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

iv. Based on information and explanations given to us, Company has made disclosures regarding specified bank notes as required to be provided by the Company.

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

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**PKF Sridhar & Santhanam LLP**
Chartered Accountants

T V Balasubramanian
Partner
Membership No.27251

Date: 16-05-2017
Place: Chennai.

91/92, VII Floor, Dr.Radhakrishnan Road, Mylapore, Chennai- 600004, India
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**PKF SRIDHAR & SANTHANAM has been converted into a limited liability partnership PKF SRIDHAR & SANTHANAM LLP FROM 21ST APRIL 2015.**
**REGISTRATION NO. WITH ICAI IS 003990S/S200018**

**Annexure A**

**Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date**

(i)

a. Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets, including investment properties
b. The Company has a regular program of verifying fixed assets, including investment properties, every year which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. All fixed assets, including investment properties, have been verified by the management during the year. As informed, there were no discrepancies identified by the management that required adjustment in the financial statement.
c. The title deeds of immovable properties are held in the name of the Company.

(ii) The Company does not have inventory and hence, clause (ii) is not applicable

(iii) According to information and explanation given to us, the Company has not granted any loans to parties covered under Section 189 register and hence clause (iii) is not applicable

(iv) According to information and explanation given to us, loans, investments, guarantees and security provided by the Company are in compliance with section 185 and section 186 of the Companies Act 2013, where applicable

(v) According to information and explanation given to us, the Company has not accepted any deposits and hence clause (v) is not applicable

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

(vii)

(a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including income-tax, service tax, cess and any other statutory dues applicable to it 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 income-tax, service tax, cess and any other statutory dues were in arrears, as at 31$^{st}$ March 2017 for a period of more than six months from the date they became payable.
(b) There are no dues relating to income tax / service tax, which have not been deposited on account of disputes with the related authorities

(viii) The Company has not defaulted in repayment of loans to debenture holders during the year.

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(ix) The Company has not raised moneys from the public and hence clause (ix) is not applicable

(x) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company by it officers or employees has been noticed or reported during the year ended 31st March 2017.

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

(xii) The Company is not a Nidhi Company and hence clause (xii) is not applicable

(xiii) According to information and explanations given to us and based upon the audit procedures performed, all the transactions with the related parties 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 accounting standards.

(xiv) During the year, the Company has not made a private placement of shares/debentures and hence clause (xiv) is not applicable.

(xv) The Company has not entered into any non-cash transactions with the directors or persons connected with him and hence clause (xv) is not applicable

(xvi) The Company is not required to be registered under Section 45 IA of the RBI Act and hence clause (xvi) is not applicable

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

T V Balasubramanian
Partner
Membership No.27251
Date: 16-05-2017
Place: Chennai.

**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 Srichakra Investments Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the IND AS 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. 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 Institute of Chartered Accountants of India. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls 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 March 31, 2017, 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.27251

Date: 16-05-2017
Place: Chennai.

**M/S. TVS SRICHAKRA INVESTMENTS LTD.,**
**Balance Sheet as at 31 st March, 2017**

**Rs in Lacs**

| | | Particulars | Note No. | As on March 31, 2017 | As on March 31, 2016 | As on April 1, 2015 |
|---|---|---|---|---|---|---|
| I. | **ASSETS** | | | | | |
| | **Non-current assets** | | | | | |
| 1 | (a) | Property, Plant & Equipment | | | | |
| | (b) | Investment Property | 3 | 2,556.94 | 2,460.57 | 2,250.72 |
| | (c) | Other Intangible Assets | 4 | 0.07 | 0.11 | 0.14 |
| | (d) | Financial Assets | | | | |
| | | Investments | 5 | 1,203.00 | 1,203.00 | 1,203.00 |
| | (e) | Deferred tax assets (net) | | | | |
| | (f) | Other non-current assets | 6 | 3.90 | 45.23 | 3.64 |
| 2 | **Current assets** | | | | | |
| | (a) | Financial Assets | | | | |
| | | Trade receivables | 7 | 12.67 | 2.59 | 0.86 |
| | | Cash and cash equivalents | 8 | 678.57 | 791.16 | 102.11 |
| | | **TOTAL** | | **4,455.16** | **4,502.66** | **3,560.47** |
| II. | **EQUITY AND LIABILITIES** | | | | | |
| | **Equity** | | | | | |
| | (a) | Equity Share capital | 9 | 205.00 | 205.00 | 205.00 |
| | (b) | Other Equity | 10 | -561.94 | 2.72 | -104.52 |
| | **Liabilities** | | | | | |
| 1 | **Non-current liabilities** | | | | | |
| | (a) Financial Liabilities | | | | | |
| | | Borrowings | | | | |
| | | Others | 11 | 4,235.92 | 4,235.92 | 3,459.06 |
| 2 | **Current liabilities** | | | | | |
| | (a) Financial Liabilities | | | | | |
| | | Others | 12 | 526.06 | 53.14 | 0.94 |
| | (b) Other current liabilities | | 13 | 50.12 | 5.87 | - |
| | | **TOTAL** | | **4,455.16** | **4,502.66** | **3,560.47** |

Summary of significant accounting policies **2**

The accompanying notes are an integral part of the financial statements.

**As per our report of even date**

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

**For and on behalf of the Board of Directors**

**T V Balasubramanian**
**Partner**
**Membership No.: 027251**

**(Director)** **(Director)**

Place: Chennai
Date: 16-05-2017

Place: Madurai
Date: 15-05-2017

**M/S. TVS SRICHAKRA INVESTMENTS LTD.,**
**Statement of Profit and loss for the year ended 31.03.2017**

**Rs in Lacs**

| | Particulars | Note No. | Year ended 31st March 2017 | Year ended 31st March 2016 |
|---|---|---|---|---|
| I. | Revenue from operations | 14 | 21.63 | 11.58 |
| II. | Other income | 15 | - | 0.30 |
| **III.** | **Total Revenue (I + II)** | | 21.63 | 11.87 |
| IV. | Expenses: | | | |
| | Finance costs | 16 | 522.47 | 70.97 |
| | Depreciation and amortization expense | 3 & 4 | 35.19 | 35.19 |
| | Other expenses | 17 | 28.64 | 24.83 |
| | Total expenses | | 586.29 | 130.99 |
| **V.** | **Profit before exceptional and extraordinary items and tax (III-IV)** | | -564.66 | -119.12 |
| VI. | Exceptional / Extraordinary items | | - | - |
| **VII.** | **Profit before tax (V - VI)** | | -564.66 | -119.12 |
| VIII | Tax expense: | | | |
| | (1) Current tax | | - | - |
| | (2) Deferred tax | | - | - |
| **IX** | **Profit (Loss) for the period from continuing operations (VI - VII)** | | -564.66 | -119.12 |
| X | Profit/(loss) from discontinued operations | | - | - |
| XI | Tax expense of discontinued operations | | - | - |
| **XII** | **Profit/(loss) from discontinued operations (after tax)** | | - | - |
| **XIII** | **Profit (Loss) for the period (IX + XII)** | | -564.66 | -119.12 |
| **XIV** | Other Comprehensive Income | | | |
| | A (i) Items that will not be reclassified to profit or loss | | - | - |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| | B (i) Items that will be reclassified to profit or loss | | - | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| **XV** | **Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit and Other Comprehensive Income for the period)** | | -564.66 | -119.12 |
| | Face value per share - Rs. | | 10.00 | 10.00 |
| | Earnings per equity share (for continuing operation): | | | |
| | (1) Basic | | -27.54 | -5.81 |
| | (2) Diluted | | -27.54 | -5.81 |
| | Earnings per equity share (for discontinued operation): | | | |
| | (1) Basic | | | - |
| | (2) Diluted | | | - |
| | Earnings per equity share(for discontinued & continuing operations) | 18 | | |
| | (1) Basic | | -27.54 | -5.81 |
| | (2) Diluted | | -27.54 | -5.81 |

Summary of significant accounting policies **2**

The accompanying notes are an integral part of the financial statements.
**As per our report of even date**

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

**For and on behalf of the Board of Directors**

**T V Balasubramanian**
**Partner**
**Membership No.: 027251**

**(Director)** **(Director)**

Place: Chennai
Date: 16-05-2017

Place: Madurai
Date: 15-05-2017

**M/S. TVS SRICHAKRA INVESTMENTS LTD.,**
**Statement of Cash Flows for the year ended 31 st March, 2017**

Rs in Lacs

| | Particulars | Note No. | Year ended 31st March 2017 | Year ended 31st March 2016 |
|---|---|---|---|---|
| A. | **CASH FLOW FROM OPERATING ACTIVITIES:** | | | |
| | Profit before tax | | (564.66) | (119.12) |
| | Adjustments for : | | | |
| | Depreciation | 3 & 4 | 35.19 | 35.19 |
| | Interest expense | 16 | 522.47 | 70.97 |
| | Dividend Received | | - | - |
| | OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | | (7.01) | (12.96) |
| | Adjustments for : | | | |
| | Trade Receivables | | (10.09) | (1.73) |
| | Loans and advances | | 41.32 | (41.59) |
| | Other current Liabilities | | 44.25 | 5.87 |
| | Cash Generated From Operations | | 68.47 | (50.41) |
| | Direct taxes paid | | | |
| | NET CASH FLOW FROM OPERATING ACTIVITIES (A) | | 68.47 | (50.41) |
| B. | **CASH FLOW FROM INVESTING ACTIVITIES :** | | | |
| | Purchase of Investment Properties | 3 & 4 | (131.52) | (245.00) |
| | Dividend received | | - | - |
| | NET CASH FLOW FROM INVESTING ACTIVITIES (B) | | (131.52) | (245.00) |
| C. | **CASH FLOW FROM FINANCING ACTIVITIES:** | | | |
| | Proceeds from issue of debentures | | | 999.94 |
| | Conversion of Loan into Equity | | | |
| | Repayment of short term borrowing | | | |
| | Interest paid | | (49.55) | (15.49) |
| | NET CASH FLOW FROM FINANCING ACTIVITIES: (C) | | (49.55) | 984.46 |
| | NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) | | (112.60) | 689.05 |
| | CASH AND CASH EQUIVALENTS - OPENING BALANCE | | 791.16 | 102.11 |
| | CASH AND CASH EQUIVALENTS - CLOSING BALANCE | | 678.57 | 791.16 |
| | NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS | | (112.60) | 689.06 |

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

**As per our report of even date**

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

**For and on behalf of the Board of Directors**

**T V Balasubramanian**
**Partner**
**Membership No.: 027251**

**(Director)** **(Director)**

Place: Chennai
Date: 16-05-2017

Place : Madurai
Date: 15-05-2017

**M/S. TVS SRICHAKRA INVESTMENTS LTD.,**
**Statement of Changes in Equity as at 31 st March, 2017**

**A. Equity Share Capital**

**Rs in Lacs**

| **Equity shares of Rs. 10/- each issued, subscribed and fully paid** | |
|---|---|
| | **Amount (Rs.)** |
| **At 1 April 2015** | 205.00 |
| Issued during the year | - |
| **At 31 March 2016** | 205.00 |
| Issue of share capital | - |
| **At 31 March 2017** | 205.00 |

**B. Other Equity**

**Rs in Lacs**

| **Particulars** | **Retained Earnings** | **Equity Instruments through OCI** | **Total** |
|---|---|---|---|
| **Balance as at April 1 2015** | **(104.52)** | **-** | **(104.52)** |
| | - | - | |
| Profit for the year ended March 31 2016 | (119.12) | - | |
| Issue of Optionally Convertible Debentures | - | 226.36 | 226.36 |
| Total Comprehensive Income for the year ended March 31 2016 | (119.12) | - | (119.12) |
| **Balance as at March 31, 2016** | **(223.64)** | **226.36** | **2.72** |
| Profit for the year ended March 31, 2017 | (564.66) | - | (564.66) |
| **Balance as at March 31, 2017** | **(788.30)** | **226.36** | **(561.94)** |

Summary of significant accounting policies **2**

The accompanying notes are an integral part of the financial statements.

**As per our report of even date**

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

**For and on behalf of the Board of Directors**

**T V Balasubramanian**
**Partner**
**Membership No.: 027251**

**(Director)** **(Director)**

Place: Chennai
Date:16-05-2017

Place: Madurai
Date: 15-05-2017

**Note 3 : Investment Property**

**(i) Carrying Amount of Investment Properties** **(Rs in Lacs)**

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| **Gross Carrying Amount** | | |
| Opening Gross Carrying Amount / Deemed Cost | | |
| - Freehold Land | 1,647.68 | 1,402.68 |
| - Buildings | 913.96 | 913.96 |
| | **2,561.64** | **2,316.64** |
| Additions | 131.52 | 245.00 |
| Disposals | - | - |
| Closing Gross Carrying Amount | **2,693.16** | **2,561.64** |
| **Accumulated Depreciation** | | |
| Opening Accumulated Depreciation | 101.07 | 65.92 |
| Depreciation Charge ( Buildings ) | 35.15 | 35.15 |
| Closing Accumulated Depreciation | **136.22** | **101.07** |
| **Net Carrrying Amount** | **2,556.94** | **2,460.57** |

**(ii) Amounts recognised in Profit or Loss for Investment properties**

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Rental Income | 21.63 | 11.58 |
| Direct operating expenses from properties that generated rental income | 12.81 | 8.68 |
| Direct operating expenses from properties that did not generate rental income | 13.78 | 14.24 |

**(iii) Disclosure on Contractual Obligations for investment property**

There are no contractual obligations for purchase, development, repairs and maintenance, enhancements etc., for these investment properties

**(iv) Leasing Arrangements of Investment properties**

Certain investment properties are Leased to tenants under long term opertaing leases with rentals payable on a (monthly / yearly) basis.

Minimum lease payments receivables under non cancellable opertaing leases of investment properties are as follows:

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Within one year | 21.63 | 11.58 |
| Later than one year but not later than 5 years | | |
| Later than 5 years | | |
| | **21.63** | **11.58** |

**(v) Fair Valuation of investment properties**

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Invetsment properties | 2,540.19 | 2,394.80 |

**(vi) Estimation of Fair value**

The company obtains independent valuations of its invetsment properties annually.
The best evidence of fair value is the current prices in an active market for similar properties.

The fair values of investment properties have been determined by Mr. Ram Dass,Chartered Engineer for Madurai and Kishore K ViKamsey, Chartered Engineers for mumbai property.

The main inputs used are the rented growth rates, expected vacancy rates, terminal yields and discounted rates based on comparable transaction and industry data.

All resulting fair value estimates for investment properties are included in level 3.

**M/S. TVS SRICHAKRA INVESTMENTS LTD.,**
**Notes to Ind AS Financial Statements for the year ended 31 March 2017**
**All amounts are in Rs. Lakhs (unless otherwise stated)**

## Note 4 : Other Intangible Assets

**(i) Carrying Amount of Other Intangible Assets**

| For the year ended 31 Mar 2017 | Computer Software |
|---|---|
| **Gross Carrying Amount** | |
| Opening Gross Carrying Amount / Deemed Cost | 0.18 |
| Additions | - |
| Disposals | - |
| Closing Gross Carrying Amount | **0.18** |
| **Accumulated Depreciation / Amortisation** | |
| Opening Accumulated Depreciation / Amortisation | 0.07 |
| Depreciation / Amortisation for the year | 0.04 |
| Closing Accumulated Depreciation / Amortisation | **0.11** |
| **Net Carrrying Amount** | **0.07** |

| For the year ended 31 Mar 2016 | Computer Software |
|---|---|
| **Gross Carrying Amount** | |
| Opening Gross Carrying Amount / Deemed Cost | 0.18 |
| Additions | - |
| Disposals | - |
| Closing Gross Carrying Amount | **0.18** |
| **Accumulated Depreciation** | |
| Opening Accumulated Depreciation / Amortisation | 0.03 |
| Depreciation / Amortisation for the year | 0.04 |
| Closing Accumulated Depreciation / Amortisation | **0.07** |
| **Net Carrrying Amount** | **0.11** |

The intangible asset represent "Tally" Accounting software which is being amortised over the period of 5 years.

**M/S. TVS SRICHAKRA INVESTMENTS LTD.,**
**Notes to Ind AS Financial Statements for the year ended 31 March 2017**
**All amounts are in Rs. Lakhs (unless otherwise stated)**

## Note 5 : Financial Assets - Investments - Non Current

| Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| Trade Investments (Unquoted, at cost)<br><br>In an Associate<br><br>500,000 equity shares (previous year:500,000 equity shares ) of Rs.10 each fully paid up in ZF Electronics TVS (India) Private Ltd | 1,203.00 | 1,203.00 | 1,203.00 |
| **Total** | **1,203.00** | **1,203.00** | **1,203.00** |

## M/S. TVS SRICHAKRA INVESTMENTS LTD.,
## Notes to Ind AS Financial Statements for the year ended 31 March 2017
## All amounts are in Rs. Lakhs (unless otherwise stated)

### Note 6 : Other Non Current Assets

| Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| Advance for Land | - | 40.43 | - |
| IT Refund Receivable | 3.90 | 4.80 | 3.64 |
| **Total** | **3.90** | **45.23** | **3.64** |

### Note 7 : Trade Receivables

(i) **Financial Assets - Trade Receivable - Current**

| Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| Trade receivables - Unsecured | | - | - |
| - Considered good | 12.67 | 2.59 | 0.86 |
| **Total** | **12.67** | **2.59** | **0.86** |

(ii) **Party wise break up of trade receivables**

| Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| TVS Srichakra Limited | 11.71 | 1.71 | |
| ZF Electronics TVS (India) Private Limited | 0.97 | 0.88 | 0.86 |
| **Total** | **12.67** | **2.59** | **0.86** |

The amount represents the lease rentals receivable from the related parties
All the amounts have been subsequently collected by the company

(iii) **Ageing of Receivables**

| Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| Within the credit period | 2.07 | 2.59 | 0.86 |
| 1-30 days past due | 2.89 | - | - |
| 31-90 days past due | 7.71 | - | - |
| More than 90 days past due | - | - | - |
| **Total** | **12.67** | **2.59** | **0.86** |

### Note 8 : Cash & Cash Equivalents

**Financial Assets - Cash and Cash equivalents - Current**

| Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| Balances with bank on Current Accounts | 678.42 | 791.04 | 98.50 |
| Cheques on hand | - | - | 3.61 |
| Cash on hand | 0.15 | 0.12 | - |
| Total | 678.57 | 791.16 | 102.11 |

**Note 9 : Equity Share Capital**

**Share capital**

| Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Authorised shares** | | | |
| 25,00,000 equity shares of Rs. 10 each | 250.00 | 250.00 | 250.00 |
| **Issued, subscribed and fully paid up shares** | - | - | - |
| 20,50,000 Equity Shares of Rs.10 each (Previous year 20,50,000) | 205.00 | 205.00 | 205.00 |
| **Total** | **205.00** | **205.00** | **205.00** |

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

| Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Shares outstanding at the beginning of the year** | 20.50 | 20.50 | 20.50 |
| Shares issued during the year | - | - | - |
| Shares bought back during the year | - | - | - |
| **Shares outstanding at the end of the period** | **20.50** | **20.50** | **20.50** |

**Terms/rights attached to equity shares**

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

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

| Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| Name of Shareholder | TVS Srichakra Limited- Holding company | TVS Srichakra Limited- Holding company | TVS Srichakra Limited- Holding company |
| Number of shares held | 20,50,000 | 20,50,000 | 20,50,000 |
| Percentage of shareholding | 100% | 100% | 100% |

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

Shares reserved for issue under options - NIL

**Note 10 : Other Equity**

**Other Equity**

| Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Owner's Contribution - Deemed Equity** | | | |
| **Opening balance** | **226.36** | **-** | |
| Fair valuation of equity option in convertible debentures issued to TVS Srichakra Ltd. | | **226.36** | - |
| Fair valuation of interest-free advance from TVS Srichakra Limited | | - | - |
| **Closing Balance** | **226.36** | **226.36** | **-** |
| | | | |
| Surplus/(Deficit) in the statement of profit and Loss | | | |
| Opening balance | -223.64 | -104.52 | |
| Add: Net profit/ (Net loss) for the current year | -564.66 | -119.12 | |
| | **-788.30** | **-223.64** | **-104.52** |
| | | | |
| Total Reserves and Surplus | **-561.94** | **2.72** | **-104.52** |

The company had received an interest free loan from TVS Srichakra Limited (related party) of Rs. 3,459.06 lacs
The loan was converted into 11% Optional Convertible Debentures of Rs.1,000 each
The company has issued 4,45,900 11% Optional Convertible Debentures @ Rs. 1,000 each (unsecured) in 2 tranches inluding the above.

11% optionally convertible debentures are redeemable at the end of 59 months from date of issue (first issue in February 2016 and second issue in March 2016). Each Optionally Convertible Debenture shall be redeemed at par on 15 days from the Maturity Date if conversion option is not exercised by the Debenture holders. The principal value of Debentures shall be converted into equity shares at a price of Rs.161.75 per share on the date of conversion. Interest due shall be cumulated to be paid if conversion option is not exercised upon maturity or be converted along with the principal amount in to Equity shares at maturity.

| Nature | Numbers in Lakhs | Per Face Value | Amount | Date of Issue |
|---|---|---|---|---|
| Preferential Issue | 3.46 | 1,000.00 | 3,459.00 | 08-02-2016 |
| Rights Issue | 1.00 | 1,000.00 | 1,000.00 | 16-03-2016 |

The debenture is Optional Convertible Debenture and hence as per Rule 18(7) of The Companies (Share Capital and Debentures) Rules, no debenture redemption reserve has been created.



The Debentures and loan from the related party have been fair valued

**M/S. TVS SRICHAKRA INVESTMENTS LTD.,**
**Notes to Ind AS Financial Statements for the year ended 31 March 2017**
**All amounts are in Rs. Lakhs (unless otherwise stated)**

**Note 11 : Borrowings**

**Financial Liabilities - Non-Current - Borrowings**

| Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| 11% Optional convertible debentures 4,45,900 @ Rs. 1,000 each (Unsecured) (Previous year: NIL) * - Held by related parties | 4,235.92 | 4,235.92 | - |
| Loan from related parties (Unsecured)** | - | - | 3,459.06 |
| **Total** | **4,235.92** | **4,235.92** | **3,459.06** |

| Particulars | Non-current portion | | | Current portion | | |
|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 Mar 2017 | 31 Mar 2016 | 1 Apr 2015 |
| Unsecured debentures | 4,235.92 | 4,235.92 | - | - | - | - |
| Unsecured loan from related parties | - | - | 3,459.06 | - | - | - |
| **Total** | **4,235.92** | **4,235.92** | **3,459.06** | **-** | **-** | **-** |

11% optionally convertible debentures are redeemable at the end of 59 months from date of issue (first issue in February 2016 and second issue in March 2016). Each Optionally Convertible Debenture shall be redeemed at par on 15 days from the Maturity Date if conversion option is not exercised by the Debenture holders. The principal value of Debentures shall be converted into equity shares at a price of Rs.161.75 per share on the date of conversion. Interest due shall be cumulated to be paid if conversion option is not exercised upon maturity or be converted along with the principal amount in to Equity shares at maturity.

**No interest and repayment terms specified

**Note 12 : Current Financial Liabilities**

**Financial Liabilities - Current**

| Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| Interest accrued but not due on debentures | 525.61 | 52.85 | - |
| Audit Fees Payable | 0.29 | 0.29 | 0.25 |
| Outstanding Expenses | 0.17 | - | 0.69 |
| | 526.06 | 53.14 | 0.94 |

**Note 13 : Other Current Liabilities**

**Other Current Liabilities**

| Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| Statutory liabilities | 50.12 | 5.87 | - |
| Total | **50.12** | **5.87** | **-** |

**M/S. TVS SRICHAKRA INVESTMENTS LTD.,**
**Notes to Ind AS Financial Statements for the year ended 31 March 2017**
**All amounts are in Rs. Lakhs (unless otherwise stated)**

### Note 14 : Revenue from Operations

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| Rent received | 21.63 | 11.58 |
| **Total** | **21.63** | **11.58** |

### Note 15 : Other Income

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| Other non-operating income<br>(net of expenses directly attributable to such income) | - | 0.30 |
| **Total** | **-** | **0.30** |

### Note 16 : Finance cost

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| Interest expense on Debentures / other advances<br>(including unwinding of EIR based interest cost) | 522.47 | 70.97 |
| **Total** | **522.47** | **70.97** |

### Note 17 : Other Expenses

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| Security, housekeeping and gardening services | 14.31 | 15.03 |
| Power & Fuel | 7.24 | 5.99 |
| Machinery Maintenance | 0.04 | 0.04 |
| Rates & taxes | 6.24 | 1.91 |
| Bank Charges | 0.03 | 0.01 |
| Advertisement | - | 0.14 |
| Travelling Expense | - | 0.00 |
| Consultancy | 0.37 | 1.40 |
| Miscellanous Expenses | 0.13 | - |
| Statutory Audit Fees | 0.29 | 0.32 |
| **Total** | **28.64** | **24.83** |

### Note 18 : Earnings per Share

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| Profit After Tax (A) - Rs. In Lakhs | (564.66) | (119.12) |
| Weighted Number of Equity Shares (B) | 20.50 | 20.50 |
| Earnings per Share (A/B) | (27.54) | (5.81) |
| Nominal Value of Equity Share | Rs.10 | Rs.10 |

**19. First time adoption of IND AS**

**(i) Reconciliation of equity from Previous GAAP to Ind AS**

| | | Note | As per Apr 1, 2015 | As per Mar 31, 2016 |
|---|---|---|---|---|
| **Equity as per previous GAAP** | | | 100.48 | (15.36) |
| **Ind AS adjustments** | | | | |
| Fair valuation of equity option in OCD | | 19 (a) | | 226.36 |
| | | | | |
| OCD interest acocunted on EIR basis | | 19 (b) | | (3.28) |
| | | | | |
| **Equity as per Ind AS** | | | 100.48 | 207.72 |
| | | | | |

**(ii) Reconciliation of net profit for the year ended March 31 2016**

| | | Note | | March 31, 2016 |
|---|---|---|---|---|
| **Net profit as per GAAP** | | | | (115.84) |
| | | | | |
| OCD interest acocunted on EIR basis | | 19 (b) | | (3.28) |
| | | | | |
| **Net profit after IND AS adjustments** | | | | (119.12) |
| | | | | |

**(iii) Reconciliation of material items of balance sheet as per IND AS with previous GAAP as at Apr 1 2015**

| **Assets** | Note | As per IND AS | As per previous GAAP | Increase/(decrease) |
|---|---|---|---|---|
| Property, plant and equipment | 19 (c) | - | 2,250.72 | (2,250.72) |
| | | | | |
| Investment Property | 19 (c) | 2,250.72 | - | 2,250.72 |
| | | | | |

**(iv) Reconciliation of material items of balance sheet as per IND AS with previous GAAP as at Mar 31, 2016**

| | Note | As per IND AS | As per previous GAAP | Increase/(decrease) |
|---|---|---|---|---|
| **Assets** | | | | |
| Property, plant and equipment | 19 (c) | - | 2,460.57 | (2,460.57) |
| Investment Property | 19 (c) | 2,460.57 | - | 2,460.57 |
| **Liabilities** | | | | |
| Borrowings | 19 (a) | 4,235.92 | 4,459.00 | (223.08) |

19 (a) The Optionally Convertible Debenture issued to the holding company has been evaluated and bifurcated into the equity component for the option to convert into equity and the debt component for the liabilty. This has resulted in some part of the debenture value being considered as equity

19 (b) The interest cost on the debt component of the Optionally convertible debenture is acocunted for on EIR basis. This resulted in the actual debit to the profit & loss being higher than the coupon rate applicable on the instrument.

19 (c) As the properties held by the company are in the nature of investment properties, these have been reclassified under Investment Properties from the erstwhile classification under Properties Plant and Equipments

**20. Segment reporting**

The company is into a single segment of investments in properties and companies which is based on the measure by which the company's operations are reviewed by the management. Accordingly, the company's results are reported under a single segment

**Information about major customers**

Company's revenue is received from only 2 customers, who are both related parties

**21. Related party and transactions**

a) Related parties

The related party where control/joint control/significant influence exists are subsidiaries, joint ventures and associates. Key managerial personnel are those persons having authority and responsibility in planning, directing and controlling the activities of the entity, directly or indirectly, including any director whether executive or otherwise. Key management personnel include the board of directors and other senior management executives. The other related parties are those with whom the company has had transaction during the years Mar 31, 2017 and 2016 as follows:

| **Related parties** | **Relationship** | **Country of incorporation** | **% of ownership interest** |
|---|---|---|---|
| TVS Srichakra Limited | Holding Company | India | 100% |
| ZF Electronics TVS (India) P Ltd | Joint venture | India | 50% |

**Directors**
R Haresh
R Naresh
Shobhana Ramachandhran
P Vijayaraghavan

b) Related party transaction and balance

Following is a summary of related party transactions for the year ending Mar 31, 2017 and the year ended Mar 31, 2016

(Rs.in lacs)

| | **Holding Company** | **Holding Company** | **Associate** | **Associate** |
|---|---|---|---|---|
| | **2016-17** | **2015-16** | **2016-17** | **2015-16** |
| Service rendered (net of service tax) | | 0.30 | | |
| Rental Incoem (net of servcie tax) | 11.55 | 1.50 | 10.08 | 10.08 |
| Advance received | | 166.00 | | |
| Advance Repaid | | 166.00 | | |
| Interest on the advance | | 8.95 | | |
| Issue of Optionally Convertible Debentures (including through conversion) | | 4,459.00 | | |
| Conversion of loan to OCD | | 3,459.06 | | |
| Interest accrued but not due (on EIR basis) | 522.47 | 62.02 | | |
| | | | | |
| **amount of outstanding balance** | | | | |
| Interest accrued and due (net of TDS) | 525.61 | 52.85 | | |
| Trade Receivable | 11.71 | 1.71 | 0.97 | 0.88 |
| | | | | |

**22. Financial instruments**

a. financial instruments by category

The carrying value and fair value of financial instruments by each category as at Mar 31, 2017 were as follows:

(Rs.in lacs)

| Particulars | Financial assets/liabilities at amortised cost | financial assets/liabilities at FVTPL | financial assets/liabilities at FVTOCI | total carrying value | total fair value |
|---|---|---|---|---|---|
| | | | | | |
| Asset | 1,894.24 | | | 1,894.24 | 1,894.24 |

| | | | | | |
|---|---|---|---|---|---|
| | | | | | |
| Liabilities | 4,761.98 | | | 4,761.98 | 4,761.98 |

The carrying value and fair value of financial instruments by each category as at Mar 31, 2016 were as follows:

| Particulars | Financial assets/liabilities at amortised cost | financial assets/liabilities at FVTPL | financial assets/liabilities at FVTOCI | total carrying value | total fair value |
|---|---|---|---|---|---|
| | | | | | |
| Asset | 1,996.75 | | | 1,996.75 | 1,996.75 |
| | | | | | |
| Liabilities | 4,289.06 | | | 4,289.06 | 4,289.06 |

b. Fair value measurement of the assets and liabilities measured on fair value on a recurring basis

| | As at Mar 31, 2017 | | | As at Mar 31, 2016 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Asset | | Nil | | | Nil | |
| | | | | | | |
| Liabilities | | Nil | | | Nil | |

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 aseets and liabilities

c. interest income/(expense), gain/(losses) recognised on financial assets and liabilites

| | As at Mar 31, 2017 | As at Mar 31, 2016 |
|---|---|---|
| (a) Financial assets at amortised cost | | |
| Interest income on bank deposits | | |
| interest income on other financial asset | | |
| Impairment on trade receivables | | |
| | | |
| (b) Financial asset at FVTPL | | |
| net gain/(losses) on fair valuation on derivative financial instruments | | |
| (c) Financial liabilities at amortised cost | | |
| Interest expenses on lease obligations | | |
| Interest expenses on borrowings from banks, others and overdrafts | 522.47 | 70.97 |

**23. Financial risk management**

The company has exposure to the following risks from its use of financial instruments

**23.1 Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of few customers, concentrated across automobile industries and same geographical area. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The company has credit exposure only with its group companies.

**23.2. Liquidity risk**

The Company manages liquidity risk by funds being borrowerd from the parent, being a 100% subsidiary.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

**(Rs.in lacs)**

| | Weighted average effective interest rate | Less 1 month | 1 month -1 year | 1 year – 3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| **As at March 31, 2017** | | | | | | |
| OCD from Holding Company | 11% | | | | 7,513.67 | 7,513.67 |
| Statutory Liabilities | | 50.12 | | | | 50.12 |
| **Total** | | 50.12 | | | 7,513.67 | 7,563.79 |
| **As at March 31, 2016** | | | | | | |
| OCD from Holding Company | | | | | 7,513.67 | 7,513.67 |
| Statutory Liabilities | | 5.87 | | | | 5.87 |
| **Total** | | **5.87** | | | **7,513.67** | 7,519.54 |

The following table details the Company's expected maturity for its non-derivative financial assets. The information included in the table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

**(Rs.in lacs)**

| | Weighted average effective interest rate | Upto 1 month | 1 month -1 year | 1 year – 3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| **As at March 31, 2017** | | | | | | |
| Cash and Cash Equivalents | | 678.57 | | | | 678.57 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Trade Receivables | | 12.67 | | | | 12.67 |
| Investment in Associate | | | | | 1,203.00 | 1,203.00 |
| **Total** | | 691.24 | - | - | 1,203.00 | 1,894.24 |
| **As at March 31, 2016** | | | | | | |
| Cash and Cash Equivalents | | 791.16 | | | | 791.16 |
| Trade Receivables | | 2.59 | | | | 2.59 |
| Investment in Associate | | | | | 1,203.00 | 1,203.00 |
| **Total** | | **793.75** | **-** | **-** | **1,203.00** | 1,996.75 |

The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

**23.3 .Market risk**

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are commodity price risk, foreign currency exchange risk and interest rate risk.

**Commodity Price Risk** - The primary commodity price risks that the Company is exposed to is change in real estate market prices that could adversely affect the value of the Company’s financial assets or expected future cash flows - rental income.

**Foreign currency risk management** - As the Company does not deal in foreign currency, it is not exposed to such risk.

**Interest rate risk management**

The Company is exposed to interest rate risk because of borrowal of funds at fixed interest rates. The Company's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidy risk management section of this note.

**Interest rate sensitivity analysis**

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2017 would decrease/increase by Rs.22 lacs (for the year ended March 31, 2016.decrease/increase by Rs.3 lacs)

**24. Capital Management**

The Company's capital comprises of equity share capital, retained earnings and other equity attributable to equity holders. The primary objective of company's capital management is to maximise shareholders value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions. The Company does so by raising more funds from the parent when there is deficit. The total capital as on March 31, 2017 is Rs.2,05,00,000 (Previous Year: Rs.2,05,00,000).

**Gearing Ratio**

The Company has borrowings of Rs.4,235.92 lacs (previous year: Rs.4235.92 lacs) as at the end of the reporting period. Accordingly, the Company has a negative gearing ratio as at March 31, 2017 and 20 as at March 31, 2016. Gearing ratio was 20 as at April, 1 2015.

**25. Legal preceedings/Contingent Liabilities/Contingent Assets**

Current Year - Nil; Previous Year - Nil

**26. Due to micro and small enterprises**

The company has not received any memorandum from any vendor claiming their status as micro, small and medium enterprises. Accordingly the amount paid/payable to these parties is considered to be nil

**27. Specified Bank Notes**

Transactions in specified bank notes between 8th November 2016 and 30th December 2016 was as under:

| | Specified Bank Notes | Other denominations | Total |
|---|---|---|---|
| Closing balance as at 8th November 2016 | NIL | NIL | NIL |
| Amount deposited into the Bank | NIL | NIL | NIL |
| Amount withdrawn from the Bank | NIL | NIL | NIL |
| Permitted receipts | NIL | NIL | NIL |
| Permitted payments | NIL | NIL | NIL |
| Closing Balance as at 30th December 2016 | NIL | NIL | NIL |

**28. Approval of financial statements**

The Standalone Financial Statements were approved for issue by the board of directors on May15th' 2017.

**M/S. TVS SRICHAKRA INVESTMENTS LTD.,**
**Notes to Ind AS Financial Statements for the year ended 31 March 2017**

**Note 1 Background**

The Company was incorporated on 5th February 2010 and is formed with intent to be a holding company for investments and properties. Accordingly, the company does not have any employees, inventories or fixed assets other than the properties.

**Note 2 Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statments. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a Application of new Indian Accounting Standard**

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements. There is no other Indian Accounting Standard that has been issued as of that date but was not mandatorily effective.

Recent accounting pronouncements - Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company does not expect this amendment to have significant impact on its financial statements.

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

As there is no employees' stock option (ESOP) scheme at present, the Company does not expect this amendment to have any impact on its financial statements.

**b Basis of preparation of financial statements**

The Ministry of Corporate Affairs ('the MCA'), Government of India in exercise of the powers conferred by Section 133 read with Section 469 of the Companies Act, 2013 (The 'Act') and subsection 1 of section 210A of the Companies Act 1956 (The Erstwhile Act) in consultation with National Advisory Committee on Accounting Standards vide G.S.R. 111(E) dated 15th February, 2015 notified rules called Companies (Indian Accounting Standard) Rules 2015 effective April 1, 2015. The MCA wide notification GSR 111(E) dated March 30, 2016 issued certain amendments to IND AS vide Companies (Indian Accounting Standards) Amendment Rules 2016. The MCA wide notification GSR 404(E) dated April 6, 2016 introduced amendments to Schedule III of the Act, requiring companies to prepare the financial statements in compliance with Companies (Indian accounting standards) Rules 2015

M/s. T V Sundram Iyengar & Sons Private Limited is required to prepare Consolidated Financial Statements ynder Ind AS from the financial year 2016-17. Considering that this company is a consolidating entity of M/s. T V Sundram Iyengar & Sons Private Limited, the board vide reaolution dated 4th May'2016 resolved to adopt Ind AS in the preparation of its financial statements for the financial year ended 31st March 2017.

The comparative figures in the balance sheet as at March 31, 2016 and April 1, 2015 and Statement of Profit and loss and Cash Flow Statement for the year ended March 31, 2016 have been restated accordingly.

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 Cash Flow Statement and Assets and Liabilities that have been measured on fair value basis. GAAP comprises of Indian Accounting Standards as specified in section 133 of the Act read together with Rule 4 of Companies (Indian Accounting Standard) Amendment Rules 2016 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 on-going basis.

All assets and liabilities have been classified as current or noncurrent as per the company's normal operating cycle and other criteria set out in note 2v. Based on the nature of its business and the time between the acquisition of assets for processing and their realisation 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.

c **Statement of Compliance**

The Financial Statements comprising Balance Sheet, Statement of Profit and Loss, Statement of Change in Equity, Cash Flow Statements together with notes for the year ended March 31, 2017 have been prepared in accordance with IND AS as notified above duly approved by the Board of Directors at its meeting held on 15th May'2017

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 2f for the details of first-time adoption exemptions availed by the Company.

d **Basis of Measurement**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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 Lakhs except where otherwise indicated.

f **First - time adoption of IND AS - Mandatory Exceptions and Optional Exemptions**

(i) Overall principle:

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

**(ii) Exceptions to retrospective application of other IND AS**

i. ***Estimates***

An entity's estimates in accordance with IND AS at the date of transition to IND AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any differences in Accounting policies), unless there is an objective evidence that those estimates were in error. The Company has not made any changes to estimates made in accordance with Previous GAAP.

ii. ***IND AS 109 – financial instruments (Derecognition of previously recognised financial assets/liabilities)***

An entity shall apply the Derecognition Requirements in IND AS 109 prospectively for transactions occurring on or after the date of transition to IND AS. The Company has applied the Derecognition requirements prospectively.

iii. ***IND AS 109 – financial instruments (hedge accounting)***

The Company did not have any derivative as on transition date. The Company did not have any hedging instrument as on transition date.

*iv.* ***IND AS 109 (financial instruments classification and measurement of financial asset)***

Classification and measurement of financial assets shall be made on the basis of the facts and circumstances that exist at the date of transition to IND AS. The Company has evaluated the facts and circumstances existing on the date of transition to IND AS for the purpose of classification and measurement of financial asset and accordingly has classified and measured financial assets on the date of transition.

v. ***IND AS 109 financial instruments (impairment of financial assets)***

Impairment requirements under IND AS 109 should be applied retrospectively based on the reasonable and supportable information that is available on transition date without undue cost or effort. The Company has applied impairment requirements retrospectively.

vi. ***INDAS 109 – Embedded derivatives***

IND AS 109 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of conditions that existed at the later of the date of it first became party to the contract and the date a reassessment is required. The Company did not have any embedded derivative on the transition date.

vii. ***Financial instruments – government loans***

The Company did not avail any Government loan as on the date of transition.

(iii) Exemptions from retrospective application of IND AS

i. ***IND AS 103 Business combination***

An entity may elect not to apply IND AS 103 retrospectively to all business combinations that occurred before the date of transition to IND AS. The Company has elected not to apply IND AS 103 to business combinations that occurred before the date of transition to IND AS.

ii. ***IND AS 102 share based payment***

An entity *may elect to apply IND AS 102 to equity instruments that vested before the date of transition to IND AS. The Company does not have any such share based payment on the transistion date.*

iii. IND AS 104 Insurance contracts:

An entity shall apply IND AS 104 for annual periods beginning on or after the date of transition to IND AS. If an entity applies IND AS 104 for an earlier period, it shall disclose the fact. IND AS 104 is not applicable to the Company.

iv. ***IND AS 16 Property, Plant and equipment/IND AS 38 intangible asset/ IND AS 40 investment property:***

An entity may elect to measure an item of property, plant and equipment, intangible asset and investment property at the date of transition to IND AS at its fair value and use that fair value as deemed cost at that date or may measure the items of PPE/intangible/investment property by applying IND AS retrospectively or use the carrying amount under Previous GAAP on the date of transition as deemed cost. The Company has elected to continue with the carrying amount for all of its PPE, intangible asset and investment property measured as per Previous GAAP and use that as its deemed cost as at the date of transition.

Decommissioning liabilities included in the cost of PPE Appendix A to IND AS 16 requires specified Changes in Existing, Decommissioning, restoration or similar liability to be added to or deducted from the cost of the asset to which it relates. The adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. A first time adopter need not comply with these requirements for changes in such Liabilities that occurred before the date of transition to IND AS. The Company does not have any decommisiioning liability as on transition date.

v. ***IND AS 17 leases***

An entity shall determine based on facts and circumstances existing at the date of transition to IND AS whether an arrangement contains a Lease and when a lease includes both land and building elements, an entity shall assess the Classification of each element as finance or operating lease. The Company has used this exemption and assessed all arrangements based on conditions existing as at the date of transition.

v. ***IND AS 21 Cumulative Translation Differences on Foreign Operations***

Cumulative translation differences for all foreign operations shall be deemed to be zero on the date of transition to IND AS. This exemption does not apply to the Company.

vi. ***Long term foreign currency monetary item***

A first time adopter may continue the policy adopted for accounting for exchange differences arising from foreign currency monetary items recognised in the financial statements for the period immediately before the beginning of first IND AS financial statements as per the previous GAAP. The Company did not adopt the policy of amortising exchange differences on long term foreign currency monetary items and hence this exemption does not apply.

vii. ***IND AS 27 Separate financial statements***

An entity is required to account for its investments in subsidiaries, joint ventures and associates either:

(a) at cost; or

(b) In accordance with IND AS 109.

Such cost shall be cost as per IND AS 27 or deemed cost. The deemed cost of such an investment shall be its fair value on the date of transition to IND AS or Previous GAAP carrying amount at that date.

The Company has elected to measure its investment in Associates at deemed cost - Previous GAAP carrying amount on transition date.

viii. ***IND AS 32 financial instruments presentation***

IND AS 32 requires an entity to split compound financial instruments at inception into separate liability and equity component. As per IND AS 101, First Time Adoption of IND AS, if the liability component is no longer outstanding at the date of transition to IND AS, an entity need not separate the amount recognised in equity into retained earnings and issued equity. The Company has not issued such compound financial instruments wherein liability component is no longer outstanding as on transition date.

ix. ***IND AS 109 financial instruments***

IND AS 109 permits an entity to designate a Financial liability, financial asset at fair value through profit or loss on the basis of facts and circumstances that exists at the date of transition to IND AS. There are no financial liabilities or financial asset that are specifically designated at FVTPL and hence this exemption is not applicable.

An entity may designate an investment in an Equity instrument at fair value through other comprehensive income (FVTOCI) in accordance with IND AS 109 on the basis of facts and circumstances that exist at the date of transition to IND AS. The Company has no such equity instrument as on transition date.

x. ***IND AS 105 Non-Current Assets held for Sale and Discontinued Operations***

IND AS 105 requires that noncurrent assets (or disposal groups) that meet the criteria to be classified as held for sale, noncurrent assets (or disposal groups) that are held for distribution to owners, and discontinued operations shall be carried at lower of its carrying amount and fair value less cost to sell on the date of such identification. A first time adopter can measure such assets or operations on the date of transition to IND AS and recognise the difference between that amount and carrying amount under previous GAAP directly in retained earnings.

The Company does not have any non-current asset/disposal group to be classified as held for sale. Hence, this exemption is not applicable to the Company

g 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 Judgements in applying accounting policies

a) Classification of investment in ZF Electronics TVS (India) Private Limited

The Company has invested Rs.12.03 cr in equity shares of TVS Automobile Solutions Limited (TVS ASL). Considering equal shareholding pattern (50%) and equal rights in the Board, the investment is considered as an investment in a Associate entity. Accordingly, the investment is recognised at cost in the standalone financials of the Company.

b) Lease classification

The Company enters into service / hiring arrangements for various assets / services. The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee’s option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset’s economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Assumptions and Key Sources of Estimation Uncertainty

a) Impairment of Investment in Associate

Determining whether the investment in Associate is impaired requires an estimation of the recoverable amount. Recoverable amount is estimated by engaging third party qualified valuers. Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs for valuation. Where the actual future cash flows are less than expected valuation, a material impairment loss may arise.

b) Fair value measurements and valuation processes

Some of the Company's assets (especially investment properties) and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 22.

c) Useful life of Property, Plant & Equipment (PPE) & Investment Properties

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

h Financial Instruments

a(i). Financial Assets - Investment in subsidiaries, associates and joint ventures

The Company records the investments in subsidiaries, associates and joint ventures at cost less impairment loss, if any.

a(ii). Financial Assets - Other than investment in subsidiaries, associates and joint ventures

Financial assets comprises of investments In equity and debt securities, trade receivables, cash and cash equivalents and other

Initial recognition:

All financial assets are recognised initially at Fair value plus, in case of financial assets not recorded at FVTPL, transaction costs that are attributable to the Acquisition of the financial asset. Purchase or sale of financial asset within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date.

Subsequent measurement:

A 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 amortised cost using effective interest rate (EIR) method. The EIR amortisation is recognised as finance income in the statement of profit and loss.

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

* Trade receivable
* Other financial assets

B ***Financial asset at FVTOCI***

Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial asset and the contractual terms of financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair value movements in financial assets at FVTOCI are recognised in other comprehensive income.

Equity instruments held for trading are classified as FTVPL. For other equity instruments the Company classifies the same as FVTOCI. The classification is made on initial recognition and is irrevocable. Fair value changes on equity instruments at FVTOCI excluding dividends, are recognised in other comprehensive income (OCI).

C ***Financial asset at FVTPL***

Financial asset are measured at fair value through Profit and loss if it does not meet the criteria for classification as measured at amortised cost or at fair value through other comprehensive income. All fair value changes are recognised in the Statement of Profit

Derecognition on financial asset

Financial assets are derecognised when the contractual right to cash flows from the financial asset expire 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 recognised in the statement of profit and loss (except for equity instruments designated as FVTOCI).

Impairment of financial asset

Trade receivables, lease receivables under IND AS 109, investments in debt instruments that are carried at amortised cost, investments in debt instruments that are carried at FVTOCI 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.

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are initially recognised 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 into following categories

- at amortised cost
- at fair value thorugh profit and loss

A Financial liabilities at amortised cost

The Company is classifying the following under amortised cost;

* Borrowings from banks
* Borrowings from others
* Finance lease liabilities
* Trade payables
* Other Financial Liabilties

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

B Financial liability at Fair Value through profit and loss

Financial liabilities held for trading are measured at FVTPL.

Derecognition of financial liabilities

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

c. 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 recognised amounts and intends either to settle on a net basis or to realize the assets and settle the liability

d. Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets or liabilities that are specifically designated as FVTPL. For financial asset which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business are expetcted to be infrequent. The Management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

i Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or share options are recognised as deduction from equity, net of any tax effects.

j Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes) and that is not meant for use by the company. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the

Investment properties are depreciated using the straight line method over their estimated useful life.

The useful life of Investment properties – Buildings have been estimated at 30 years. The useful life has been determined based on technical evaluation performed by management expert. Based on management’s estimate, the residual value has been considered as NIL.

k 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

Susbequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure are recognised in profit or loss as incurred.

Amortisation of intangible asset with finite useful lives.

Amortisation is recognised in profit or 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 management estimates, the residual value is considered as Nil. The estimated useful lives for the current and previous years are as follows:

Particulars

Software License

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

l Impairment of tangible and intangible assets

The carrying amount of the Company's tangible and intangible 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 the pupose of 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 asset (the cash generating unit).

An impairment loss is recognized if the carrying of amount an asset or its cash generating unit exceeds its estimated recoverable amount. impairment losses are recognised in profit or loss. Impairment losses recognised 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 recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

m Leases

Leases in which company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating lease are included under Investment Property head in the Balance Sheet. Lease income on an operating lease is recognized in the statement of profit and loss as per the lease terms. Cost including depreciation are recognized as expense in the statement of profit and loss. Initial direct cost such as legal costs, brokerage costs etc are recognized immediately in the statement of profit and loss.

n Provisions

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 specified 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.

o Contingent Liabilities and Contingent Assets

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

p Revenue recognition

Revenue from lease rentals is recognized on time proportionate basis. In case of uncertainty in realization of the lease rentals, recognition of such income is deferred.

Other items of income are accounted as and when the right to receive arises.

q Finance Income and expense

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

Finance expense comprises of interest expense on loans and borrowings, bank charges, unwinding of discount on provision, fair value losses on financial asset through FVTPL that are recognised in statement of profit or loss.

r Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that is relates to items recognised 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

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

(iii) 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 that is it 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 realised.

Deferred taxation arising on investments in associates is recognized except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred taxation on temporary differences arising out of undistributed earnings of the equity-method accounted investee is recorded based on the management's intention. If the intention is to realize the undistributed earnings through sale, deferred tax is measured at the capital gains tax rates that are expected to be applied to temporary differences when they reverse. However, when the intention is to realize the undistributed earnings through dividend, the Company's share of the income and expenses of the equity-method accounted investee is recorded in statement of profit or loss after considering any taxes on dividend payable by equity-method accounted investee and no deferred tax is set up in the books as the tax liability is not with the Company.

s Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted EPS is determined by adjusting profit or loss attributable to ordinary share holders and the weighted average number of shares outstanding for the effects of all potential ordinary shares, which include share options granted to employee if any, to the extent that partly paid shares are not entitled to participate in dividends during the period. They are treated as equivalent of warrants or options in the calculation of diluted earnings per share.

t Fair value measurement

A number of the Company's accounting policies and disclosures require 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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 recognised in the financial statement at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the heirachy by reassessing categorisation 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 measuerment and/or disclsoures 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) Investments in equity and debt securities

The fair value is determined by reference to their quoted price at the reporting period. In the absence of quoted price, the fair value of the financial asset is measured using valuation techniques

(ii) 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

(iii) Non derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flow discounted at the market rate of interest at the reporting date.

u Dividend distribution to Equity shareholders

Dividend distribution to equity shareholders is distrubition to owners of capital in statement of changes in equity, in the period in which it is declared.

v Current and non-current classificiation

An asset is classified as current if:

a) it is expected to be realised 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 realised 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 lease twelve months after the reporting period.

All other liabilities are classified as non-current.

w Cash Flow Statement

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.

x Segment Reporting

Operating segments are identified and reported taking into account the different risks and returns, the organization structure and the internal reporting systems.