TVS SRICHAKRA INVESTMENTS LIMITED

ELEVENTH ANNUAL REPORT 2020 - 21

BOARD'S REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Eleventh Annual Report of the Company along with the audited accounts for the year ended 31st March, 2021.

Financial Highlights

(Rs.in crores)

Particulars	Financial Year ended 31.3.2021	Financial Year ended 31.3.2020
Revenue from operations (net of Duty)	0.29	0.29
Profit before Interest, Depreciation and tax	0.07	0.09
Interest	0.61	1.12
Depreciation	0.33	0.33
Profit/(Loss)before tax	(0.87)	(1.35)
Taxes	-	-
Profit/(Loss) After tax	(0.87)	(1.35)

Operating Results

Your Company has recorded revenue of Rs. 0.29 Crores during the year under review and has registered a loss of Rs.0.87 Crores before tax.

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

TVS Sensing Solutions Private Limited (TSSPL), a wholly owned subsidiary of your Company recorded a net operational turnover of ₹ 63.05 crores during the Financial Year under review, showing an increase of ₹ 11.37 crores compared to the previous Financial Year. TSSPL recorded a EBITDA of ₹ 6.67 crores as against ₹ 3.53 crores for the Financial Year ended 31st March, 2020.

Fiber Optic Sensing Solutions Private Limited (FOSSPL), a subsidiary of TSSPL recorded a net operational turnover of 0.59 cr. FOSSPL also made an EBIDTA of ₹ (0.97) crore during the first Financial Year of its operations.

During the Financial Year, your Company has allotted 40,42,092 equity shares of Rs.10/- each at a premium of Rs.112.69/- Per share to M/s TVS Srichakra Limited (Holding Company) against Conversion of Optionally Convertible Debentures. Further to the above allotment, the paid-up equity share capital has increased from Rs. 2,59,63,730/- as on March 31, 2020 to Rs.6,63,84,650/- as on March 31, 2021.

FINANCE

Cash and cash equivalent as at the end of 31st March, 2021 was at Rs.1.15 crores.

DIRECTORS

Directors liable to retire by rotation

Mr. R Naresh (DIN: 00273609) retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible offer himself for re-appointment.

Cessation

Mr. P. Vijayaragahavan, Director of the Company, ceased to be the Director of the Company with effect from 8th July, 2020 owing to his sudden demise. The Directors place on record their deep appreciation for the invaluable contribution and guidance received during his tenure as a Director.

BOARD MEETINGS

Five Board Meetings were held during the year.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Act, your Directors 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, if any;

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 profit 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;

e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively, and

f) 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 not made any Inter-Corporate Investments during the year.

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.

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 A".**

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 B'.** 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.

GENERAL

- 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 : 21st May 2021

R NARESH
CHAIRMAN
(DIN: 00273609)

ANNEXUTRE “A” 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 : 21st May 2021

R NARESH
CHAIRMAN
(DIN: 00273609)

ANNEXURE "B" 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 2020- March 2021	Leasing of property for Rs.10.08 lakhs was made during the FY 2020-21	21.5.2019	NIL

By Order of the Board

Place : Madurai
Date : 21st May 2021

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 2021, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and loss, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

(d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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

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

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

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

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

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

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

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

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

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

T V Balasubramanian
Partner
Membership No. 027251
UDIN: 21027251AAAADK1123

Place of Signature: Chennai
Date: 21st May 2021

Annexure A

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

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

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets 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 this 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 3(iii) of the Order is not applicable to the Company.

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

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

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

(vii)

(a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including 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 2021 for a period of more than six months from the date they became payable.

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

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

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

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

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

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

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

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

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

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

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

T V Balasubramanian
Partner
Membership No. 027251
UDIN: 21027251AAAADK1123

Place of Signature: Chennai
Date: 21st May 2021

Annexure B

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

Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

T V Balasubramanian
Partner
Membership No. 027251
UDIN: 21027251AAAADK1123

Place of Signature: Chennai
Date: 21st May 2021

M/S. TVS SRICHAKRA INVESTMENTS LTD.,
Balance Sheet as at 31st March, 2021

Rs in Lakhs

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I.	**ASSETS**			
	Non-current assets			
1	(a) Investment Property	3	2,421.71	2,454.57
	(b) Financial Assets			
	(i) Investments	4	2,535.18	2,535.18
	(ii) Others	5	0.10	0.10
	(c) Income Tax Assets (Net)	6	3.51	6.58
2	**Current assets**			
	(a) Financial Assets			
	(i) Trade receivables	7	3.83	3.83
	(ii) Cash and cash equivalents	8	115.24	98.73
	TOTAL		**5,079.57**	**5,098.99**
II.	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share capital	9	663.85	259.64
	(b) Other Equity	10	4,347.66	-120.00
	Liabilities			
1	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	11	-	-
2	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Other Financial Liabilities	12	62.83	4,956.58
	(b) Other current liabilities	13	5.23	2.77
	TOTAL		**5,079.57**	**5,098.99**

Summary of significant accounting policies **2**

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

As per our report of even date

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

For and on behalf of the Board of Directors

T V Balasubramanian
Partner
Membership No.: 027251

(Director) **(Director)**

Place: Chennai
Date: 21-05-2021

Place: Madurai
Date: 21-05-2021

M/S. TVS SRICHAKRA INVESTMENTS LTD.,
Statement of Profit and loss for the year ended 31-03-2021

Rs in Lakhs

	Particulars	Note No.	Year ended 31st March 2021	Year ended 31st March 2020
I.	Revenue from operations	14	28.56	28.56
II.	Other income	15	-	1.77
III.	**Total Income (I + II)**		28.56	30.33
IV.	**Expenses:**			
	Finance costs	16	61.27	111.59
	Depreciation and amortization expense	3	32.86	32.86
	Other expenses	17	21.80	21.00
	Total Expenses		115.93	165.45
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**		-87.37	-135.12
VI.	Exceptional / Extraordinary items		-	-
VII.	**Profit before tax (V - VI)**		-87.37	-135.12
VIII	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX	**Profit (Loss) for the year (VII -VIII)**		-87.37	-135.12
X	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI	**Total Comprehensive Income for the year (IX+X) (Comprising Profit and Other Comprehensive Income for the year)**		-87.37	-135.12
	Face value per share - Rs.		10.00	10.00
	Earnings per equity share (for continuing & discontinued operation):			
	(1) Basic	18	-2.55	-5.47
	(2) Diluted	18	-2.55	-5.47

Summary of significant accounting policies **2**

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

As per our report of even date

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

For and on behalf of the Board of Directors

T V Balasubramanian
Partner
Membership No.: 027251

(Director) **(Director)**

Place: Chennai
Date: 21-05-2021

Place: Madurai
Date: 21-05-2021

TVS SRICHAKRA INVESTMENTS LIMITED
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021

Rs in Lakhs

	Particulars	31-Mar-21		31-Mar-20	
A.	CASH FLOW FROM OPERATING ACTIVITIES:				
	Profit before tax		(87.36)		(135.12)
	Adjustments for :				
	Depreciation	32.86		32.86	
	Interest paid	61.27		111.59	
	Interest received	-			
	Loss/(Gain) due to Exchange rate Fluctuations	-			
	Advances Written off	-			
	Proceeds from Sale of Assets	-			
	Ind AS Adjustment - Leases	-			
	Bad Debts	-			
	Unrealized changes in Fair Value	-			
	Assets Condemned	-			
			94.13		144.45
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		6.77		9.33
	Adjustments for :				
	Trade Receivables	-		0.01	
	Other non-current assets	3.06		3.97	
	Other Financial Liabilities (Other payables)	(4,955.02)		(49.49)	
	Other current Liabilities (Statutory liabilities)	2.46		(1.94)	
			(4,949.50)		(47.45)
	Cash Generated From Operations		(4,942.73)		(38.12)
	Direct taxes paid		-		-
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		(4,942.73)		(38.12)
B.	CASH FLOW FROM INVESTING ACTIVITIES :				
	Purchase of Property, Plant & Equipment	-		-	
	Proceeds from disposal of assets	-		-	
	Investments Purchased	-		(200.00)	
	Interest received	-		-	
	Bank deposits	-		-	
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)		-		(200.00)
C.	CASH FLOW FROM FINANCING ACTIVITIES:				
	Proceeds from Issue of Equity Shares	4,959.24		200.00	
	Interest paid	-		-	
	Proceeds/ (Repayment) from short term borrowings	-		-	
	Proceeds/(Repayment) of long term borrowings	-		-	
	Dividend & Dividend tax paid	-		-	
	NET CASH FLOW FROM FINANCING ACTIVITIES: (C)		4,959.24		200.00
	NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		16.51		(38.12)
	OPENING CASH AND CASH EQUIVALENTS		98.73		136.85
	CLOSING CASH AND CASH EQUIVALENTS		115.24		98.73

M/S. TVS SRICHAKRA INVESTMENTS LTD.,
Statement of Changes in Equity as at 31st March, 2021

A. Equity Share Capital

Rs in Lakhs

Equity shares of Rs. 10/- each issued, subscribed and fully paid	
	Amount (Rs.)
At 31 March 2019	245.98
Issue of share capital	13.66
At 31 March 2020	**259.64**
Issue of share capital	404.21
At 30 March 2021	**663.85**

B. Other Equity

Rs in Lakhs

Particulars	**Retained Earnings**	**Equity Instruments through OCI**	**Securities Premium**	**Capital Reserve**	**Total**
Balance as at March 31, 2019	**(956.60)**	**226.36**	**559.02**	**-**	**(171.22)**
Profit for the year ended March 31, 2020	**(135.12)**	**-**	**-**	**-**	**(135.12)**
Issue of shares at a premium	**-**	**-**	186.34	**-**	**186.34**
Balance as at March 31, 2020	**(1,091.72)**	**226.36**	**745.36**	**-**	**(120.00)**
Profit for the year ended March 31, 2021	**(87.37)**				**(87.37)**
Issue of shares at a premium			4,555.03		**4,555.03**
Conversion of Debentures into Equity Shares		**(226.36)**		226.36	**-**
Balance as at March 31, 2021	**(1,179.09)**	**-**	**5,300.39**	**226.36**	**4,347.66**

Summary of significant accounting policies **2**

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

As per our report of even date

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

For and on behalf of the Board of Directors

T V Balasubramanian
Partner
Membership No.: 027251

(Director) **(Director)**

Place: Chennai
Date: 21-05-2021

Place: Madurai
Date: 21-05-2021

TVS Srichakra Investments Limited

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

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 investment properties.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on 25th May, 2021.

2. Significant Accounting Policies

a) Basis of preparation

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

All assets and liabilities have been classified as current or non-current as per the company’s normal operating cycle and other criteria set out in Note 2(s). Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

b) Statement of Compliance with Ind AS

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

c) Changes in Accounting Standards

There were certain amendments to the Accounting Standards on miscellaneous issues. Such changes include clarification/guidance on:

- Ind AS 1 Presentation of Financial Statements - Substitution of the definition of term 'Material'
- Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors - In order to maintain consistency with Ind AS 1, the respective changes have been made to Ind AS 8 also.
- Ind AS 10 Events after the Reporting Period - Clarification on the disclosures requirements to be made in case of a material non- adjusting event.
- Ind AS 34 Interim Financial Reporting - In order to maintain consistency with the amendments made in other Ind AS, respective changes have been made to Ind AS 34.
- Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - Clarification on the accounting treatment for restructuring plans.

- Ind AS 103-Business combination-Detailed guidance on term ’Business’ and ‘business combinations’ along with providing an optional testto identify concentration of fair value.\
- Ind AS 107 Financial Instruments: Disclosures - Clarification on certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.
- Ind AS 109 Financial Instruments - Clarification on temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.
- Ind AS 116 Leases - Clarification on whether rent concessions as a direct consequence of COVID-19 pandemic can be accounted as lease modification or not.

None of these amendments have any significant effect on the company’s standalone financial statements.

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

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

e) Functional and Presentation Currency

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

The Financial Statements are presented in Indian Rupees which is company's presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest Lakhs with two decimals except where otherwise indicated.

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

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

Critical Judgments in applying accounting policies

i. Classification of investment in TVS Sensing Solutions Private Limited (Formerly known as ZF electronics (India) Private Limited)

The Company holds investment in equity shares of TVS Sensing Solutions Private Limited (Formerly known as ZF Electronics TVS (India) Private Limited), a wholly owned subsidiary. Accordingly, the investment is recognized at cost in the financials of the Company.

ii. Lease

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

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

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

Assumptions and Key Sources of Estimation Uncertainty

i. 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.

ii. Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for disclosure purposes in the financial reporting. 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 2(r).

iii. Provisions for liabilities and charges

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

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

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

The economy has been impacted during the year on account of COVID-19. Whilst there has been a second wave of the COVID-19 pandemic in the last few months in some States, there has also been increased vaccination drive by the Government and the Company continues to closely monitor the situation.

The company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of investment property, receivables, and Investments. The company, as at the date of the approval of these financial statements, has performed evaluation of available information, considered sensitivity on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

g) Financial Instruments

i. Financial Assets - 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.

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

Financial assets comprise investments in equity and debt securities, trade receivables, cash and cash equivalents and other financial assets.

Initial recognition:

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

Subsequent measurement:

i. Financial assets measured at amortized cost:

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

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

a) Trade receivable

b) Other financial assets

ii. 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 recognized in other comprehensive income

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

iii. Financial asset at FVTPL

All fair value changes are recognized in the Statement of Profit and loss.

Derecognition of financial asset

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

Impairment of financial asset

Trade receivables, investments in debt instruments that are carried at amortized 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.

iii. Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

The financial liabilities are classified for subsequent measurement into following categories

- at amortized cost

- at fair value through the statement of profit and loss

Financial liabilities at amortized cost

The Company is classifying the following under amortized cost;

a) Borrowings from banks
b) Borrowings from others
c) Lease liabilities
d) Trade payables
e) Other Financial Liabilities

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

Financial liability at Fair Value through statement of profit and loss

Financial liabilities held for trading are measured at FVTPL.

De-recognition of financial liabilities

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

iv. Derivative financial instruments

The company does not have any transactions in derivative financial instruments.

v. Hedge accounting

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

vi. Offsetting of financial assets and liabilities

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

vii. Reclassification of financial assets

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

h) Share capital and Dividend to Shareholders

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

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

i) 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 derecognized 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 derecognized.

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

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

Amortization of intangible asset with finite useful lives

Amortization is recognized in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available to use. Based on management estimates, the residual value is considered as Nil. The estimated useful lives for the current and previous years are as follows:

Software License – 5 years

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

k) Impairment of Non-financial assets

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

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

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

Reversal of impairment loss

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

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

l) Leases

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

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

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

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

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

In the comparative period, leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases.

m) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

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

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

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

n) 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.

o) Finance Income and expense

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

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

p) Income taxes

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

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

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

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

Deferred taxation arising on investments in subsidiaries and 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 the statement of profit and 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.

q) Earnings per share

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

r) Fair value measurements

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

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

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

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

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

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

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

Level 3 - Unobservable outputs for the assets and liabilities

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

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

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

(i) 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 combination.

(iii) Lease Security Deposits

Any lease deposits paid by the company to the lessors are discounted to its fair value.

(iv) Non-derivative financial liabilities

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

s) Current and non-current classification

An asset is classified as current if:

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

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

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

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

All other assets are classified as non-current.

A liability is classified as current if:

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

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

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

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

All other liabilities are classified as non-current.

t) Statement of Cash Flow

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

u) Segment Reporting

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

M/S. TVS SRICHAKRA INVESTMENTS LTD.,
Notes to Financial Statements for the year ended 31st March 2021
All amounts are in Rs. Lakhs (unless otherwise stated)

Note 3 : Investment Property

(i) Carrying Amount of Investment Properties

	As at '31 March 2021	As at '31 March 2020
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	1.24
	2,694.40	**2,694.40**
Additions	-	-
Disposals	-	-
Closing Gross Carrying Amount	**2,694.40**	**2,694.40**
Accumulated Depreciation		
Opening Accumulated Depreciation	239.83	206.97
Depreciation Charge (Buildings and Borewell)	32.86	32.86
Closing Accumulated Depreciation	**272.69**	**239.83**
Net Carrying Amount	**2,421.71**	**2,454.57**

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

	As at '31 March 2021	As at '31 March 2020
Rental Income	28.56	28.56
Direct operating expenses from properties that generated rental income	15.82	15.02
Direct operating expenses from properties that did not generate rental income	4.54	4.31

(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:

	As at '31 March 2021	As at '31 March 2020
Within one year	22.04	22.88
Later than one year but not later than 5 years	67.93	67.93
Later than 5 years	356.65	373.63

(v) Fair Valuation of investment properties

	As at '31 March 2021	As at '31 March 2020
Invetsment properties	2,922.56	2,932.23

(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 Financial Statements for the year ended 31st March 2021
All amounts are in Rs. Lakhs (unless otherwise stated)

Note 4 : Financial Assets - Investments - Non Current

	As at '31 March 2021	As at '31 March 2020
Trade Investments (Unquoted, at cost)		
In Subsidiary		
17,76,698 equity shares of Rs.10 each fully paid up in TVS Sensing Solutions Private Limited	2,535.18	2,535.18
Aggregated amount of unquoted investments at cost	**2,535.18**	**2,535.18**

M/S. TVS SRICHAKRA INVESTMENTS LTD.,
Notes to Financial Statements for the year ended 31 st March, 2021
All amounts are in Rs. Lakhs (unless otherwise stated)

Note 5 : Non Current Financial Assets - Others

Particulars	As at '31 March 2021	As at '31 March 2020
Security Deposit	0.10	0.10
Total	**0.10**	**0.10**

Note 6 : Income Tax Assets (Net)

Particulars	As at '31 March 2021	As at '31 March 2020
Prepaid Taxes (Net of provisions)	3.51	6.58
Total	**3.51**	**6.58**

M/S. TVS SRICHAKRA INVESTMENTS LTD.,
Notes to Financial Statements for the year ended 31st March, 2021
All amounts are in Rs. Lakhs (unless otherwise stated)

Note 7 : Trade Receivables

(i) Financial Assets - Trade Receivable - Current

	As at '31 March 2021	As at '31 March 2020
Secured and Considered good	-	-
Unsecured, Considered good	3.83	3.83
Receivable with Significant Increase in Credit risk	-	-
Receivable Credit impaired	-	-
Sub-Total	**3.83**	**3.83**
Less: Allowance for doubtful debts	-	-
Total	**3.83**	**3.83**

(ii) Party wise break up of trade receivables

	As at '31 March 2021	As at '31 March 2020
TVS Srichakra Limited	2.92	2.92
TVS Sensing Solutions Private Limited	0.91	0.91
Total	**3.83**	**3.83**

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	As at '31 March 2021	As at '31 March 2020
Within the credit period	2.57	2.57
1-30 days past due	-	-
31-90 days past due	-	-
More than 90 days past due	1.26	1.26
Total	**3.83**	**3.83**

M/S. TVS SRICHAKRA INVESTMENTS LTD.,
Notes to Financial Statements for the year ended 31st March, 2021
All amounts are in Rs. Lakhs (unless otherwise stated)

Note 8 : Cash & Cash Equivalents

Financial Assets - Cash and Cash equivalents - Current

	As at '31 March 2021	As at '31 March 2020
Balances with bank on Current Accounts	115.19	98.64
Cash on hand	0.05	0.09
Total	**115.24**	**98.73**

M/S. TVS SRICHAKRA INVESTMENTS LTD.,

Notes to Financial Statements for the year ended 31st March, 2021

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

Note 9 : Equity Share Capital

Share capital

Particulars	As at '31 March 2021	As at '31 March 2020
Authorised shares		
2,50,00,000 equity shares of Rs. 10 each (Previous year 25,00,000)	2,500	2,500
Issued, subscribed and fully paid up shares		
66,38,465 Equity Shares of Rs.10 each (Previous year 25,96,373)	663.85	259.64
Total	**663.85**	**259.64**

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

Particulars	As at '31 March 2021	As at '31 March 2020
Shares outstanding at the beginning of the year	**25,96,373**	**24,59,780**
Shares issued during the year	40,42,092	1,36,593
Shares bought back during the year	-	-
Shares outstanding at the end of the period	**66,38,465**	**25,96,373**

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	As at '31 March 2021	As at '31 March 2020
Name of Shareholder	TVS Srichakra Limited- Holding company	TVS Srichakra Limited- Holding company
Number of shares held	66,38,465	25,96,373
Percentage of shareholding	100%	100%

Shareholders holding more than 5% of shares

Particulars	% shares
TVS Srichakra Limited	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 (31st March 2021) : NIL

Shares reserved for issue under options - NIL

M/S. TVS SRICHAKRA INVESTMENTS LTD.,
Notes to Financial Statements for the year ended 31st March 2021
All amounts are in Rs. Lakhs (unless otherwise stated)

Note 10: Other Equity

Particulars	As at '31 March 2021	As at '31 March 2020
Owner's Contribution - Deemed Equity		
Opening balance	226.36	226.36
Fair valuation of equity option in convertible debentures issued to TVS Srichakra Ltd now converted to equity shares	-226.36	-
Closing Balance	**-**	**226.36**
Surplus/(Deficit) in the statement of profit and Loss		
Opening balance	-1,091.72	-956.60
Add: Net profit/ (Net loss) for the current year	-87.37	-135.12
	-1,179.09	**-1,091.72**
Securities Premium A/c:		
Opening balance	745.36	559.02
Additions during the year	4,555.03	186.34
Transferred during the year	-	-
Closing balance	**5,300.39**	**745.36**
Capital Reserve A/c:		
Opening balance	**-**	**-**
Fair valuation of equity option in convertible debentures issued to TVS Srichakra Ltd now converted to equity shares	226.36	
Closing balance	**226.36**	**-**
Total Reserves and Surplus	**4,347.66**	**-120.00**

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.

Nature	Numbers in Lakhs
Preferential Issue	3.459
Rights Issue	1.000

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

In the current year, the optionally convertible debentures held by TVS Srichakra Limited (Holding Company) were converted into fully paid up equity shares (40,42,092) of Rs 10 each at a premium of Rs 112.69 each

During the PY, an additional 1,36,593 equity shares were issued to TVS Srichakra Ltd at a premium, resulting in an amount of Rs. 186.34 increase in Reserves & Surplus.

M/S. TVS SRICHAKRA INVESTMENTS LTD.,

Notes to Ind AS Financial Statements for the year ended 31st March 2021

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

Note 11 : Borrowings

Financial Liabilities - Non-Current

	As at '31 March 2021	As at '31 March 2020
Unsecured		
11% Optional convertible debentures 4,45,900 @ Rs. 1,000 each * - Held by related parties	-	4,397.73
Less: Current Maturities (Refer Note 12)	-	-4,397.73
Total	-	-

*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.

In the current year, the optionally convertible debentures are converted into fully paid up equity shares (40,42,092 shares of 10 each)

M/S. TVS SRICHAKRA INVESTMENTS LTD.,
Notes to Financial Statements for the year ended 31st March 2021
All amounts are in Rs. Lakhs (unless otherwise stated)

Note 12: Current Financial Liabilities

Financial Liabilities - Current

	As at '31 March 2021	As at '31 March 2020
Interest accrued on OCD	-	500.24
Audit Fees Payable	0.25	0.25
Outstanding Expenses	62.58	58.36
Current Maturities of long term borrowings (Refer Note 11)	-	4,397.73
Total	**62.83**	**4,956.58**

M/S. TVS SRICHAKRA INVESTMENTS LTD.,

Notes to Financial Statements for the year ended 31st March 2021

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

Note 13: Other Current Liabilities

Other Current Liabilities

	As at '31 March 2021	**As at '31 March 2020**
Statutory liabilities	5.23	2.77
Total	**5.23**	**2.77**

M/S. TVS SRICHAKRA INVESTMENTS LTD.,
Net Debt Reconciliation

Net Debt Reconciliation

Rs in Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Cash and Cash Equivalents	115.24	98.73
Current Borrowing	-	(4,397.73)
Interest Accrued on OCD	-	(500.24)
	115.25	**(4,799.24)**

Rs in Lakhs

Particulars	Other Assets	Liabilities for Financing Activities		Total
	Cash and Cash Equivalents	Non Current Borrowing	Current Borrowing	
Net (Debt) / Cash and Cash Equivalents as on 01.04.2019	**136.85**	**(4,340.34)**	**(500.24)**	**(4,703.73)**
Cash Inflow/(Outflow)	-38.12	-	-	(38.12)
Interest expense	-	-57.39	-0.00	(57.39)
Net (Debt) / Cash and Cash Equivalents as on 31.03.2020	**98.73**	**-4,397.73**	**-500.24**	**(4,799.24)**
Cash Inflow/(Outflow)	16.51			16.51
Interest expense		-61.27		(61.27)
Conversion of Optionally Convertible Debentures into fully paid up Equity Shares		4,459.00	500.24	4,959.24
Net (Debt) / Cash and Cash Equivalents as on 31.03.2021	**115.24**	**-**	**-**	**115.24**

M/S. TVS SRICHAKRA INVESTMENTS LTD.,
Notes to Financial Statements for the year ended 31st March 2021
All amounts are in Rs. Lakhs (unless otherwise stated)

Note 14: Revenue from Operations

Particulars	Year ended 2020-21	Year ended 2019-20
Sale of services - Rental income	28.56	28.56
Total	**28.56**	**28.56**

Note 15: Other Income

Particulars	Year ended 2020-21	Year ended 2019-20
Interest on income tax refund	-	1.25
Miscellaneous income	-	0.52
Total	**-**	**1.77**

Note 16 : Finance cost

	Year ended 2020-21	Year ended 2019-20
Interest on OCD* (including unwinding of EIR based interest cost)	61.27	111.59
Total	**61.27**	**111.59**

* includes TDS paid on demand notice received during FY 19-20

Note 17 : Other Expenses

	Year ended 2020-21	Year ended 2019-20
Security, housekeeping and gardening services	14.24	13.14
Rent	2.00	2.00
Rates & taxes	2.66	2.86
Statutory Audit Fees	0.25	0.25
Consultancy	2.21	2.44
Travelling and Boarding Expense	-	0.11
Miscellanous Expenses	0.44	0.20
Total	**21.80**	**21.00**

Note 18 : Earnings per Share (Basic & Diluted)

Particulars	Year ended 2020-21	Year ended 2019-20
Profit After Tax (A) - Rs. In Lakhs	-87.37	-135.12
Weighted Number of Equity Shares (B)	34,29,749	24,71,163
Earnings per Share (A/B)	-2.55	-5.47
Nominal Value of Equity Share	Rs.10	Rs.10

M/S. TVS SRICHAKRA INVESTMENTS LTD.,
Notes to Financial Statements for the year ended 31st March 2021

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, both of which are 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, 2021 and 2020 as follows:

Related parties	Relationship	Country of incorporation
TVS Srichakra Limited	Holding Company	India
TVS Sensing Solutions Private Limited	Subsidiary	India
Fiber Optic Sensing Solutions Private Limited	Subsidiary	India
R Haresh	Director	
R Naresh	Director	
Shobhana Ramachandhran	Director	
P Vijayaraghavan	Director	

b) Related party transactions and outstanding balances

Following is a summary of related party transactions for the year ending Mar 31, 2021 and the year ended Mar 31, 2020

Particulars	Holding Company	Holding Company	Subsidiary	Subsidiary
	2020-21	2019-20	2020-2021	2019-20
Rental Income (net of GST)	18.48	18.48	10.08	10.08
Interest accrued on OCD (on EIR basis)	61.27	57.39		
Investments made during the year	-	-		200.00
Shares issued during the year (inclusive of securities premium)	4,959.24	200.00		-
Conversion of OCD to Shares	-4,959.24			
Outstanding balances as at year end	**As at 31st March 2021**	**As at 31st March 2020**	**As at 31st March 2021**	**As at 31st March 2020**
Trade Receivable	2.92	2.92	0.91	0.91
Payables	62.58	58.36		
Optionally Convertible Debentures	-	4,897.98		

21. Financial instruments

a. Financial instruments by category

the carrying value and fair value of financial instruments by each category as at Mar 31, 2021 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	2,654.36			2,654.36	2,654.36
Liabilities	62.83			62.83	62.83

The carrying value and fair value of financial instruments by each category as at Mar 31, 2020 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	2,637.84			2,637.84	2,637.84
Liabilities	4,956.58			4,956.58	4,956.58

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

	As at Mar 31, 2021			**As at Mar 31, 2020**		
	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, 2021**	**As at Mar 31, 2020**
(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) & on TDS paid on demand	61.27	111.59

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.

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, 2021						
OCD from Holding Company	NA					-
Others		62.83				62.83
Total		**62.83**				**62.83**
As at March 31, 2020						
OCD from Holding Company	12.16%			5,684.19		5,684.19
Others		58.61				58.61
Total		**58.61**		**5,684.19**		**5,742.80**

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.

		Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total
As at March 31, 2021						
Cash and Cash Equivalents		115.24	-	-	-	115.24

Trade Receivables		3.83	-	-	-	3.83
Investment in Subsidiary and long term deposits			-	-	2,535.28	2,535.28
Total		119.07	-	-	2,535.28	2,654.36
As at March 31, 2020						
Cash and Cash Equivalents		98.73	-	-	-	98.73
Trade Receivables		3.83	-	-		3.83
Investment in Subsidiary and long term deposits			-	-	2,535.28	2,535.28
Total		102.56	-	-	2,535.28	2,637.84

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 liquidy risk management section of this note.

Other risk - COVID-19:

Financial Assets measured at fair value amounting to NIL and measured at amortised cost amounting to Rs.2,654.36 have been considered for the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19.

The Company has specifically evaluated the potential impact with respect to certainty of collections from its customers.
Since the Company's dues are within its group (holding & subsdiary), and considering their cash flows and likelihood of settlement of dues, no provision is deemed necessary.

Interest rate sensitivity analysis

As the company has no floating rate interest linked borrowings, any change in the interest rate and all other variables when held constant, the Company's:
Profit for the year ended March 31, 2021 would reamain unchanged (for the year ended March 31, 2020: 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, 2021 is Rs.6,63,84,650 (Previous Year: Rs.2,59,63,730).

Gearing Ratio

The Company has no borrowings as at as at the end of the reporting period (previous year: 4,397.73 lakhs) . Accordingly, the Company is debt free as at the reporting date and has a gearing ratio of 31.49 times as at March 31, 2020.

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

26. Applicable Income Tax Structure:

The Taxation Laws (Amendment) Ordinance 2019 inserted S.115BAA under Income Tax Act, 1961 which provides domestic companies with a non-reversible option to opt for lower tax rate of 22% provided they do not claim certain deductions. In the Previous year, on evaluating the options, the Company decided to adopt the new tax structure.

As per our report of even date

PKF Sridhar & Santhanam LLP	**For and on behalf of the Board of Directors**	
Chartered Accountants		
Firm Registration No. 003990S / S200018		
T V Balasubramanian		
Partner	**(Director)**	**(Director)**
Membership No.: 027251		
Place: Chenani	Place: Madurai	
Date: 21-05-2021	Date: 21-05-2021	