TVS SRICHAKRA INVESTMENTS LIMITED

NINTH ANNUAL REPORT 2018 - 19

BOARD'S REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Ninth Annual Report of the Company along with the audited accounts for the year ended 31st March, 2019.

Financial Highlights

(Rs.in crores)

Particulars	Year ended 31.3.2019	Year ended 31.3.2018
Revenue from operations (net of Duty)	0.29	0.27
Profit before Interest, Depreciation and tax	(0.27)	0.08
Interest	0.79	-
Depreciation	0.35	0.35
Profit/(Loss)before tax	(1.41)	(0.27)
Taxes	-	-
Profit/(Loss) After tax	(1.41)	(0.27)

Operating Results

Your Company has recorded revenue of Rs. 0.29 crores during the year under review and has registered a loss of Rs.1.41 crores before tax.

Highlight on performance of subsidiary and its contribution to the overall performance of the company

TVS Sensing Solutions Private Limited (TSSPL) (formerly known as ZF Electronics TVS India Private Limited (ZFTVS)) became a wholly owned subsidiary of TSIL from 4th June, 2018 and subsequently its name was changed to TSSPL. The total revenue from operations during the year under review of TSSPL increased to ₹ 58.12 crores compared to ₹ 49.07 crores in the previous year. TSSPL made an EBITDA of ₹ 4.06 crores as against ₹ 1.12 crores for the year ended 31st March, 2018.

FINANCE

Cash and cash equivalent as at the end of 31st March, 2019 was at Rs.1.37 crores.

DIRECTORS

Directors liable to retire by rotation

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

BOARD MEETINGS

Six Board Meetings were held during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013 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

Statutory Auditor

Members at the 7th Annual General Meeting (AGM) had appointed M/s PKF Sridhar & Santhanam LLP (PKF) (Firm Registration No. 003990S/S200018), Chartered Accountants, Chennai as the Statutory Auditor of the Company to hold office for a term of five years i.e., from the conclusion of the 7th AGM until the conclusion of 12th AGM of the Company, subject to ratification of their appointment by the members, every year.

The Ministry of Corporate Affairs vide its Notification dated 7th May 2018, has dispensed with the requirement of ratification of Auditor's appointment by the Members. Hence, the ratification of Auditor's appointment is not required.

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

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 made additional investment of 10,82,524 equity shares of Rs.10 each in TVS Sensing Solutions Pvt Ltd (formerly known as ZF Electronics TVS (India) Pvt Ltd).

INDUSTRIAL RELATIONS

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

Business Risk Management

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

Internal Financial Controls

Adequate internal financial controls had been laid down and such controls are operating effectively.

Secretarial Standards

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

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".**

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".**

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.

Dematerialising the equity shares

During the year, your Company had applied for dematerializing its equity shares with National Securities Depository Limited (NSDL). **M/s Integrated Registry Management Services Private Limited, Chennai** were appointed as the Registrar & Transfer Agent (RTA).

The Company has received ISIN from NSDL on 22nd April, 2019.

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. During the year, paid up equity capital increased from Rs.2,05,00,000/- to Rs.2,45,97,800/-

- 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. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment 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.

- During the year under review, there is no change in the nature of business.

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

- There has been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

ACKNOWLEDGEMENT

The Directors thank the stakeholders for their support.

By Order of the Board

Place: Madurai
Date : 21.5.2019

R NARESH
CHAIRMAN
(DIN: 00273609)

ANNEXUTRE "A" TO THE DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019
[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 Tel : 0452 – 3011061
vi)	Whether Listed Company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Integrated Registry Management Services Private Limited Kences Towers, II Floor, No. 1 Ramakrishna Street North Usman Road, T Nagar Chennai 600 017 Tel : 044 – 28140801

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)
2.	TVS Sensing Solutions Private Limited TVS Building, 7-B, West Veli Street, Madurai 625001	U30007TN1993PTC026291	Subsidiary 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. (1)	**PROMOTERS Indian**									
a)	Individual / HUF	-	-	-	-	-	-	-	-	-
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt.(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	-	2050000	2050000	100	-	2459780	2459780	100	-
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(1)	-	2050000	2050000	100	-	2459780	2459780	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	-	2459780	2459780	100	-
B. 1)	**PUBLIC SHAREHOLDING Institutions**									
a)	Mutual Funds	**NOT APPLICBALE**								
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)									
	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)	**Non-Institutions**									
a)	Bodies Corporate									
i)	Indian									
ii)	Overseas									
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs.1 lakh					**NOT APPLICBALE**				
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh									
c)	Others (specify)									
	Sub-Total B(2)	-	-	-	-	-	-	-	-	-
	Total Public Shareholding B = B(1) + B(2)	-	-	-	-	-	-	-	-	-
C	**Shares held by Custodian for GDRs & ADRs**									
	Grand Total A + B + C	-	2050000	2050000	100	-	2459780	2459780	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	-	2459780	100	-	-
	TOTAL	2050000	100	-	2459780	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	2050000	100	2050000	100
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.)	409780 (Rights shares allotted on 1.10.2018)	Increase of 19.98	2459780	100
3	At the end of the year	2459780	100	2459780	100

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 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 (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 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				

V INDEBTEDNESS

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

Rs. In Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	4235.92	-	4235.92
ii) Interest due but not paid	-	525.61	-	525.61
iii) Interest accrued but not due	-		-	
Total (i+ii+iii)	-	4761.53		4761.53
Change in Indebtedness during the financial year				
Additions	-	604.66	-	604.66
Reduction	-	-	-	-
Net Change	-	604.66	-	604.66
Indebtedness at the end of the financial year				
i) Principal Amount	-	4235.92	-	4235.92
ii) Interest due but not paid	-	604.66	-	604.66
iii) Interest accrued but not due	-		-	
Total (i+ii+iii)	-	4840.58		4840.58

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 % - of profit - others, specify				
5	Others, please specify				
	Total (A)				
	Ceiling as per the Act				

B Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors	Total amount
	Independent Directors	**NOT APPLICABLE**	
	Fee for attending Board Committee Meetings		
	Commission		
	Others, please specify		
	Total (1)		
Other Non-Executive Directors			
	Fee for attending Board Committee Meetings		
	Commission		
	Others, please 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, 2019.

By Order of the Board

Place : Madurai
Date : 21.5.2019

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)- (a) details of imported technology (b) year of import (c) whether the technology been fully absorbed (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and (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 : 21.2019

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
TVS Sensing Solutions Private Limited	Leasing of property	April 2018-March 2019	Leasing of property for Rs.10.07 lakhs was made during the FY 2018-19	8.6.2014 / 4.5.2016	NIL

By Order of the Board

Place : Madurai
Date : 21.5.2019

R NARESH
CHAIRMAN
(DIN: 00273609)

INDEPENDENT AUDITORS' REPORT

To the Members of TVS Srichakra Investments Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TVS Srichakra Investments Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

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

   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

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

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

i. The Company 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.

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

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

T V Balasubramanian
Partner
Membership No. 027251

Place of Signature: Madurai
Date: 21.5.2019

Annexure A
Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of TVS Srichakra Investments Limited ("the Company") on the financial statements as of and for the year ended 31 March 2019.

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

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets, including investment properties are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

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

(ii) The Company does not have inventory and hence clause 3(ii) of the Order is not applicable.

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

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees, and securities, as applicable.

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

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

(vii)

(a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including income-tax, Goods and Services Tax(GST), cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of income-tax, Goods and Services Tax(GST), cess and any other statutory dues were in arrears, as at 31 March 2019 for a period of more than six months from the date they became payable.

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

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

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

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

(xi) According to information and explanation provided to us, the Company has not paid any managerial remuneration during the year and hence clause 3(xi) of the Order is not required to be commented.

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

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

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

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

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

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

T V Balasubramanian
Partner
Membership No. 027251

Place of Signature: Madurai
Date: 21.5.2019

Annexure B

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

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

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

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

T V Balasubramanian
Partner
Membership No. 027251

Place of Signature: Madurai
Date: 21.5.2019

M/S. TVS SRICHAKRA INVESTMENTS LTD.,
Balance Sheet as at 31st March, 2019

Rs in Lakhs

			Particulars	Note No.	As on March 31, 2019	As on March 31, 2018
I.		**ASSETS**				
		Non-current assets				
	1	(a)	Investment Property	3	2,487.43	2,522.83
		(b)	Other Intangible Assets	4	-	0.04
		(c)	Financial Assets			
			(i) Investments	5	2,335.18	1,203.00
		(d)	Income Tax Assets (Net)	6	10.65	7.75
	2	**Current assets**				
		(a)	Financial Assets			
			(i) Trade receivables	7	3.84	5.67
			(ii) Cash and cash equivalents	8	136.85	641.36
			TOTAL		**4,973.95**	**4,380.65**
II.		**EQUITY AND LIABILITIES**				
		Equity				
		(a)	Equity Share capital	9	245.98	205.00
		(b)	Other Equity	10	-171.22	-588.76
		Liabilities				
	1	**Non-current liabilities**				
		(a) Financial Liabilities				
			(i) Borrowings	11	4,340.34	4,235.92
	2	**Current liabilities**				
		(a) Financial Liabilities				
			(i) Other Financial Liabilities	12	554.14	528.08
		(b) Other current liabilities		13	4.71	0.41
			TOTAL		**4,973.95**	**4,380.65**

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: Madurai
Date: 21-05-2019

Place: Madurai
Date: 21-05-2019

M/S. TVS SRICHAKRA INVESTMENTS LTD.,

Statement of Profit and loss for the year ended 31.03.2019

Rs in Lakhs

	Particulars	Note No.	Year ended 31st March 2019	Year ended 31st March 2018
I.	Revenue from operations	14	28.56	27.41
II.	Other income	15	0.48	-
III.	**Total Income (I + II)**		29.04	27.41
IV.	**Expenses:**			
	Finance costs	16	79.05	-
	Depreciation and amortization expense	3 & 4	35.44	35.39
	Other expenses	17	56.03	18.84
	Total Expenses		170.52	54.23
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**		-141.48	-26.82
VI.	Exceptional / Extraordinary items		-	-
VII.	**Profit before tax (V - VI)**		-141.48	-26.82
VIII	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX	**Profit (Loss) for the period from continuing operations (VI - VII)**		-141.48	-26.82
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)**		-141.48	-26.82
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)**		-141.48	-26.82
	Face value per share - Rs.		10.00	10.00
	Earnings per equity share (for continuing & discontinued operation):			
	(1) Basic	18	-6.27	-1.31
	(2) Diluted		-6.27	-1.31

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: Madurai
Date: 21-05-19

Place: Madurai
Date: 21-05-19

M/S. TVS SRICHAKRA INVESTMENTS LTD.,

Statement of Cash Flows for the year ended 31 st March, 2019

Rs in Lakhs

	Particulars	Note No.	Year ended 31st March 2019	Year ended 31st March 2018
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**			
	Profit before tax		-141.48	-26.82
	Adjustments for :			
	Depreciation	3 & 4	35.44	35.39
	Interest expense	16	79.05	-
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		-26.99	8.57
	Adjustments for :			
	Trade Receivables		1.83	7.00
	Other non-current assets		-2.90	-3.84
	Other Financial Liabilities (Other payables)		51.43	2.01
	Other current Liabilities (Statutory liabilities)		4.30	-49.71
	Cash Generated From Operations		27.67	-35.97
	Direct taxes paid		-	-
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**27.67**	**-35.97**
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**			
	Purchase of Investment Properties	3 & 4	-	-1.24
	Investment in equity shares		-1,132.18	-
	NET CASH USED IN INVESTING ACTIVITIES (B)		**-1,132.18**	**-1.24**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**			
	Proceeds from issue of shares		600.00	-
	NET CASH FLOW FROM FINANCING ACTIVITIES: (C)		**600.00**	**-**
	NET DECREASE CASH AND CASH EQUIVALENTS (A+B+C)		**-504.51**	**-37.21**
	CASH AND CASH EQUIVALENTS - OPENING BALANCE		**641.36**	**678.57**
	CASH AND CASH EQUIVALENTS - CLOSING BALANCE (Refer Note 8)		**136.85**	**641.36**
	NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		**-504.51**	**-37.21**

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: Madurai
Date: 21-05-2019

Place : Madurai
Date: 21-05-2019

M/S. TVS SRICHAKRA INVESTMENTS LTD.,
Statement of Changes in Equity as at 31 st March, 2019

A. Equity Share Capital

Rs in Lakhs

Equity shares of Rs. 10/- each issued, subscribed and fully paid	
	Amount (Rs.)
At 31 March 2017	205.00
Issue of share capital	-
At 31 March 2018	205.00
Issue of share capital	40.98
At 31 March 2019	245.98

B. Other Equity

Rs in Lakhs

Particulars	Retained Earnings	Equity Instruments through OCI	Securities Premium	Total
Balance as at March 31, 2017	**(788.30)**	**226.36**	**-**	**(561.94)**
Profit for the year ended March 31, 2018	**(26.82)**	**-**	**-**	**(26.82)**
Balance as at March 31, 2018	**(815.12)**	**226.36**	**-**	**(588.76)**
Profit for the year ended March 31, 2019	**(141.48)**	**-**	**-**	**(141.48)**
Share Premium A/c	-	-	559.02	**559.02**
Balance as at March 31, 2019	**(956.60)**	**226.36**	**559.02**	**(171.22)**

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: Madurai
Date: 21-05-2019

Place: Madurai
Date: 21-05-2019

Net Debt Reconciliation

Particulars	31.03.2019	31.03.2018
Cash and Cash Equivalents	136.85	641.36
Non Current Borrowing	(4,340.34)	(4,235.92)
Current Borrowings and Interest Accrued	(500.24)	(525.61)
	(4,703.73)	**(4,120.17)**

Particulars	Other Assets	Liabilities for Financing Activities		Total
	Cash and Cash Equivalents	Non Current Borrowing	Current Borrowing	
Net cash and cash equivalents as on 01.04.2016	**791.16**	**(4,235.92)**	**(52.85)**	**(3,497.61)**
Cash Inflow/(Outflow)	(112.59)	-	-	(112.59)
Interest expense	-	-	(522.47)	(522.47)
Interest paid	-	-	49.71	49.71
Net (Debt) / Cash and Cash Equivalents as on 31.03.2017	**678.57**	**(4,235.92)**	**(525.61)**	**(4,082.96)**
Cash Inflow/(Outflow)	(37.21)	-	-	(37.21)
Net (Debt) / Cash and Cash Equivalents as on 31.03.2018	**641.36**	**(4,235.92)**	**(525.61)**	**(4,120.17)**
Cash Inflow/(Outflow)	(504.51)	-	-	(504.51)
Interest expense	-	(104.42)	25.37	(79.05)
Net (Debt) / Cash and Cash Equivalents as on 31.03.2019	**136.86**	**(4,340.34)**	**(500.24)**	**(4,703.73)**

M/S. TVS SRICHAKRA INVESTMENTS LTD.,
Notes to Ind AS Financial Statements for the year ended 31 March 2019

Note 1 Corporate Information

TVS Srichakra Investments Limited ("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 Basis of preparation of financial statements

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 2u. 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.

b Changes in Accounting standards

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

i.Ind AS 115, which combines, enhances and replaces specific guidance on recognizing revenue with a single standard. It defines a new five-step model to recognize revenue from customer contracts,

ii. Amendment to Ind AS 40 provideing the principle for transfer of asset to, or from, Investment Property,

iii.Amendment to Ind AS 21 requiring determination of exchange rate for translation of foreign currexncy where a pre-payment asset or a deferred income liability is recognized,

iv.Amendment to Ind AS 20 providing an alternative to the erstwhile presentation, whereby - Government grant related to assets can also be presented by deducting the grant from the carrying amount of the asset; and Non-monetary grant can be recognised at a nominal amount.

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

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

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

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

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

None of these have any significant impact on the financials as reported by the company.

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, 2019 have been prepared in accordance with IND AS as notified above duly approved by the Board of Directors at its meeting held on May 21, 2019

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.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 **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 TVS Sensing Solutions Private Limited (Formerly known as ZF Electronics TVS (India) Private Limited)

The Company has invested Rs.23.15 cr in equity shares of TVS Sensing Solutions Private Limited (Formerly known as ZF Electronics TVS (India) Private Limited), wholly owned subsidiary with effect from June 4, 2018 and a joint venture company until then. 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 Subsidiary

Determining whether the investment in Subsidiary 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.

g **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 financial

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 FVTPL. 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 and loss.

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 simultaneously.

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.

h **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.

i **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 difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

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.

j **Intangible assets**

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

Subsequent expenditure

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	**Useful Life (Years)**
Software License	5 Years

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

k **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.

l **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.

m **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.

n **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 probable.

o **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.

p **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.

q **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.

r **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.

s **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.

t **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.

u **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.

v **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.

w **Segment Reporting**

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

M/S. TVS SRICHAKRA INVESTMENTS LTD.,
Notes to Ind AS Financial Statements for the year ended 31 March 2019
All amounts are in Rs. Lakhs (unless otherwise stated)

Note 3 : Investment Property

(i) Carrying Amount of Investment Properties

	As at 31 March 2019	As at 31 March 2018
Gross Carrying Amount		
Opening Gross Carrying Amount / Deemed Cost		
- Freehold Land	1,779.20	1,779.20
- Buildings	913.96	913.96
- Borewell	1.24	-
	2,694.40	**2,693.16**
Additions	-	1.24
Disposals	-	-
Closing Gross Carrying Amount	**2,694.40**	**2,694.40**
Accumulated Depreciation		
Opening Accumulated Depreciation	171.57	136.22
Depreciation Charge (Buildings and Borewell)	35.40	35.35
Closing Accumulated Depreciation	**206.97**	**171.57**
Net Carrrying Amount	**2,487.43**	**2,522.83**

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

	31 March 2019	31 March 2018
Rental Income	28.56	27.41
Direct operating expenses from properties that generated rental income	16.26	13.08
Direct operating expenses from properties that did not generate rental income	4.67	5.76

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

	31 March 2019	31 March 2018
Within one year	23.72	24.56
Later than one year but not later than 5 years	67.93	67.93
Later than 5 years	390.61	407.60
Total	**482.27**	**500.09**

(v) Fair Valuation of investment properties

	31 March 2019	31 March 2018
Invetsment properties	2,944.75	2,948.34

(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 2019

All amounts are in Rs. Lakhs (unless otherwise stated)

Note 4 : Other Intangible Assets

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

Particulars	**As at 31st March 2019**	**As at 31st March 2018**
Gross Carrying Amount		
Opening Gross Carrying Amount / Deemed Cost	0.18	0.18
Additions	-	-
Disposals	-	-
Closing Gross Carrying Amount	**0.18**	**0.18**
Accumulated Depreciation / Amortisation		
Opening Accumulated Depreciation / Amortisation	0.14	0.10
Depreciation / Amortisation for the year	0.04	0.04
Closing Accumulated Depreciation / Amortisation	**0.18**	**0.14**
Net Carrrying Amount	**-**	**0.04**

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 2019
All amounts are in Rs. Lakhs (unless otherwise stated)

Note 5 : Financial Assets - Investments - Non Current

	31 March 2019	31 March 2018
Trade Investments (Unquoted, at cost)		
In Joint Venture		
NIL equity shares (previous year:500,000 equity shares) of Rs.10 each fully paid up in TVS Sensing Solutions Private Limited (formerly known as ZF Electronics TVS (India) Private Limited)	-	1,203.00
In Subsidiary		
15,82,524 equity shares (previously held 500,000 equity shares as a Joint Venture) of Rs.10 each fully paid up in TVS Sensing Solutions Private Limited (formerly known as ZF Electronics TVS (India) Private Limited)	2,335.18	-
Aggregated amount of unquoted investments at cost	**2,335.18**	**1,203.00**

M/S. TVS SRICHAKRA INVESTMENTS LTD.,
Notes to Ind AS Financial Statements for the year ended 31 March 2019
All amounts are in Rs. Lakhs (unless otherwise stated)

Note 6 : Income Tax Assets (Net)

	31 March 2019	31 March 2018
IT Refund Receivable	10.65	7.75
Total	**10.65**	**7.75**

All amounts are in Rs. Lakhs (unless otherwise stated)

Note 7 : Trade Receivables

(i) Financial Assets - Trade Receivable - Current

	31 March 2019	31 March 2018
Secured and Considered good	-	-
Unsecured, Considered good	3.84	5.67
Receivable with Significant Increase in Credit risk	-	-
Receivable Credit impaired	-	-
Sub-Total	**3.84**	**5.67**
Less: Allowance for doubtful debts	-	-
Total	**3.84**	**5.67**

(ii) Party wise break up of trade receivables

	31 March 2019	31 March 2018
TVS Srichakra Limited	2.93	4.76
TVS Sensing Solutions Private Limited (earlier known as ZF Electronics TVS (India) Private Limited)	0.91	0.91
Total	**3.84**	**5.67**

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 2019	31 March 2018
Within the credit period	2.57	2.70
1-30 days past due	1.27	2.81
31-90 days past due	-	0.16
Total	**3.84**	**5.67**

M/S. TVS SRICHAKRA INVESTMENTS LTD.,
Notes to Ind AS Financial Statements for the year ended 31 March 2019
All amounts are in Rs. Lakhs (unless otherwise stated)

Note 8 : Cash & Cash Equivalents

Financial Assets - Cash and Cash equivalents - Current

	31 March 2019	31 March 2018
Balances with bank on Current Accounts	136.82	641.19
Cash on hand	0.03	0.17
Total	**136.85**	**641.36**

M/S. TVS SRICHAKRA INVESTMENTS LTD.,
Notes to Ind AS Financial Statements for the year ended 31 March 2019
All amounts are in Rs. Lakhs (unless otherwise stated)

Note 9 : Equity Share Capital

Share capital

Particulars	31 March 2019	31 March 2018
Authorised shares		
2,50,00,000 equity shares of Rs. 10 each (Previous year 25,00,000)	2,500.00	250.00
Issued, subscribed and fully paid up shares		
24,59,780 Equity Shares of Rs.10 each (Previous year 20,50,000)	245.98	205.00
Total	**245.98**	**205.00**

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

	31 March 2019	31 March 2018
Particulars		
Shares outstanding at the beginning of the year	20,50,000	20,50,000
Shares issued during the year	4,09,780	-
Shares bought back during the year	-	-
Shares outstanding at the end of the period	**24,59,780**	**20,50,000**

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 2019	31 March 2018
Name of Shareholder	TVS Srichakra Limited- Holding company	TVS Srichakra Limited- Holding company
Number of shares held	24,59,780	20,50,000
Percentage of shareholding	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

M/S. TVS SRICHAKRA INVESTMENTS LTD.,
Notes to Ind AS Financial Statements for the year ended 31 March 2019
All amounts are in Rs. Lakhs (unless otherwise stated)

Note 10 : Other Equity

Other Equity

	31 March 2019	31 March 2018
Owner's Contribution - Deemed Equity		
Opening balance	**226.36**	**226.36**
Fair valuation of equity option in convertible debentures issued to TVS Srichakra Ltd.		
Closing Balance	**226.36**	**226.36**
Surplus/(Defecit) in the statement of profit and Loss		
Opening balance	-815.12	-788.30
Add: Net profit/ (Net loss) for the current year	-141.48	-26.82
	-956.60	**-815.12**
Securities Premium A/c	559.02	-
Total Reserves and Surplus	**-171.22**	**-588.76**

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	Amount	Date of Issue
Preferential Issue	3.459	3,459.00	08-02-16
Rights Issue	1.000	1,000.00	16-03-16

The debenture is Optionally 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 issued to the related party have been fair valued

During the CY, an additional 4,09,780 Equity Shares were issued to TVS Srichakra Ltd at a premium, resulting in an amount of Rs. 559.02 increase in Reserves & Surplus.

M/S. TVS SRICHAKRA INVESTMENTS LTD.,
Notes to Ind AS Financial Statements for the year ended 31 March 2019
All amounts are in Rs. Lakhs (unless otherwise stated)

Note 11 : Borrowings

Financial Liabilities - Non-Current

	31 March 2019	31 March 2018
Unsecured		
11% Optional convertible debentures 4,45,900 @ Rs. 1,000 each * - Held by related parties	4,340.34	4,235.92
Total	**4,340.34**	**4,235.92**

	Non-current portion		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Unsecured debentures	4,340.34	4,235.92	-	-
Total	**4,340.34**	**4,235.92**	**-**	**-**

*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

M/S. TVS SRICHAKRA INVESTMENTS LTD.,
Notes to Ind AS Financial Statements for the year ended 31 March 2019
All amounts are in Rs. Lakhs (unless otherwise stated)

Note 12 : Current Financial Liabilities

Financial Liabilities - Current

	31 March 2019	31 March 2018
Interest accrued but not due on debentures	500.24	525.61
Audit Fees Payable	0.25	0.58
Outstanding Expenses	53.65	1.89
	554.14	**528.08**

M/S. TVS SRICHAKRA INVESTMENTS LTD.,
Notes to Ind AS Financial Statements for the year ended 31 March 2019
All amounts are in Rs. Lakhs (unless otherwise stated)

Note 13 : Other Current Liabilities

Other Current Liabilities

	31 March 2019	31 March 2018
Statutory liabilities	4.71	0.41
Total	**4.71**	**0.41**

M/S. TVS SRICHAKRA INVESTMENTS LTD.,
Notes to Ind AS Financial Statements for the year ended 31 March 2019
All amounts are in Rs. Lakhs (unless otherwise stated)

Note 14 : Revenue from Operations

Particulars	Year ended 2018-19	Year ended 2017-18
Rent received	28.56	27.41
Total	**28.56**	**27.41**

Note 15 : Other Income

Particulars	2018-19	2017-18
Dividend Income		
Other non-operating income	0.48	-
(net of expenses directly attributable to such income)		
Total	**0.48**	**-**

Note 16 : Finance cost

	2018-19	2017-18
Interest expense on Debentures / other advances	79.05	-
(including unwinding of EIR based interest cost)		
Total	**79.05**	**-**

Note 17 : Other Expenses

	2018-19	2017-18
Security, housekeeping and gardening services	12.68	13.08
Power & Fuel	-	0.07
Machinery Maintenance	-	-
Rates & taxes	21.29	4.43
Bank Charges	0.01	0.02
Advertisement	-	-
Travelling and Boarding Expense	0.12	0.06
Consultancy	21.09	0.39
Miscellanous Expenses	0.39	0.37
Late fees	0.11	-
EB charges	0.09	-
Interest on TDS	-	0.14
Statutory Audit Fees	0.25	0.28
Total	**56.03**	**18.84**

Note 18 : Earnings per Share (Basic & Diluted)

Particulars	2018-19	2017-18
Profit After Tax (A) - Rs. In Lakhs	-141.48	-26.82
Weighted Number of Equity Shares (B)	22,54,890.00	20,50,000.00
Earnings per Share (A/B)	-6.27	-1.31
Nominal Value of Equity Share	Rs.10	Rs.10

Diluted EPS Workings

Particulars	2018-19	2017-18
Amount of OCD's Convertible to Equity Shares (Rs in lakhs)	4,459.00	4,459.00
Exercise Price for Conversion	161.75	161.75
Dilutive Equity Shares (No's) from Redemption of OCD's	27,56,723.34	27,56,723.34
Diluted Equity Shares (No's)	50,11,613.34	48,06,723.34
Diluted EPS	**-2.82**	**-0.56**

As diluted EPS is antidilutive in line with Para 43 of Ind AS 33,
Diluted EPS is reported on the basis of Basic itself.

19. 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
Companiy's revenue is received from only 2 customers, which are both related parties

20. 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, 2019 and 2018 as follows:

Related parties	Relationship	country of incorporation	% of ownership interest
TVS Srichakra Limited	Holding Company	India	100%
TVS Sensing Solutions Private Limited (Formerly known as ZF Electronics TVS (India) Private Limited)	Subsidiary *	India	100%
R Haresh	Director		
R Naresh	Director		
Shobhana Ramachandhran	Director		
P Vijayaraghavan	Director		

* was a Joint Venture in earlier year and current year till 3rd June, 2018 and became a subsidiary w.e.f 4th June, 2018

b) Related party transactions and outstanding balances

Following is a summary of related party transactions for the year ending Mar 31, 2019 and the year ended Mar 31, 2018

	Holding Company	Holding Company	Subsidiary	Joint Venture
	2018-19	2017-18	2018-19	2017-18
Rental Income (net of GST)	18.48	17.33	10.08	10.08
Interest accrued but not due (on EIR basis)	79.05			
Investments made during the year			599.99	-
Shares issued during the year (inclusive of securities premium)	600.00			
Loan given			100.00	
Repayment of loan received			100.00	
Interest Received			0.48	
Outstanding balances as at 31st Mar'19				
Trade Receivable	2.93	4.76	0.91	0.91
Payables	53.65	1.89		
OCD	4,340.34	4,235.92		

21. Financial instruments

a. financial instruments by category
the carrying value and fair value of financial instruments by each category as at Mar 31, 2019 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	2,475.87			2,475.87	2,475.87
Liabilities	4,894.48			4,894.48	4,894.48

the carrying value and fair value of financial instruments by each category as at Mar 31, 2018 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	1,850.03			1,850.03	1,850.03
Liabilities	4,764.00			4,764.00	4,764.00

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

	As at Mar 31, 2019			As at Mar 31, 2018		
	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

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
(a) Financial assets at amortised cost		
Interest income on bank deposits	NIL	NIL
interest income on other financial asset	NIL	NIL
Impairment on trade receivables	NIL	NIL
(b) Financial asset at FVTPL	NIL	NIL
net gain/(losses) on fair valuation on derivative financial instruments		
(c) Financial liabilities at amortised cost		
Interest expenses on lease obligations		
Interest expenses (EIR)	79.05	-

22. Financial risk management

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

22.1 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.

22.2 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.

	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, 2019						
OCD from Holding Company	12.16%			6,532.69		6,532.69
Statutory Liabilities		4.71				4.71
Total		**4.71**			**-**	**4.71**
As at March 31, 2018						
OCD from Holding Company	12.16%				7,023.18	7,023.18
Statutory Liabilities		0.41				0.41
Total		**0.41**			**7,023.18**	**7,023.59**

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.

		Upto 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total
As at March 31, 2019						
Cash and Cash Equivalents		136.85				136.85
Trade Receivables		3.84				3.84
Investment in Subsidiary					2,335.18	2,335.18
Total		140.69	-	-	2,335.18	2,475.87
As at March 31, 2018						
Cash and Cash Equivalents		641.36				641.36
Trade Receivables		5.67				5.67
Investment in Joint Venture					1,203.00	1,203.00
Total		647.03	-	-	1,203.00	1,850.03

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

22.3 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 liquidity risk management section of this note.

Interest rate sensitivity analysis

As the company has not incurred any finance cost in the form of interest, any change in the interest rate and all other variables when held constant, the Company's:

profit for the year ended March 31, 2019 would reamain unchanged (for the year ended March 31, 2018: decrease/increase in profit by Rs Nil)

23. 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, 2019 is Rs.2,45,97,800 (Previous Year: Rs.2,05,00,000).

Gearing Ratio

The Company has borrowings of Rs.4,340.34 lakhs (previous year: Rs.4,235.92 lakhs) as at the end of the reporting period. Accordingly, the Company has a gearing ratio of 58.46 times as at March 31, 2019. The Comapny had a negative gearing ratio as at March 31, 2018.

24. Legal preceedings/Contingent Liabilities/Contingent Assets
Current Year - Nil; Previous Year - Nil

25. 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

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: Madurai
Date: 21-05-19

Place: Madurai
Date: 21-05-19