

TVS Upasana Limited
(formerly Upasana Engineering Limited)

ANNUAL REPORT

for the year ended
31st March 2016

TVS Upasana Limited

(formerly Upasana Engineering Limited)

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

The Directors have pleasure in presenting the Twenty Fourth Annual Report, together with the audited accounts for the year ended 31st March 2016.

FINANCIAL RESULTS

Particulars	2015-16	2014-15
Sales and other income	1,077,073,499	1,025,636,485
Gross Profit / (Loss) before interest & depreciation	169,486,825	151,645,637
Less: Interest	26,934,828	24,079,235
Less: Depreciation	39,457,747	33,464,718
Profit / (Loss) before tax	103,094,250	94,101,685
Add / (Less): Provision for Tax (including Deferred Tax)	35,941,546	27,744,024
Profit / (Loss) after tax	67,152,704	66,357,661
Add / (Less): Balance brought forward	211,456,957	145,495,780
Add / (Less): Net carrying amount of assets whose remaining useful life is NIL as on 01-04-2014 (net of deferred tax)	-	396,484
Interim Dividend Paid	19,634,462	-
Dividend Distribution Tax paid	3,997,190	-
Balance carried forward	254,978,009	211,456,957

DIVIDEND

The Company had paid an interim dividend of Re 1.65 per share of face of Re 1 each on 22nd March, 2016 for financial year 2015-16. The Directors do not recommend any final dividend.

OPERATIONS

During the year under review, the income from operations of the Company amounted to ` 1,079,097,335/- as against ` 1,025,636,485/- in 2014-2015. During the year under review, the profit after tax of the Company was ` 67,152,704/- as against ` 66,357,661/- during 2014-2015.

TRANSFER TO RESERVES

The Company has not transferred any amounts to reserves during the year 2015-2016.

BOARD MEETINGS

During the financial year 2015-2016, there were five board meetings, which were held on 28th May, 2015, 7th September, 2015, 26th October, 2015, 30th November, 2015 and 22nd March, 2016.

Sri Suresh Krishna, Director, Ms Arundathi Krishna, Managing Director and Sri R Krishnan, Director attended all the meetings during the year under review. Ms Usha Krishna, Director and Sri R Ramakrishnan, Director attended three meetings during the year. Sri S Meenakshisundaram, Director attended four meetings during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed;
- they have selected appropriate accounting policies and applied them consistently, made judgments and estimates that have been made 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 year.
- they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) they had prepared the annual accounts on a going concern basis.

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

DIRECTORS

In terms of the provisions of sub-section (6) read with explanation to Section 152 of the Companies Act, 2013, two-third of the total number of directors i.e. excluding independent directors, are liable to retire by rotation and out of which, one-third is liable to retire by rotation at every annual general meeting. Accordingly, Sri S Meenakshisundaram, Director of the Company, becomes liable to retire by rotation, at the ensuing AGM, and being eligible, offers himself for re-appointment.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (7) OF SECTION 149

The independent directors have submitted the declaration of independence, as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6).

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The details of Loans, Guarantees, Investments given during the financial year ended on 31st March, 2016 is enclosed vide Annexure I forming part of this report in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and any amendment(s) relating thereto.

AUDITORS

Pursuant to Section 139 of the Companies Act, 2013, M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, (Registration No. 004207S with the Institute of Chartered Accountants of India), were appointed as Auditors of the Company at the twenty second annual general meeting of the company for a consecutive period of three years commencing from 26th September, 2014. The Company has received a certificate from the statutory auditors to the effect that if ratification of their appointment, if made, would be in compliance with the requirements of the Companies Act, 2013 and the rules made thereunder. Accordingly, the Board of Directors propose to recommend to the shareholders to ratify their appointment of M/s Sundaram & Srinivasan, Chartered Accountants, Chennai as Auditors of the Company for the third consecutive year (in the term of three consecutive years approved at the Twenty Second Annual General Meeting held on 26th September, 2014).

RELATED PARTY TRANSACTIONS

All related party transactions were entered at arms' length basis and were in the ordinary course of business. The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 prepared in Form AOC-2 pursuant to Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is enclosed vide Annexure II forming part of this report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure-III.

MATERIAL CHANGES AND COMMITMENTS

As Upasana Engineering Limited (UEL) is a 100% subsidiary of Sundram Fasteners Limited (SFL), which is a part of TVS Group, the Board of Directors felt that it would be appropriate to have the word 'TVS' as a part of its name, which helps easily in identifying the Company as a part of the 'TVS' Group. In view of the above, the name of the subsidiary company - Upasana Engineering Limited has been changed to TVS Upasana Limited during the year under review.

CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION

The Company has utilized renewable energy in the form of Wind Energy at its hour plant in lieu of fossil fuels. The Company has nothing to report on technology absorption.

TVS Upasana Limited

(formerly Upasana Engineering Limited)

FOREIGN EXCHANGE EARNINGS AND OUTGO

The total foreign exchange earned and used are as under:

Foreign exchange earned	222,982,165	EXPORTS
Foreign exchange earned	1,392,189	OTHERS
Foreign exchange used	8,580,466	OTHER EXPENSES
Foreign exchange used	73,332,896	IMPORTS

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL APPOINTED OR HAVE RESIGNED DURING THE YEAR

There was no change in the Directors / Key Managerial Personnel of the Company during the financial year.

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business of the Company during the financial year.

COMPANIES WHICH HAVE BECOME OR CEASED TO BE COMPANY'S SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

The Company does not have any subsidiary, joint venture or associate company.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013.

REGULATORY / COURT ORDERS

During the year 2015-2016, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

INTERNAL FINANCIAL CONTROLS

The company has internal control procedures and sufficient internal control checks considering the size and nature of its business and the Board of directors are of the view that those controls are adequate with reference to the financial statements.

RISK MANAGEMENT

The Company had identified certain business risks and also the measures for dealing with such risks which it faces in day to day operations of the Company.

AUDIT COMMITTEE

The Audit Committee of the Board consists of Sri R Ramakrishnan, Ms Arundathi Krishna and Sri R Krishnan as members of the Audit Committee, with Sri R Ramakrishnan as its Chairman.

The Audit Committee met one time during the year on 28th May, 2015. All the members attended the meeting.

The terms of reference of the committee covers the matters specified for Audit Committee as per the provisions of the Section 177 of the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

The Corporate Social Responsibility Committee consists of Sri Suresh Krishna, Ms Arundathi Krishna, Ms Usha Krishna and Sri R Ramakrishnan as members of CSR Committee, with Sri Suresh Krishna as its Chairman.

The CSR Committee met one time during the year on 22nd March, 2016. All the members attended the meeting.

With the enactment of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 and any amendment(s) relating thereto, read with various clarifications issued by Ministry of Corporate Affairs, the Company has undertaken activities as per the CSR Policy (available on your Company's website www.uel.in) and the details are contained in the annual report on CSR activities enclosed vide Annexure-IV forming part of this report.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board did not meet during the financial year ended 31st March, 2016.

Remuneration policy for Directors, Key Managerial Personnel and other employees:

The Company does not pay any remuneration to its Directors and Key Managerial Personnel.

The following will be the guiding factors with respect to remuneration to other employees:

The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent.

Remuneration to other employees will have a balance between fixed and incentive pay reflecting both short and long term performance objectives appropriate to the working of the Company and its goals and objectives. Such remuneration will generally comprise of fixed pay, performance pay, perquisites and other work related benefits.

The Remuneration to other employees shall ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

STATEMENT UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

None of the employees was in receipt of remuneration in excess of the limit prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has adopted the Anti-Sexual Harassment Policy laid down by the Holding Company (Sundram Fasteners Limited-SFL), which is in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) of SFL is entrusted to redress complaints regarding sexual harassment. No complaints were received during the year 2015.

ACKNOWLEDGMENT

Your Directors thank the holding company, Sundram Fasteners Limited for its continued support. The Directors wish to thank the Company's bankers, customers and vendors for their continued support. They also place on record their appreciation of all the employees of the Company for their contribution and dedicated service.

On behalf of the Board

Chennai
May 20, 2016

SURESH KRISHNA
Chairman

ANNEXURE - I

Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013

Nature of transaction (whether loan/ guarantee/ security/ acquisition)	Date of making loan/ acquisition / giving guarantee/ providing security	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed/ Unlisted entities)	Amount of loan/ security/ acquisition / guarantee	Time period for which it is made/ given	Purpose of loan / acquisition / guarantee / security	% of loan / acquisition / exposure on guarantee / security provided to the paid-up capital, free reserves and securities premium account and % of free reserves and securities premium	Date of passing Board resolution	Date of passing special resolution, if required	For loans	
									Rate of Interest	Date of Maturity
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Investment of 50 Equity Shares of ₹ 10/- each	13-04-2015	State Bank of Travancore	20,000	N.A.	Investment through rights issue	0.0053% / 0.0078%	04-03-2015	N.A.	N.A.	

On behalf of the Board

Chennai
May 20, 2016SURESH KRISHNA
Chairman

ANNEXURE - II

Disclosure of Particulars of Contracts/Arrangements entered into by the Company

Form No. 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)

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient features of the contracts or arrangements or transactions including the value	Date of approval by the Board	Amount paid as advances, if any
1.	Sundram Fasteners Limited	Purchase of goods, services rendered, service availed, sale of goods, capital goods purchased, lease rent paid, interest paid	2015-16	At arms' length basis and in the ordinary course of business (Aggregate value of ₹ 155,480,435/-)	As the transactions fall under Section 188(1) 3rd proviso, Board approval is not applicable	Nil
2.	TVS Infotech Limited	Services availed	2015-16	At arms' length basis and in the ordinary course of business (Aggregate value of ₹ 2,660,000/-)		Nil
3.	Upasana Finance Limited	Interest paid on Inter Corporate Deposits	2015-16	At arms' length basis and in the ordinary course of business Value ₹ 1,150,000		Nil

On behalf of the Board

Chennai
May 20, 2016SURESH KRISHNA
Chairman

TVS Upasana Limited

(formerly Upasana Engineering Limited)

ANNEXURE - III

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31st March, 2016

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

I. REGISTRATION AND OTHER DETAILS

CIN	U65991TN1992PLC022619
Registration Date	6th May 1992
Name of the Company	TVS Upasana Limited (formerly Upasana Engineering Limited)
Category / Sub-Category of the Company	Public Company / Limited by Shares
Address of the Registered Office and contact details	98-A, VII Floor, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004 Phone : 044 - 28478500 E-mail : meenakhisundaram.s@sfl.co.in
Whether listed company	No
Name, Address and Contact details of the Registrar and Transfer Agent, if any.	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S. No.	Name and description of main products / services	NIC Code of the Product / service	% of total turnover of the company
1	Manufacture of Spokes & Nipples, Automobile Kits, Dowels & Rollers Small Screws, Tools and Cold Extruded parts	25991	99.66

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the company	CIN / GLN	Holding / Subsidiary	% of votes held	Applicable Section
1	Sundram Fasteners Limited 98-A, VII Floor, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004	L35999TN1962PLC004943	Holding Company	100.00	2(46) / 2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category wise shareholding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1. Indian									
a) Individuals / HUF (Nominees of Bodies Corporate)	-	6	6	0.00	-	6	6	0.00	Nil
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	11899668	11899668	100.00	-	11899668	11899668	100.00	Nil
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	-	11899674	11899674	100.00	-	11899674	11899674	100.00	Nil
		11899674	11899674	100.00	-	11899674	11899674	100.00	Nil
Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other individuals	-	-	-	-	-	-	-	-	-
c)Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	Nil
Total shareholding (A)=(A)(1) + (A)(2)	-	11899674	11899674	100.00	-	11899674	11899674	100.00	Nil
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
Grand Total = A + B + C	-	11899674	11899674	100.00	-	11899674	11899674	100.00	Nil

(ii) Shareholding of Promoters

S. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Sundram Fasteners Ltd	11899668	100.00	0.00	11899668	100.00	0.00	Nil
2	Nominees of Sundram Fasteners Ltd	6	0.00	0.00	6	0.00	0.00	Nil
	Total	11899674	100.00	0.00	11899674	100.00	0.00	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

There have been no changes in the Promoters' shareholding during the year.

(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Not Applicable.

TVS Upasana Limited

(formerly Upasana Engineering Limited)

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and KMP	Name of the Director / KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning, during and end of the year	S Meenakshisundaram, Director*	1	0.00	1	0.00
2	At the beginning, during and end of the year	R Dilipkumar, CFO & CS*	1	0.00	1	0.00
3	At the beginning, during and end of the year	R Krishnan*	1	0.00	1	0.00

* Nominees of Sundram Fasteners Limited

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (as on 31st March, 2016)

S. No.	Particulars	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
1.	Indebtedness at the beginning of the financial year				
	i) Principal amount				
	ii) Interest due but not paid	23,33,96,910	9,40,00,000	-	32,73,96,910
	iii) Interest accrued but not due	-	10,35,000	-	10,35,000
	Total of (i) + (ii) + (iii)	23,33,96,910	9,50,35,000	-	32,84,31,910
2.	Change in indebtedness during the financial year				
	- Addition	2,71,26,692	-	-	2,71,26,692
	- Reduction	-	2,50,00,000	-	2,50,00,000
	Net Change	2,71,26,692	(2,50,00,000)	-	21,26,692
3.	Indebtedness at the end of the financial year				
	i) Principal amount	26,05,23,602	6,90,00,000	-	32,95,23,602
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	10,35,000	-	10,35,000
	Total of (i) + (ii) + (iii)	26,05,23,602	7,00,35,000	-	33,05,58,602

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year 2015-2016, no remuneration was paid to Directors and Key Managerial Personnel.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

During the year 2015-2016, there were no penalties levied by the Regional Director on the company / directors / officers in default or any compounding of offences by the company / directors / officers in default or any punishment granted by any Court against the company / directors / officers in default.

Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

(i) Brief Outline of the Company's CSR Policy

- CSR Committee (CSRC) shall formulate and recommend to the Board the CSR Policy, which shall include statutorily recognized activities.
- CSR to monitor the CSR Policy of the Company.
- CSRC shall recommend amount of expenditure to be incurred by the company on CSR activities.
- CSRC shall institute a transparent monitoring mechanism for implementation of the activities / projects undertaken by the Company.
- The CSR Committee shall have meetings periodically as it may deem fit with one meeting before finalization of annual accounts. The quorum shall be either two members or one third of the members of the CSR Committee, whichever is higher with a minimum of two directors, out of which one shall be an independent director.
- The CSR Committee shall invite Managing Directors and such of the executives to be present at the meetings of the Committee as may be required by it.
- Such other matters as may be prescribed under the Companies Act, 2013 and rules thereunder and such other rules / regulations, as may be applicable from time to time.

(ii) Overview of projects/ programmes

Contribution to Medical Research Foundation (Sankara Nethralaya) to provide door step eye care facility to rural people at free of cost amounting to ₹ 6,50,000/- (Rupees Six Lakhs Fifty Thousand Only).

Contribution to Kalashetra Foundation to provide training on "Dyeing Skills" and "Weaving Skills" to rural people for free of cost amounting to ₹ 10,15,000/- (Rupees Ten Lakhs Fifteen Thousand Only)

(iii) Web link:: www.uel.in

(ii) Composition of CSR Committee

The following directors are the members of the Corporate Social Responsibility Committee:

- Sri Suresh Krishna (Chairman)
- Ms. Usha Krishna
- Ms. Arundati Krishna
- Sri R Ramakrishnan

(iv) Average net profits

Average net profits of the company for the last three financial years is ₹ 810.10 Lakhs.

(vi) Prescribed CSR expenditure (two per cent of the amount specified above)

Prescribed CSR expenditure is ₹ 16.20 Lakhs.

(vii) Details of CSR spent during the financial year 2015-2016

Total amount to be spent for the financial year 2015-2016	₹ 16.20 Lakhs
Amount unspent	-
Manner in which the amount spent during the financial year	Providing door step eye care facility to rural people and training on "Dyeing Skills" and "Weaving Skills" to rural people.

c. Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay(budget) project or programs-wise (₹ In Lakhs)	Amount spent on the projects or programs. Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: (₹ In Lakhs)	Cumulative expenditure up to the reporting period (₹ In Lakhs)	Amount spent: Direct or through implementing agency* (₹ In Lakhs)
1	Medical Research Foundation (Sankara Nethralaya) - To provide door step eye care facility			₹ 6.50 Lakhs	₹ 6.50 Lakhs	₹ 6.50 Lakhs	₹ 6.50 Lakhs
2	Kalashetra Foundation - To provide training on "Dyeing Skills" and "Weaving Skills"			₹ 10.15 Lakhs	₹ 10.15 Lakhs	₹ 10.15 Lakhs	₹ 10.15 Lakhs

* Give details of implementing agency:

(viii) We hereby confirm that the Implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

On behalf of the Board

SURESH KRISHNA
Chairman

Chennai
May 20, 2016

TVS Upasana Limited

(formerly Upasana Engineering Limited)

Sundaram & Srinivasan

Chartered Accountants

New No.4 (Old No.23) C P Ramaswamy Road,
Alwarpet, Chennai 600 018.

Independent Auditors' Report to the Shareholders of TVS Upasana Limited (Formerly Upasana Engineering Limited), Chennai for the year ended March 31, 2016

To

The Members of TVS Upasana Limited,
No.98-A, Dr. Radhakrishnan Salai,
Mylapore, Chennai - 600 004.

Report on the Financial Statements

We have audited the accompanying financial statements of TVS UPASANA LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 .

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error .

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) of the state of affairs of the Company as at March 31, 2016;
- b) of the Profit for the year ended on that date; and
- c) of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the 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 and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note no. 34(29) to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.
 - iii. During the year, there was no requirement on the part of the company to transfer any amount to the Investor Education and Protection fund.

Chennai
May 20, 2016

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn. No. 004207S
M BALASUBRAMANIAM
Partner
Membership No. F 7945

Sundaram & Srinivasan

Chartered Accountants

New No.4 (Old No.23) C P Ramaswamy Road,
Alwarpet, Chennai 600 018.

Annexure to Independent Auditor's Report to the members of TVS Upasana Limited (Formerly Upasana Engineering Limited, Chennai for the year ended 31st March 2016

Annexure referred to in our report under "Report on Other Legal and Regulatory requirements Para 1" of even date on the accounts for the year ended 31st March 2016.

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) Fixed assets are verified physically by the management in accordance with a regular programme at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties of the Company are held in the name of the company based on the confirmation received from the Company except for lands to the extent of 0.0082 acres in respect of which registration of title deed in favour of the Company is pending.
2. The inventory has been physically verified at reasonable intervals during the year by the management. The discrepancies between the physical stocks and the books were not material and have been properly dealt with in the books of account.
3. During the year, the company has not granted any loan to a company, firm, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. During the year, the company has not granted any loan or furnished any guarantees or provided any security. The company has made investments in equity shares. The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to the investment.
5. The company has not accepted any deposit within the meaning of sections 73 to 76 of the Companies Act, 2013, during the year.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government under section 148(1) of the Companies Act, 2013 for maintenance of cost records and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. We have, however no made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. (a) According to the records provided to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities. However we have observed marginal delays in remittance of Income tax deduction, service tax and Employees' State Insurance.
- (b) According to information and explanations given to us, the following are the details of the disputed dues that were not deposited with the concerned authorities:

Name of the statute	Nature of dues	Amount (₹ In Lakhs)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	72,44,930	Commissioner of Income Tax (Appeals) at Chennai
Central Sales Tax Act, 1956	Central Sales Tax	47,08,098	Appellate Deputy Commissioner – CT
Central Sales Tax Act, 1956	Central Sales Tax	5,40,73,219	High Court of Judicature at Madras

8. Based on our verification and according to the information and explanations given by the management, the company has not defaulted in repayment of dues to its banks.
9. (a) The company has not raised any money by the way of initial public offer or further public offers including debt instruments during the year. Hence reporting on utilization of such money does not arise.
- (b) The company has not availed any fresh term loan during the year. The loans availed in earlier years were applied for the purpose for which they were availed.
10. Based on the audit procedures adopted and information and explanations given to us by the management, no fraud on or by the company has been noticed or reported during the course of our audit.
11. No managerial remuneration has been paid by the Company and hence the provisions of Section 197 read with Schedule V of the Companies Act, 2013 are not applicable.
12. The Company is not a Nidhi company and as such this clause of the Order is not applicable.
13. (a) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013.
- (b) The details of transactions during the year have been disclosed in the Financial Statements as required by the applicable accounting standards. Refer Note no 34 (18)(1) to Financial statements.
14. During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures under section 42 of the Companies Act, 2013.
15. According to the information and explanations furnished to us, the company has not entered into any non-cash transactions with directors or persons connected with them.
16. The company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

Chennai
May 20, 2016

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn. No. 004207S

M BALASUBRAMANIAM
Partner
Membership No. F 7945

TVS Upasana Limited

(formerly Upasana Engineering Limited)

Sundaram & Srinivasan

Chartered Accountants

New No.4 (Old No.23) C P Ramaswamy Road,
Alwarpet, Chennai 600 018.

Annexure E - A to Independent Auditors' Report to the Shareholders of TVS Upasana Limited (Formerly Upasana Engineering Limited for the year ended 31st March, 2016

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

We have audited the internal financial controls over financial reporting of TVS Upasana Limited (formerly Upasana Engineering Limited) ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Chennai
May 20, 2016

Meaning of Internal Financial Controls Over Financial Reporting

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

- I. pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- II. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- III. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on:

- i. existing policies and procedures adopted by the Company for ensuring orderly and efficient conduct of business .
- ii. continuous adherence to Company's policies .
- iii. existing procedures in relation to safeguarding of Company's fixed assets, investments, inventories, receivables, loans and advances made and cash and bank balances .
- iv. existing system to prevent and detect fraud and errors .
- v. accuracy and completeness of Company's accounting records; and
- vi. existing capacity to prepare timely and reliable financial information.

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn. No. 004207S

M BALASUBRAMANIAM
Partner
Membership No. F 7945

BALANCE SHEET AS AT MARCH 31, 2016

Rupees

	Note No.	As at 31-3-2016	As at 31-3-2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	118,996,740	118,996,740
(b) Reserves and surplus	2	<u>254,978,009</u>	<u>373,974,749</u>
(2) Non-current liabilities			
(a) Long Term Borrowings	4	90,000,000	150,000,000
(b) Deferred tax liabilities (Net)	3	21,160,365	18,208,447
(c) Long-term provisions	7	<u>9,592,506</u>	<u>8,714,807</u>
(3) Current liabilities			
(a) Short-term borrowings	4	179,523,602	177,396,910
(b) Trade payables			
(i) Total outstanding dues of micro - enterprises and small enterprises	5	-	-
(ii) Total outstanding dues of creditors other than micro - enterprises and small enterprises	5	<u>117,054,284</u>	<u>93,399,584</u>
(c) Other current liabilities	6	94,668,618	28,565,150
(d) Short-term provisions	7	<u>1,925,436</u>	<u>393,171,940</u>
TOTAL		<u>887,899,560</u>	<u>808,953,426</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	268,761,245	254,083,681
(ii) Intangible assets	8	<u>793,851</u>	<u>1,300,541</u>
(b) Long-term loans and advances	10	34,547,043	24,812,350
		304,102,139	280,196,572
(2) Current assets			
(a) Current investments	9	3,549,916	3,530,763
(b) Inventories	12	208,701,861	168,202,464
(c) Trade receivables	13	304,694,006	300,982,814
(d) Cash and cash equivalents	14	235,810	334,505
(e) Short-term loans and advances	10	39,333,972	22,838,948
(f) Other current assets	11	<u>27,281,856</u>	<u>583,797,421</u>
TOTAL		<u>887,899,560</u>	<u>808,953,426</u>

Notes to Financial Statements 1 to 34

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2016

Rupees

	Note No.	Year ended 31-3-2016	Year ended 31-3-2015
I Revenue from Operations (Gross)			
	15	1,158,424,408	1,124,232,997
Less: Excise Duty		<u>96,934,128</u>	<u>102,061,528</u>
Revenue From Operations (Net)		<u>1,061,490,280</u>	<u>1,022,171,469</u>
II Other Non Operating Income			
	16	15,583,219	3,465,016
III Total Revenue (I + II)			
		<u>1,077,073,499</u>	<u>1,025,636,485</u>
IV Expenses :			
Cost of Materials Consumed	17	426,867,172	407,218,539
Changes in inventories of Finished Goods, Work-in-Process and Stock-in-Trade	18	(48,276,788)	(12,204,873)
Employee benefits expense	19	136,364,360	119,047,667
Finance Costs	20	26,934,828	24,079,235
Depreciation and amortization expenses	8	39,457,747	33,464,718
Corporate Social Responsibility Expenditure	21	1,665,000	635,000
Other Expenses	22	<u>390,966,083</u>	<u>359,294,701</u>
Total Expenses		<u>973,978,402</u>	<u>931,534,987</u>
V Profit before exceptional and extraordinary items and tax (III-IV)			
		<u>103,095,097</u>	<u>94,101,498</u>
VI Exceptional Items			
	23	847	(187)
VII Profit before extraordinary items and tax (V-VI)			
		<u>103,094,250</u>	<u>94,101,685</u>
VIII Extraordinary Items			
		-	-
IX Profit before tax (VII-VIII)			
		<u>103,094,250</u>	<u>94,101,685</u>
X Tax Expense :			
1) Current Tax		32,000,000	30,400,000
2) Deferred tax		2,951,918	(959,223)
3) Earlier years		<u>989,628</u>	<u>(1,696,753)</u>
Total Tax		<u>35,941,546</u>	<u>27,744,024</u>
XI Profit for the year from continuing operations (IX-X)			
		<u>67,152,704</u>	<u>66,357,661</u>
XII Profit / (loss) from discontinuing operations			
		-	-
XIII Tax expense of discontinuing operations			
		-	-
XIV Profit from Discontinuing operations (after tax) (XII-XIII)			
		-	-
XV Profit (Loss) for the year (XI+XIV)			
		<u>67,152,704</u>	<u>66,357,661</u>
XVI Earnings per equity share :			
1) Basic		5.64	5.58
2) Diluted		5.64	5.58
No. of Shares		11,899,674	11,899,674

Notes to Financial Statements 1 to 34

SURESH KRISHNA
Chairman

ARUNDATHI KRISHNA
Managing Director

S. MEENAKSHISUNDARAM
Director

Chennai
May 20, 2016

R DILIP KUMAR
Chief Financial Officer & Company Secretary

As per our report annexed
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn. No. 0042075

M BALASUBRAMANIAM
Partner
Membership No. F 7945

SURESH KRISHNA
Chairman

ARUNDATHI KRISHNA
Managing Director

S. MEENAKSHISUNDARAM
Director

Chennai
May 20, 2016

R DILIP KUMAR
Chief Financial Officer & Company Secretary

As per our report annexed
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn. No. 0042075

M BALASUBRAMANIAM
Partner
Membership No. F 7945

TVS Upasana Limited

(formerly Upasana Engineering Limited)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

	Rupees	
	Year ended 31-3-2016	Year ended 31-3-2015
A. Cash Flow From Operating Activities:		
Net Profit before Tax	103,094,250	94,101,685
Adjustments For :		
Exceptional Items		
Provision for Diminution in Investments	847	(187)
Depreciation and amortisation	39,457,747	33,464,718
Finance cost (Net)	24,925,744	22,425,859
(Profit)/loss on Sale of Fixed Assets	(648,867)	(335,668)
Dividend Received	(152,694)	(75,952)
Unrealised Exchange (gain)/ loss	(3,138,223)	2,945,180
	<u>60,444,554</u>	<u>58,423,950</u>
Operating Profit before Extra ordinary		
Items & Working Capital Changes	163,538,804	152,525,635
Adjustments for Changes in Working Capital :		
Trade and other receivables #	(16,107,270)	(22,371,982)
Inventories	(40,499,398)	(43,758,816)
Trade and other Payables **	30,133,382	18,563,650
Cash Generated From Operations	137,065,518	104,958,487
Less: Direct Taxes Paid	37,758,950	43,385,890
Net Cash From Operating Activities	<u>99,306,568</u>	<u>61,572,597</u>
B. Cash Flow From Investing Activities:		
Purchase of Fixed Assets	(54,245,111)	(91,829,661)
Sale of Fixed Assets	1,265,357	546,510
Purchase of Investments	(20,000)	(2,401,000)
Interest received	1,881,584	1,026,045
Dividend received	152,694	75,952
Net Cash From Investing Activities	<u>(50,965,476)</u>	<u>(92,582,154)</u>
C. Cash Flow From Financing Activities:		
Proceeds From Borrowings (net of repayments) @	26,999,192	145,803,782
Repayment of Borrowings	(25,000,000)	(91,026,518)
Finance cost	(26,807,327)	(23,661,394)
Dividend & Corporate Dividend Taxes Paid	(23,631,652)	-
Net Cash used in Financing Activities	<u>(48,439,787)</u>	<u>31,115,870</u>
Net Increase / (Decrease) in cash and cash equivalents (A + B + C)	(98,695)	106,313
Cash and Cash equivalents - Opening Balance	334,505	228,192
Cash and Cash equivalents - Closing Balance	<u>235,810</u>	<u>334,505</u>
Notes:		
Cash and Cash equivalents include:		
a) Cash and stamps on hand	31,426	47,675
b) With Scheduled Banks - Current Account	204,384	286,830
	<u>235,810</u>	<u>334,505</u>

Excludes unrealised exchange gain of Rs. 34,78,813 on trade and other receivables (Last year loss Rs. 23,55,955).

* Excludes unrealised exchange loss of Rs. 2,13,089 on trade and other payables (Last year gain Rs. 38,106).

@ Excludes unrealised exchange loss of Rs. 1,27,500 on borrowings (Last year loss of Rs. 6,27,331).

SURESH KRISHNA Chairman	ARUNDATHI KRISHNA Managing Director	As per our report annexed For SUNDARAM & SRINIVASAN Chartered Accountants Firm Regn. No. 0042075
	S. MEENAKSHISUNDARAM Director	M BALASUBRAMANIAM Partner
Chennai May 20, 2016	R DILIP KUMAR Chief Financial Officer & Company Secretary	Membership No. F 7945

NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2016

	Rupees			
	As at March 31, 2016	As at March 31, 2015		
1 SHARE CAPITAL				
a. Authorised				
1,000 Redeemable Preference Shares of Rs 10 each	10,000	10,000		
1,19,99,000 Equity Shares of Rs 10 each	119,990,000	119,990,000		
b. Issued				
1,18,99,674 Equity Shares of Rs 10 each	118,996,740	118,996,740		
c. Subscribed and Paid-up				
1,18,99,674 Equity Shares of Rs 10 each fully paid-up	118,996,740	118,996,740		
d. Reconciliation of number of shares				
	No. of Shares	Value Rs	No. of Shares	Value Rs
1. Balance at the beginning of the year	11,899,674	118,996,740	11,899,674	118,996,740
2. Add : Shares issued during the year	-	-	-	-
3. Bonus Shares issued during the year	-	-	-	-
4. Balance as at the end of the year	11,899,674	118,996,740	11,899,674	118,996,740
e. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company				
	No. of Shares	Shares as % of Total No. of Shares	No. of Shares	Shares as % of Total No. of Shares
Name of the Shareholder				
1. Sundram Fasteners Limited, Chennai and its six nominees	11,899,674	100.00	11,899,674	100.00
Sub Total	11,899,674	100.00	11,899,674	100.00
2. Total No. of Shares of the Company	11,899,674	100.00	11,899,674	100.00
f. Shares allotted as fully paid up by way of Bonus shares (during 5 years immediately preceding March 31, 2016) Equity shares allotted as fully paid up bonus shares by Capitalisation of Reserves : Nil.				
g. Terms/rights attached to shares:				
The Company's Authorised capital consists of two class of shares viz., Redeemable Preference shares of face value of Rs. 10/- each and Equity shares of face value of Rs. 10/- each. Each holder of equity share is entitled to one vote per share. As and when the company declares dividend, it will be paid in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The terms and conditions of redeemable preference shares will be determined at the time of issue of such shares. The Company has not issued any redeemable preference shares and paid up capital consists only of equity shares.				
			Rupees	
			As at	As at
			March 31, 2016	March 31, 2015
h. Shares held by holding company				
Sundram Fasteners Limited, Chennai and its six nominees	11,899,674		11,899,674	
2 RESERVES & SURPLUS				
a. General Reserve				
1. Balance as at the beginning of the year		Nil		Nil
2. Add : Transfer from Surplus in Statement of Profit and Loss		Nil		Nil
3. Balance as at the end of the year		Nil		Nil
b. Surplus in Statement of Profit and Loss				
1. Balance as at the beginning of the year	211,456,957		145,495,780	
2. Profit for the year	67,152,704		66,357,661	
3. Balance available for appropriation (1 + 2)	278,609,661		211,853,441	
4. Less: Depreciation charged to retained earnings as per Schedule II of the Companies Act, 2013 [Refer Note No.8]				
a) Depreciation charged to Surplus	-		586,906	
b) Deferred Tax reversal consequent to above	-		190,422	
c) Net amount charged to retained earnings (a + b)	-		396,484	
5. Interim Dividend Paid	19,634,462		-	
6. Dividend Distribution Tax Paid	3,997,190		-	
7. Transfer to General Reserve	-		-	
8. Amount appropriated during the year (4 + 5 + 6)	23,631,652		396,484	
9. Balance as at the end of the year (3 - 7)	254,978,009		211,456,957	
Total Reserves and Surplus (a + b) = c	<u>254,978,009</u>		<u>211,456,957</u>	

NOTES TO FINANCIAL STATEMENTS (Contd.)

	Rupees	
	As at March 31, 2016	As at March 31, 2015
3. DEFERRED TAX LIABILITY / (ASSETS)		
a. Deferred Tax Liability:		
On Depreciation :		
As per last Balance Sheet	20,748,397	21,106,619
For the current year (transferred from Statement of Profit & Loss)	3,185,094	(167,800)
Tax effect on depreciation as per Companies Act, 2013 charged to surplus	-	(190,422)
Sub Total (a)	<u>23,933,491</u>	<u>20,748,397</u>
b. Deferred Tax Asset :		
i) On Provision for Gratuity		
As per last Balance Sheet	(2,539,172)	(1,747,648)
For the current year (transferred from Statement of Profit & Loss)	(232,881)	(791,524)
Sub Total	<u>(2,772,053)</u>	<u>(2,539,172)</u>
ii) On Provision for Leave Salary		
As per last Balance Sheet	-	-
For the current year (transferred from Statement of Profit & Loss)	-	-
Sub Total	<u>-</u>	<u>-</u>
iii) On Provision for Diminution for Investments		
As per last Balance Sheet	(778)	(879)
For the current year (transferred from Statement of Profit & Loss)	(295)	101
Sub Total	<u>(1,073)</u>	<u>(778)</u>
Sub Total (b)	<u>(2,773,126)</u>	<u>(2,539,950)</u>
Net Deferred Tax Liability (a+b) = c	<u>21,160,365</u>	<u>18,208,447</u>

4. BORROWINGS

	Long-term / Non-current		Short-term / Current	
	As at 31-3-2016	As at 31-3-2015	As at 31-3-2016	As at 31-3-2015
a. Secured Loans from Banks	90,000,000	150,000,000	-	-
Secured by Hypothecation of movable Fixed Assets i.e. specific plant and equipments				
Maturity Profile		Rs.		
Year	31-03-2016	31-03-2015		
2016-17	-	6,00,00,000		
2017-18	9,00,00,000	9,00,00,000		
Cash Credit	-	-	60,828,602	37,846,767
Export Packing Credit	-	-	49,695,000	23,850,143
Export Packing Credit - Rupee	-	-	-	21,700,000
Secured by Hypothecation of current assets viz. Stock of raw materials, work-in-process & finished goods and receivables.	(A)	<u>90,000,000</u>	<u>150,000,000</u>	<u>110,523,602</u>
b. Unsecured Loans				
Loan repayable on Demand from Holding Company	-	-	57,500,000	82,500,000
from Other - Related Parties	-	-	11,500,000	11,500,000
(B)	<u>-</u>	<u>-</u>	<u>69,000,000</u>	<u>94,000,000</u>
Total (A+B)	<u>90,000,000</u>	<u>150,000,000</u>	<u>179,523,602</u>	<u>177,396,910</u>

NOTES TO FINANCIAL STATEMENTS (Contd.)

	Rupees			
	Long-term / Non-current		Short-term / Current	
	As at 31-3-2016	As at 31-3-2015	As at 31-3-2016	As at 31-3-2015
5. TRADE PAYABLES				
Sundry Creditors	-	-	117,054,284	93,399,584
Total	<u>-</u>	<u>-</u>	<u>117,054,284</u>	<u>93,399,584</u>
Trade Payable includes :				
a) Total outstanding Dues of Micro, Small & Medium Enterprises (MSMEs)	-	-	-	-
i. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	-	-	-	-
ii. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-	-
iii. The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-	-
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year and	-	-	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-	-
Total outstanding Dues of Micro, Small & Medium Enterprises (MSMEs) **	-	-	-	-
b) Total outstanding Dues of Creditors other than MSMEs	-	-	117,054,284	93,399,584
Total	<u>-</u>	<u>-</u>	<u>117,054,284</u>	<u>93,399,584</u>
6. OTHER LIABILITIES				
a) Current maturities of Long term Loan	-	-	60,000,000	-
b) Interest accrued but not due	-	-	1,035,000	1,035,000
c) Statutory Dues	-	-	3,602,165	2,813,311
d) Unclaimed Wages & Salaries	-	-	433,183	537,389
e) Cenvat availed on Plant & Equipment taken on lease	-	-	5,222,701	5,222,701
f) Outstanding Liabilities	-	-	21,986,057	17,495,984
g) Security Deposit	-	-	10,000	10,000
h) Customer Advances	-	-	764,961	277,927
i) Non Statutory dues	-	-	1,614,551	1,172,838
Total	<u>-</u>	<u>-</u>	<u>94,668,618</u>	<u>28,565,150</u>
7. PROVISIONS				
Employee Benefits				
a. Leave Salary	2,980,278	2,942,098	153,509	161,460
b. Gratuity	6,612,228	5,772,709	1,771,927	2,053,371
Others				
Taxation	-	-	-	-
Total	<u>9,592,506</u>	<u>8,714,807</u>	<u>1,925,436</u>	<u>2,214,831</u>

TVS Upasana Limited

(formerly Upasana Engineering Limited)

NOTES TO FINANCIAL STATEMENTS (Contd.)

8. FIXED ASSETS

Rupees

Particulars	Tangible Assets									Intangible	Total As at 31.03.2016	Total As at 31.03.2015
	Freehold Land *	Buildings	Plant and Equipment	Furniture & Fixtures	Vehicles	Computers	Office Equipments	Total	Software			
A Cost of Assets												
As at 01-04-2015	7,998,878	51,624,923	398,111,756	2,861,405	183,942	2,760,734	3,900,316	467,441,954	3,832,822	471,274,776	381,694,202	
Additions	-	4,577,118	48,040,567	94,824	-	440,719	745,322	53,898,550	346,561	54,245,111	91,829,661	
Sales/Discards	-	-	(3,069,153)	-	-	-	-	(3,069,153)	-	(3,069,153)	(2,249,087)	
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	
As at 31-03-2016	7,998,878	56,202,041	443,083,170	2,956,229	183,942	3,201,453	4,645,638	518,271,351	4,179,383	522,450,734	471,274,776	
B Depreciation / Amortization												
As at 01-04-2015	-	11,838,566	196,552,170	1,470,802	82,641	2,054,900	1,359,194	213,358,273	2,532,281	215,890,554	183,877,174	
For the year	-	2,665,691	34,812,631	399,836	14,977	244,514	466,847	38,604,496	853,251	39,457,747	33,464,718	
Charged to retained earnings											586,906	
sub-total	-	14,504,257	231,364,801	1,870,638	97,618	2,299,414	1,826,041	251,962,769	3,385,532	255,348,301	217,928,798	
Deduction on sale or discards	-	-	(2,452,663)	-	-	-	-	(2,452,663)	-	(2,452,663)	(2,038,244)	
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	
As at 31-03-2016	-	14,504,257	228,912,138	1,870,638	97,618	2,299,414	1,826,041	249,510,106	3,385,532	252,895,638	215,890,554	
C Written Down Value												
As at 31-03-2016	7,998,878	41,697,784	214,171,032	1,085,591	86,324	902,039	2,819,597	268,761,245	793,851	269,555,096	255,384,222	
As at 31-03-2015	7,998,878	39,786,357	201,559,586	1,390,603	101,301	705,834	2,541,122	254,083,681	1,300,541	255,384,222		

* Cost of Land Includes pending Registration of Rs.5,12,751/- (Last Year Rs.5,12,751/-)

9. INVESTMENTS

Rupees

Rupees

1. Non-Trade (Valued at Cost)	Long-term / Non-current		Short-term / Current		As at 31-3-2016	As at 31-3-2015	As at 31-3-2016	As at 31-3-2015
	As at	As at	As at	As at				
	31-3-2016	31-3-2015	31-3-2016	31-3-2015				
Quoted equity instruments								
a. 200 Equity Shares of Rs 10 each fully paid up in Sterling Tools Ltd., New Delhi (Last year 200 shares)			6,635	6,635				
b. 83 Equity Shares of Rs 10 each fully paid up in Lakshmi Precision Screws Limited, Rohtak (Last year 83 shares)			5,922	5,922				
c. 500 Equity Shares of Rs 2 each fully paid up in Simmonds-Marshall Limited, Pune (Last year 500 shares)			3,161	3,161				
d. 25 Equity share of Rs 2 each fully paid up in Bharat Forge Limited Pune (Last year 25 shares)			4,362	4,362				
e. 13,900 Equity Shares of Rs 10 each fully paid up in Sundaram Brake Linings Limited, Chennai (Last year 13,900 Shares)			1,007,750	1,007,750				
f. 300 Equity Shares of Rs 10 each fully paid up in State Bank of Travancore, Thiruvananthapuram (Last year 250 Shares)			35,000	15,000				
g. 1,994 Equity Shares of Rs 5 each fully paid up in Sundaram Clayton Ltd, Chennai (Last year 1,994 Shares of Rs 5 each)			50,736	50,736				
h. 1,994 Equity Shares of Rs 5 each fully paid up in WABCO-INDIA Limited, Chennai (Last year 1,994 Shares)							32,876	32,876
i. 1,968 Equity Shares of Rs 10 each fully paid up in India Motor Parts and Accessories Limited Chennai (Last year 1,968 Shares)							5,720	5,720
Unquoted equity instruments								
a. 37240 Equity shares of Rs.10/- each fully paid up PPS Enviro Power Pvt. Ltd., Hyderabad (last year Nil shares)							2,401,000	2,401,000
Total							3,553,162	3,533,162
Provision for Diminution in value of Investments of Lakshmi Precision Screws Limited, Rohtak							3,246	2,399
Total Investments							3,549,910	3,530,763
a. Aggregate Value of Quoted Investments	1,152,162	1,132,162						
b. Aggregate Value of Unquoted Investments	2,401,000	2,401,000						
Total (a+b)	3,553,162	3,533,162						
c. Aggregate provision for diminution in value of Investments		3,246		2,399				
d. Market Value of Quoted Investments	21,902,642	20,958,866						

NOTES TO FINANCIAL STATEMENTS (Contd.)

10. LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS STATED OTHERWISE)	Non-current		Current	
	As at 31-3-2016	As at 31-3-2015	As at 31-3-2016	As at 31-3-2015
A. Capital Advance	5,288,419	4,480,068	-	-
(A)	<u>5,288,419</u>	<u>4,480,068</u>	<u>-</u>	<u>-</u>
B. Security Deposits	8,629,940	4,972,545	-	-
(B)	<u>8,629,940</u>	<u>4,972,545</u>	<u>-</u>	<u>-</u>
C. Other Loans and Advances				
Advance Income tax (net of provision for taxation)	15,041,536	9,408,004	-	-
Income Tax Receivable	3,138,430	3,138,430	1,132,951	1,132,951
Prepaid Expenses	-	-	5,304,658	1,225,381
Loans to employees	2,448,718	2,813,303	163,882	170,346
Advances to Employees	-	-	780,226	878,722
Balances with statutory / government authorities	-	-	253,089	816,339
Excise Duty	-	-	15,058,396	5,494,673
Service Tax	-	-	5,356,984	3,813,781
Value Added Tax	-	-	5,596,761	841,616
Advances recoverable in Cash or in kind or value to be received	-	-	5,687,025	8,465,139
(C)	<u>20,628,684</u>	<u>15,359,737</u>	<u>39,333,972</u>	<u>22,838,948</u>
Total (A+B+C)	<u>34,547,043</u>	<u>24,812,350</u>	<u>39,333,972</u>	<u>22,838,948</u>

11. OTHER ASSETS (UNSECURED, CONSIDERED GOOD UNLESS STATED OTHERWISE)

a. Claims Receivable	-	-	27,267,856	32,856,560
(A)	<u>-</u>	<u>-</u>	<u>27,267,856</u>	<u>32,856,560</u>
b. Interest receivable	-	-	14,000	10,800
(B)	<u>-</u>	<u>-</u>	<u>14,000</u>	<u>10,800</u>
Total (A+B)	<u>-</u>	<u>-</u>	<u>27,281,856</u>	<u>32,867,360</u>

12. INVENTORIES (VALUED AT LOWER OF COST AND NET REALIZABLE VALUE)

a. * Stores & Spares	10,511,318	8,086,205		
b. * Loose Tools	23,473,235	17,445,087		
c. * Packing Materials	1,415,541	1,629,852		
d. * Raw Materials and Components	46,964,619	56,961,515		
e. * Work-in-Process	71,242,636	60,672,425		
f. * Finished Goods	27,726,453	16,909,466		
In transit				
a. * Raw Materials and Components	333,787	6,017,914		
b. * Loose tools	144,682	480,000		
c. * Finished Goods	26,889,590	-		
Total	<u>208,701,861</u>	<u>168,202,464</u>		

* Certified by Managing Director

13. TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD UNLESS STATED OTHERWISE)

A. Outstanding for a period exceeding 6 months from the date they are due for payment	-	-	23,217,358	12,177,148
(A)	<u>-</u>	<u>-</u>	<u>23,217,358</u>	<u>12,177,148</u>
B. Other Receivables	-	-	281,476,648	288,805,666
(B)	<u>-</u>	<u>-</u>	<u>281,476,648</u>	<u>288,805,666</u>
Total (A+B)	<u>-</u>	<u>-</u>	<u>304,694,006</u>	<u>300,982,814</u>

14. CASH AND CASH EQUIVALENTS

Balances with Bank				
i) Current Account	-	-	204,384	286,830
Cash and Stamps on hand	-	-	31,426	47,675
	<u>-</u>	<u>-</u>	<u>235,810</u>	<u>334,505</u>

NOTES TO FINANCIAL STATEMENTS (Contd.)

15. REVENUE FROM OPERATIONS	Rupees	
	Year ended 31-3-2016	Year ended 31-3-2015
a. Sales of Products (Refer Note 15A)		
Domestic Sales	844,481,813	788,807,700
Export Sales	241,139,781	253,758,521
Sub Total	<u>1,085,621,594</u>	<u>1,042,566,221</u>
b. Sales of Service		
Sub Contract Receipts	46,424,718	50,748,796
c. Other Operating Revenues (Refer Note 15B)		
	26,378,096	30,917,980
Sub Total	<u>1,158,424,408</u>	<u>1,124,232,997</u>
Less : Excise Duty	96,934,128	102,061,528
Total	<u>1,061,490,280</u>	<u>1,022,171,469</u>

15A DETAILS OF PRODUCTS SOLD

a) Spokes for two wheelers	356,490,176	292,414,808
b) Nipples for two wheelers	155,600,462	144,402,099
c) Automobile Kits /ssu	11,894,897	13,603,457
d) Dowel Pins/Engineering Products	11,593,578	8,948,549
e) Carbide Pellet/Trim dies	50,651,149	58,710,610
f) Cold Extrusion Components for various applications	475,121,331	497,739,958
g) Steel tools	24,270,001	26,746,740
Total	<u>1,085,621,594</u>	<u>1,042,566,221</u>

15B OTHER OPERATING REVENUE

Scrap Sales	21,932,293	24,817,151
Tool development cost recovered	1,392,189	1,691,942
Export Incentives	3,053,614	4,408,887
Total	<u>26,378,096</u>	<u>30,917,980</u>

16. OTHER NON OPERATING INCOME

Interest Income	1,881,584	1,026,045
Net Foreign exchange gain	12,899,591	-
Dividend - Others - Current Investments	152,694	75,952
Profit on Sale of Assets	649,350	335,668
Other miscellaneous income	-	2,027,351
Total	<u>15,583,219</u>	<u>3,465,016</u>

17. RAW MATERIALS & COMPONENTS CONSUMED

Opening Stock of Raw Material	56,961,515	35,247,464
Add: Purchase of materials	416,870,276	428,932,590
Less: Closing Stock of Raw Material	46,964,619	56,961,515
Total	<u>426,867,172</u>	<u>407,218,539</u>

Consumption of Raw Materials under Broad Head

Spoke wire	139,605,962	150,940,397
Nipple Blanks/Wire	78,126,134	57,485,575
Steel	170,709,677	155,379,399
Steel Bar	35,722,829	37,482,927
Automobile Kits	2,702,570	5,930,241
Consumption Total	<u>426,867,172</u>	<u>407,218,539</u>

TVS Upasana Limited

(formerly Upasana Engineering Limited)

NOTES TO FINANCIAL STATEMENTS (Contd.)

Rupees

	Year ended 31-3-2016	Year ended 31-3-2015
18. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE		
Opening Stock :		
Work-in-process	60,672,425	44,411,299
Finished Goods	16,909,466	20,965,719
Less: Excise Duty on Finished goods (C)	<u>2,153,218</u>	<u>2,570,143</u>
Sub Total (A)	<u>75,428,673</u>	<u>62,806,875</u>
Less : Closing Stock		
Work-in-process	71,242,636	60,672,425
Finished Goods	27,726,453	16,909,466
Finished Goods in transit	26,889,590	-
Less: Excise Duty on Finished goods (D)	<u>1,087,072</u>	<u>2,153,218</u>
Sub Total (B)	<u>124,771,607</u>	<u>75,428,673</u>
Total (A)-(B)	<u>(49,342,934)</u>	<u>(12,621,798)</u>
Add/(less): Difference in Excise duty between opening and closing stock of finished goods (net) (C)-(D)	<u>1,066,146</u>	<u>416,925</u>
Total	<u>(48,276,788)</u>	<u>(12,204,873)</u>
18A WORK-IN-PROCESS - UNDER BROAD HEADS		
	Closing	Closing
Spokes and Nipples	15,452,394	8,545,663
Tools	3,089,725	3,217,553
Dowel Pins	10,242,615	1,878,740
Automobile Kits	146,922	158,938
Cold Extrusion Components	<u>42,310,980</u>	<u>46,871,531</u>
	<u>71,242,636</u>	<u>60,672,425</u>
19. EMPLOYEE BENEFIT EXPENSES		
a) Salaries,Wages,Bonus and Allowances	112,560,979	94,684,028
b) Leave Salary	976,011	2,070,055
c) Gratuity	1,671,162	2,889,128
d) Provident and Other Funds	8,803,588	7,742,719
e) Welfare expenses	<u>12,352,620</u>	<u>11,661,737</u>
Total	<u>136,364,360</u>	<u>119,047,667</u>
20. FINANCE COST		
a) Interest Expense	24,839,659	22,235,342
b) Applicable net gain / loss on foreign currency transactions and transaction including borrowing cost	<u>2,095,169</u>	<u>1,843,893</u>
Total	<u>26,934,828</u>	<u>24,079,235</u>
21. CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE		
Donation	<u>1,665,000</u>	<u>635,000</u>
Total	<u>1,665,000</u>	<u>635,000</u>
Amount required to be spent as per provisions of Section 135 of the Companies Act, 2013	<u>1,620,197</u>	<u>1,466,566</u>
Amount Spent during the year in cheque		
Construction/ acquisition of any asset	-	-
On purposes other than above	<u>1,665,000</u>	<u>635,000</u>
Total amount Spent during the year	<u>1,665,000</u>	<u>635,000</u>
Amount provided as Corporate Social Responsibility Expenditure during the year	-	-
22. OTHER EXPENSES		
a) Stores and Tools consumed	273,282,617	251,113,895
b) Power & Fuel	55,157,481	49,911,579
c) Rent	9,571,098	10,234,403
d) Rates & Taxes	2,098,949	1,120,652
e) Insurance	314,312	822,638
f) Repairs & Maintenance - Building	2,407,958	1,414,083
g) Repairs & Maintenance - Plant & Equipment	5,047,531	5,770,791
h) Repairs & Maintenance - Other assets	308,527	263,050
i) Miscellaneous Expenses (refer note no.24)	<u>42,777,610</u>	<u>38,643,610</u>
Total	<u>390,966,083</u>	<u>359,294,701</u>
23. EXCEPTIONAL ITEMS		
Provision for Diminution in Investments Written off / (up)	847	(187)
24. MISCELLANEOUS EXPENSES		
a) Freight & Transportation	19,585,704	13,269,076
b) Commission on sales	1,744,519	2,807,516
c) Advertisement and Sales Promotion	260,662	597,181
d) Bad debts written off	-	646,256
e) Remuneration to Auditors (Refer Note 25)	706,490	525,990
f) Loss on sale of assets	483	-
g) Bank Charges	789,849	532,994
h) Printing & Stationery	1,591,751	1,340,839
i) Travel Expenses	6,664,617	6,281,913
j) Postage & Telecom Expenses	1,505,140	1,210,906
k) Consultancy	7,691,236	6,983,768
l) Net Foreign exchange loss/net of gain	-	2,390,011
m) Sundry Expenses (under this head there is no expenditure which is in excess of 1% of revenue from operations or Rs 1 lakh, whichever is higher)	<u>2,237,159</u>	<u>2,057,160</u>
Total	<u>42,777,610</u>	<u>38,643,610</u>

NOTES TO FINANCIAL STATEMENTS (Contd.)

Rupees

	Year ended 31-3-2016	Year ended 31-3-2015		
25. REMUNERATION TO AUDITORS CONSIST OF				
a) As Auditor	200,000	200,000		
b) Taxation Matters	50,000	39,438		
c) Other services	285,027	180,000		
d) Reimbursement of expenses	<u>171,463</u>	<u>106,552</u>		
Total	<u>706,490</u>	<u>525,990</u>		
26. Figures for the previous year have been re-grouped, wherever necessary to conform to current year classification.				
27. CIF VALUE OF IMPORTS				
a) Raw Materials	50,605,948	25,183,827		
b) Components & Spare Parts	1,646,611	3,780,756		
c) Capital Goods	14,585,568	7,516,285		
d) Tool Steel, Tools, Gauges etc.,	1,248,968	756,492		
e) Others	-	-		
Total	<u>68,087,095</u>	<u>37,237,360</u>		
28. EARNINGS IN FOREIGN EXCHANGE				
a) FOB value of exports	231,960,275	226,775,618		
b) Claims Received	-	-		
c) Others	<u>1,392,190</u>	<u>1,391,942</u>		
Total	<u>233,352,465</u>	<u>228,167,560</u>		
29. EXPENDITURE IN FOREIGN CURRENCY				
a) Travel	1,271,953	1,548,369		
b) Interest on foreign currency loans	604,617	316,543		
c) Others	<u>6,755,432</u>	<u>2,834,090</u>		
Total	<u>8,632,002</u>	<u>4,699,012</u>		
30. DISCLOSURE IN RESPECT OF DERIVATIVE INSTRUMENTS				
a) Derivative instruments outstanding :*	-	23,850,143		
b) Net Foreign Currency exposures that are not hedged by derivative instruments				
Receivables	130,719,617	137,502,266		
Payables	326,542	13,943,214		
Export Packing Credit	49,695,000	-		
* The Company has entered into derivative contracts to hedge against exchange risk. There are no marked to market losses in respect of all outstanding derivative contracts at the Balance Sheet date.				
31. The Directors have waived the sitting fees incurred for attending the meetings of the Board/ Committees.				
32. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS CONSUMED AND THEIR PERCENTAGE TO TOTAL CONSUMPTION				
	Year ended 31-3-2016	Year ended 31-3-2015		
Particulars	Value Rs	% to total consn.	Value Rs	% to total consn.
A. Raw Materials, Components & Finished Goods				
1. Imported :				
a) Steel Wire	38,916,362	9.12	17,357,559	4.26
b) Steel	-	-	-	-
	<u>38,916,362</u>	<u>9.12</u>	<u>17,357,559</u>	<u>4.26</u>
2. Indigenous :				
a) Steel Wire	100,689,600	23.59	133,582,838	32.80
b) Nipples Blanks	78,126,134	18.30	57,485,575	14.12
c) Steel	206,432,506	48.36	192,862,326	47.36
d) Automobile Kits	2,702,570	0.63	5,930,241	1.46
	<u>387,950,810</u>	<u>90.88</u>	<u>389,860,980</u>	<u>95.74</u>
	<u>426,867,172</u>	<u>100.00</u>	<u>407,218,539</u>	<u>100.00</u>
B. Spares				
a) Imported	1,646,611	9.76	3,239,674	19.70
b) Indigenous	15,216,618	90.24	13,207,199	80.30
	<u>16,863,229</u>	<u>100.00</u>	<u>16,446,873</u>	<u>100.00</u>

NOTES TO FINANCIAL STATEMENTS (Contd.)

33. DETAILS OF SEGMENT INFORMATION AS REQUIRED BY AS 17

Rupees / Lakhs

Particulars / Segment		Spokes & Nipples		Tools		Cold Extruded Components		Others		Total	
		Domestic	Exports	Domestic	Exports	Domestic	Exports	Domestic	Exports	Domestic	Exports
Sales	Year ended 31-03-2016	5,120.91	-	749.21	-	2,392.94	2,358.27	181.75	53.13	8,444.82	2,411.40
	Year ended 31-03-2015	4,368.17	-	854.57	-	2,526.37	2,451.03	138.96	86.56	7,888.07	2,537.59
Profit before Interest & Depreciation	31-03-2016	717.62	-	102.68	-	419.33	413.26	32.54	9.51	1,272.17	422.77
	Year ended 31-03-2015	459.53	-	82.90	-	469.34	455.34	30.40	18.94	1,042.17	474.28
Assets	Year ended 31-03-2016	1,479.57	-	408.45	-	6,066.13	-	914.85	-	8,869.00	-
	Year ended 31-03-2015	1,415.11	-	308.09	-	5,664.48	-	701.85	-	8,089.53	-
Liabilities	Year ended 31-03-2016	231.67	-	59.90	-	938.15	-	3,909.66	-	5,139.38	-
	Year ended 31-03-2015	368.26	-	113.31	-	942.72	-	3,360.71	-	4,785.00	-
Additions-Fixed Assets	Year ended 31-03-2016	55.05	-	57.48	-	337.00	-	92.92	-	542.45	-
	Year ended 31-03-2015	65.79	-	0.55	-	848.08	-	3.88	-	918.30	-
Depreciation	Year ended 31-03-2016	58.75	-	11.99	-	303.20	-	12.10	-	386.04	-
	Year ended 31-03-2015	68.92	-	9.82	-	237.07	-	9.02	-	324.83	-
Amortisation	Year ended 31-03-2016	-	-	-	-	2.08	-	6.45	-	8.53	-
	Year ended 31-03-2015	-	-	-	-	1.86	-	7.95	-	9.81	-

34. Significant Accounting Policies / Compliance of Accounting Standards issued by the Institute of Chartered Accountants of India	Rupees		7) AS-7 : Construction Contracts	Rupees	
	As at / Year ended 31.3.2016	As at / Year ended 31.03.2015		As at / Year ended 31.3.2016	As at / Year ended 31.03.2015
(1) AS-1 : Disclosure of accounting policies			The above standard is not applicable to the Company as it is not engaged in the business of construction.		
(2) AS-2 : Valuation of inventories			(8) AS-8 : Accounting for Research and Development		
Inventories are valued at lower of cost or net realisable value. Cost is ascertained on weighted average basis in accordance with the method of valuation prescribed by the Institute of Chartered Accountants of India. Raw materials are valued at cost of purchase and includes all expenses incurred in bringing the materials to their present location and condition. Work-in-process and finished goods include conversion costs in addition to the cost of raw materials.			This Standard was withdrawn with effect from 1-4-2003 consequent to Accounting Standard AS 26 on Accounting for Intangible Assets becoming mandatory.		
(3) AS-3 : Cash flow statements			(9) AS-9: Revenue Recognition		
The Cash Flow Statement (Indirect method) has been attached to the Balance Sheet and Statement of Profit and Loss.			Income of the company is derived from sale of products and includes excise duty and is net of sales returns, trade and cash discounts.		
(4) AS-4 : Contingencies and Events occurring after the balance sheet date			Domestic sales are recognised on basis of sale invoices raised which is after physical clearance of goods sold.		
There are no events occurring after the balance sheet date that require adjustment or disclosure.			Export sales are recognised on the basis of date of bill of lading and let export certification.		
(5) AS-5 : Net profit or loss for the period, prior period items and changes in accounting policies			Exchange Gain or Loss on Exports are accounted as other income/expense and export benefits are recognised on post shipment basis.		
i) Net profit for the year			Interest income/expenses are recognised using the time proportion method based on the rates implicit in the transaction.		
All items of income and expense in the year are included in the determination of net profit for the period, unless specifically mentioned elsewhere in the financial statements or is required by an Accounting Standard.			Dividend income is recognised when the right to receive dividend is established.		
ii) Prior Period items			The revenue and expenditure are accounted on a going concern basis.		
a) Freight & Transportation	-	880	(10) AS-10 : Property Plant and Equipment		
b) Books and Periodicals	-	-	The gross block of fixed assets are disclosed at the cost of acquisition, which includes taxes, duties (net of excise duty credit availed) and other identifiable direct expenses incurred up to the date the asset is put to use.		
c) Staff Welfare expenses	-	2,661	Depreciation has been provided on the basis of useful life prescribed under Schedule II of the Companies Act, 2013, except in respect of certain category of plant and equipments, where useful life is different than those prescribed under Schedule II. In respect of these assets useful life has been determined based on technical assessments.		
d) Postage & Telecom Expenses	-	-	Component Accounting - Useful life of whole asset and part of the asset: In respect of all depreciable assets it was ascertained that useful life of part of the asset is not significantly different from the "whole of the asset". Accordingly, measurement of depreciation is same for component asset and whole of the asset.		
e) Repairs & maintenance - Buildings	-	19,771	(11) AS-11 : Accounting for effects of changes in foreign exchange rates		
f) Repairs & maintenance - Other Assets	-	-	Transactions on account of import of raw materials and other inputs are accounted based on the actual liability incurred if the transactions are settled within the accounting year. Such transactions not settled during the accounting year are accounted on rates prevailing on close of the accounting year.		
g) Stores and Tools consumed	8,772	-			
h) Rates & Taxes	-	-			
i) Travel expenses	-	1,868			
j) Salaries,Wages, Bonus and allowances	-	14,700			
k) Job Work Charges	-	7,303			
	8,772	39,880			
(6) AS-6: Depreciation Accounting					
This Standard has been omitted with effect from 30.03.2016.					

TVS Upasana Limited

(formerly Upasana Engineering Limited)

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at / Year ended 31.3.2016	Rupees As at / Year ended 31.03.2015
Export sale realisations are accounted at actual and those not realised within the accounting year are stated at rates prevailing on close of the accounting year.		
Gain or loss arising due to repayment or restatement of liabilities incurred for the purpose of acquiring fixed assets have been recognised in the Statement of Profit and Loss.		
Net exchange difference recognised in the Statement of Profit and Loss - Loss/(Gain)		
under other income/miscellaneous expenses	(12,899,591)	2,390,011
under Finance Cost	2,095,169	1,843,893
(12) AS-12 : Accounting for Government grants		
The company has not received any grant from the Government.		
(13) AS-13: Accounting for investments		
(a) Investments are accounted at the cost of acquisition which includes stamp fees, etc. All the investments are Current investments. Necessary provision has been made for the Diminution in the market value of current investments.		
(b) Provision made towards diminution in the value of investments	3,246	2,399
(14) AS-14 : Accounting for amalgamations		
The above standard is not applicable as there was no amalgamation during the year.		
(15) AS-15 : Employees Benefit		
(A) Defined Contribution Plan		
Employers Contribution to Provident Fund is recognised as Expense. Contribution to Provident Fund are made to Provident Fund Commissioner, Chennai and Salem		
Employer's Contribution to Provident Fund	6,237,039	5,213,699
(B) Defined Benefit Plan		
(i) Gratuity		
Retirement benefit in the form of Gratuity Liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year for unit at Chennai.		
In respect of unit at Hosur the liability towards gratuity is recognised on the basis of demand from LIC. The amount so recognised in Statement of Profit and Loss.		
The following tables summarise the components of net benefit expenses recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the Gratuity.		
	541,526	1,068,899
Statement of Profit and Loss		
Net employee benefit expense (recognised in Employee Cost)		
Current service cost	641,051	360,834
Interest cost on benefit obligation	450,772	381,862
Expected return on plan assets	-	-
Net actuarial loss recognised in the year	37,813	1,077,533
Past service cost	-	-
Liability not accounted as on 31.3.16	-	-
Net benefit expense	<u>1,129,636</u>	<u>1,820,229</u>
Actual return on Plan assets	-	-
Balance sheet		
Details of Provision for Gratuity		
Defined benefit obligation	6,773,730	5,914,167
Fair value of plan assets	-	-
Less: Unrecognised past service cost	-	-
Less: Liability not funded as on 31.3.16	-	-
Plan Liability (adjusted from operating revenue/retained earnings)	<u>6,773,730</u>	<u>5,914,167</u>
Changes in present value of the defined benefit obligation are as follows :		
Defined benefit obligation as at April 1, 2015	5,914,167	4,298,640
Interest cost	450,772	381,862
Current service cost	641,051	360,834
Past Service Cost	-	-
Benefits paid	(270,073)	(204,702)
Actuarial loss on obligation	37,813	1,077,533
Defined benefit obligation as at March 31, 2016	<u>6,773,730</u>	<u>5,914,167</u>

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at / Year ended 31.3.2016	Rupees As at / Year ended 31.03.2015
Changes in the fair value of plan assets are as follows :		
Fair value of plan assets as at April 1,2015	-	-
Expected return	-	-
Contribution by employer	270,073	204,702
Benefits paid	(270,073)	(204,702)
Actuarial gain	-	-
Fair value of plan assets as at March 31,2016	<u>-</u>	<u>-</u>
The gratuity scheme is unfunded and the actuarial liability is shown in the Balance Sheet.		
(ii) Leave Salary - Compensated Absences		
The Company also extends defined benefit plans in the form of Compensated absences to employees.		
The Employee Benefits towards Compensated absences are provided on actuarial valuation made at the end of the year.		
Employee benefits towards Compensated absences recognised in the Statement of Profit and Loss are as follows :		
a) Current service cost	423,022	295,998
b) Interest cost	205,192	171,648
c) Actuarial Loss/(gain) on obligation	347,797	969,571
Total	<u>976,011</u>	<u>1,437,217</u>
(iii) Actuarial Assumptions :		
The Principal assumptions used in determining gratuity benefit obligation and determining company's liability towards employee benefits under Compensated absences are furnished below :		
Discount rate - Gratuity	7.9%	7.8%
Discount rate - Leave Salary	7.9%	7.8%
The estimates of future salary increases, considered in actuarial valuation taking into account of inflation, seniority promotion, attrition and relevant factors, such as supply and demand in the employment market.		
(16) AS-16: Borrowing Cost		
Interest on borrowings to finance fixed assets are capitalised only if the borrowing costs are attributable to the acquisition of fixed assets that take a substantial period of time to get ready for its intended use. Expenditure incurred on alteration/temporary constructions is charged off as expenditure under appropriate heads of expenditure in the Statement of Profit and Loss in the year in which it is incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.		
Borrowing cost capitalised during the year.	Nil	Nil
(17) AS-17: Segment Reporting		
The Company has considered business segment as the primary segment for disclosure. The identified segments are Spokes & Nipples, Tools, Cold extrusion components and others as per AS17 issued by the Institute of Chartered Accountants of India. The company sells its products in India and also outside India. This is recognised as Secondary Segment Viz. as geographical segment. The details as required are furnished in Note No.33 of Notes to Financial Statements.		
(18) AS-18 : Related Party disclosure		
Related Parties :		
(I) Where Control exists:		
(A) Holding Company		
Sundram Fasteners Limited, Chennai		
- Purchase of Goods	10,622,099	27,840,076
- Services Rendered	46,939,635	50,708,155
- Services Availed	10,994,925	13,203,324
- Sale of Goods	78,183,325	76,663,542
- Capital Goods purchased	-	57,868
- Capital Goods sold	844,663	-
- Lease Rent Paid	7,424,322	7,424,322
- Dividend paid	19,634,462	-
- Outstanding amount payable by reporting entity	6,329,915	5,515,256
- Outstanding Security Deposit due to reporting entity	50,000	50,000
- Outstanding amount due to reporting entity	26,684,607	29,762,930
- Inter Corporate Deposit Received (Net of Repayments)	(25,000,000)	(35,500,000)
- Interest paid	6,715,479	8,475,549
- Outstanding amount payable by the Company	57,500,000	82,500,000

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at / Year ended 31.3.2016	Rupees As at / Year ended 31.03.2015
(B) Fellow Subsidiary - Domestic		
TVS Infotech Limited, Chennai (Associate upto 17th June 2014)		
Services availed	2,660,000	2,268,205
- Outstanding amount payable by the Company	1,841,130	431,946
(C) Other related parties - Fellow Subsidiaries (No transactions)		
Sundram Fasteners Investments Limited, Chennai		
Sundram Precision Components Limited (formerly Sundram Bleistahl Limited), Chennai		
Sundram Non-conventional Energy Systems Limited, Chennai		
Sundram Fasteners (Zhejiang) Limited, Peoples Republic of China		
Cramlington Precision Forge Ltd., Northumberland, United Kingdom		
Sundram International Inc, Michigan, USA		
Sundram RBI SDN. BHD, Malaysia		
Peiner Umformtechnik GmbH, Peine, Germany		
PUT Grundstucks GmbH, Peine, Federal Republic of Germany		
TVS Peiner Services, GmbH (Formerly Peiner Logistik GmbH), Peine, Federal Republic of Germany		
TVS Infotech Inc., Michigan USA		
Sundram International Limited, United Kingdom		
(II) Key Management Personnel (No Transactions)		
Ms. Arundathi Krishna - Managing Director		
Mr R Dilipkumar , Chief Financial Officer & Company Secretary		
(III) Enterprise in which Key Management Personnel have significant influence : Upasana Finance Limited , Chennai		
Interest expense	1,150,000	1,150,000
Interest payable	1,035,000	1,035,000
Principal Amount payable by the company outstanding	11,500,000	11,500,000
(19) AS-19 : Accounting for Leases		
The company has entered into lease agreements for a period up to five years, which are in the nature of operating leases as defined in the Accounting Standard prescribed by the Institute of Chartered Accountants of India.		
(a) Future minimum lease payments under non cancellable operating leases in respect of lease agreements entered into on or after 1.4.2001:		
Up to One year	6,794,322	6,794,322
One to five years	4,118,258	10,912,580
Total	<u>10,912,580</u>	<u>17,706,902</u>
(b) Lease payments recognised in the Statement of Profit and Loss		
	6,794,322	6,794,322
(c) Significant Leasing arrangements:		
The company has entered into leasing arrangements in respect of Plant and equipments		
(i) Basis of determining contingent rent :		
Contingent rents are payable for excessive, improper or unauthorised use of the asset, beyond the terms of the lease agreement, prejudicially affecting the resale value of the asset, either by way of increase in lease rentals or by way of lump-sum amount, as agreed between the parties.		
(ii) Renewal / purchase options and escalation clauses :		
Lease agreements are renewable for further period or periods on terms and conditions mutually agreed between the parties. Variations in lease rentals are made in the event of a change on the basis of computation of lease rentals by the lessor.		
(iii) There are no restrictions imposed by the lease arrangements, concerning dividends, additional debt and further leasing.		

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at / Year ended 31.3.2016	Rupees As at / Year ended 31.03.2015
(20) AS-20 : Earnings per share		
Basic earnings per share are disclosed in the Statement of Profit and Loss.		
There is no diluted earnings per share as there are no dilutive potential equity shares.		
Basic / Diluted EPS before considering Extra - ordinary items	5.64	5.58
Basic / Diluted EPS after considering Extra - ordinary items	5.64	5.58
Weighted Average Number of Shares	11,899,674	11,899,674
Face Value per share fully paid-up	Rs 10/-	Rs 10/-
(21) AS-21 : Consolidated financial statements		
Not Applicable as the company does not have any subsidiary.		
(22) AS-22 : Accounting for taxes on income		
Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.		
(23) AS-23 : Accounting for Investments in associates in Consolidated Financial Statements		
The Company has no associate.		
(24) AS-24 : Discontinuing Operations		
The Company has not discontinued any operations during the year.		
(25) AS-25 : Interim Financial Reporting		
Not Applicable as the Company is not a listed Company.		
(26) AS-26 : Intangible Assets		
Software acquired by the company is amortised over three years.		
Amount amortised and debited in Statement of Profit and Loss	853,251	981,386
(27) AS-27 : Financial Reporting of Interests in Joint Ventures		
The Company has not entered into any joint venture agreements		
(28) AS-28 : Impairment of Assets		
The Company has no Impairment loss during the year.		
	-	-
(29) AS-29 : Provisions, Contingent Liabilities and Contingent Assets		
(i) Contingent Liability		
on letters of Credit	17,601,726	20,035,403
on guarantees	677,000	-
(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for		
	65,158,724	24,855,823
(iii) Liabilities disputed not provided for		
(a) Central Sales Tax	63,810,193	566,329
(b) Income Tax	7,244,930	7,007,830
(iv) Claims not acknowledged as Debts	-	2,456,094
(30) AS-30 Financial Instruments : Recognition and Measurement		
a) AS 30 was issued by the Institute of Chartered Accountants of India (ICAI) in 2007 but has not yet been notified by the Government of India		
b) ICAI has clarified that to the extent of accounting treatments covered by any of the existing notified accounting standards (for eg. AS 11, AS 13 etc.) the existing accounting standards would continue to prevail over AS 30.		
c) Since the company follows the accounting treatment specified in the AS 30 through the accounting treatment under existing accounting standards i.e. AS 11 & AS 13 etc. AS 30 is not followed.		

SURESH KRISHNA Chairman	ARUNDATHI KRISHNA Managing Director	As per our report annexed For SUNDARAM & SRINIVASAN Chartered Accountants Firm Regn. No. 004207S
	S. MEENAKSHISUNDARAM Director	M BALASUBRAMANIAM Partner
Chennai May 20, 2016	R DILIP KUMAR Chief Financial Officer & Company Secretary	Membership No. F 7945