INDIA

Tube Investments of India Limited
(Formerly known as TI Financial Holdings Limited)
Dare House, 234, N.S.C. Bose Road, Chennai 600 001, India
Tel: 91.44.4217 7770-5 Fax: 91.44.4211 0404
Website: www.tiindia.com CIN: L35100TN2008PLC069496

16th August, 2018

National Stock Exchange of India Ltd	BSE Ltd.
Exchange Plaza, 5th Floor	25th Floor
Plot No.C/1, G Block	Phiroze Jeejeebhoy Towers,
Bandra-Kurla Complex	Dalal Street
Bandra (E)	Fort
Mumbai 400 051	Mumbai 400 001

Dear Sirs,

<u>Sub: Submission of Annual Report for FY 2017-18 – ISIN INE974X01010</u>

In continuation to our letter dated 19th July, 2018, as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit the Annual Report of the Company comprising the information as per sub-regulation (2) of the aforesaid Regulation, adopted at the 10th Annual General Meeting of the Company held on 13th August, 2018.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For TUBE INVESTMENTS OF INDIA LIMITED

S SURESH
COMPANY SECRETARY

Encl:

murugappa

TUBE INVESTMENTS OF INDIA LIMITED

(formerly, TI Financial Holdings Limited)
(CIN: L35100TN2008PLC069496)
Registered Office: "Dare House", 234 N S C Bose Road, Chennai 600 001
Website: www.tiindia.com - E-mail id: investorservices@tii.murugappa.com
Phone: 044-42177770-5 – Fax: 044-42110404

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the TENTH ANNUAL GENERAL MEETING of the Members of Tube Investments of India Limited (formerly, TI Financial Holdings Limited) will be held on **Monday, the 13th August, 2018 at 3.30 P.M.** at T T K Auditorium, The Music Academy, 168 (Old no. 306), T T K Road, Chennai - 600 014 to transact the following business:

ORDINARY BUSINESS

1. To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

   RESOLVED that the Audited Financial Statements of the Company for the financial year ended 31st March, 2018, the Reports of the Board of Directors and the Auditors thereon, be and are hereby received and adopted.

2. To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

   RESOLVED that the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2018 and the Report of the Auditors thereon, be and are hereby received and adopted.

3. To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

   RESOLVED that out of the profits for the financial year ended 31st March, 2018, a final dividend at the rate of ₹ 0.50 (fifty paise) only per share on the equity share capital of the Company, as recommended by the Board of Directors, be and the same is hereby declared for the financial year, 2017-18 and that the said dividend be paid to the Members whose names appear on the Register of Members as on 13th August, 2018 or their mandatees, in case the shares are held in physical form, thus making a total dividend of ₹ 1.75 per equity share of ₹ 1 each for the financial year, including the interim dividend of ₹ 1.25 per share already paid.

   RESOLVED FURTHER that in respect of shares held in electronic form, the dividend be paid to the beneficial holders of the dematerialised shares as on 13th August, 2018 as per details furnished by the depositories for this purpose.

4. To consider and if deemed fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:

   RESOLVED that pursuant to Section 152 and other applicable provisions of the Companies Act, 2013, the Rules thereunder (including any statutory modification(s) of re-enactment thereof for the time being in force), Mr. M M Murugappan (holding DIN 00170478), Chairman, who retires by rotation, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.

5. To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

   RESOLVED that pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of Messrs. S R Batliboi & Associates LLP (LLP Identity no. AAB-4295), Chartered Accountants (Firm registration no.101049W/E300004) as the Statutory Auditors of the Company to hold office from the conclusion of this (10th) Annual General Meeting until the conclusion of the next (11th) Annual General Meeting of the Company on a remuneration of ₹33 lakhs for the financial year, 2018-19 plus applicable taxes and reimbursement of out-of-pocket expenses incurred by them in connection with the said audit.

SPECIAL BUSINESS

6. To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

   RESOLVED that pursuant to the provisions of Sections 152, 161 and other applicable provisions of the Companies Act, 2013, the Rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015, as amended from time to time, Mr. Ramesh K B Menon (holding DIN 05275821), Additional Director, who holds office up to the date of this Annual General Meeting, be and is hereby appointed as a non-executive Director of the Company, liable to retire by rotation.

7. To consider and if deemed fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

   RESOLVED that pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactment thereof, for the time being in force, and the Rules framed thereunder, consent of the Members of the Company be and is hereby accorded for the alteration of existing sub-clause 10 under III(B) of the Memorandum of Association of the Company by inclusion of the words "or for political purposes" immediately after the word "institutions" occurring in the said sub-clause 10 and also for deletion of the existing words "but not to any political purposes" occurring at the end of the said sub-clause 10, such that after the aforesaid alterations, the amended sub-clause 10 to read as under:

   10. To give donations or subscriptions to any religious, charitable or social institutions or for political purposes or to give any charity incidental or conducive to any business that may be carried on by the Company.

   RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board (including Committee(s) thereof and/or any Director or any individual delegated with powers necessary for the purpose) be and is hereby authorised to do all such acts, deeds, matters and things, as may be necessary, proper or expedient without being required to seek any further consent or approval of the Company or otherwise to the end and intent that they shall be deemed to have been given all necessary approval thereto expressly by the authority of this resolution.

8. To consider and if deemed fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

   RESOLVED that pursuant to Section 42 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and/or other applicable Rules [including any statutory modification(s) or re-enactment thereof for the time being in force] and further subject to such approvals, as may be required, consent of the Company be and is hereby accorded to the Board of Directors of the Company ("the Board") to offer, issue and allot Secured Redeemable Non-convertible Debentures ("NCDs"), in one or more series or tranches, on private placement basis, to eligible investors under the applicable laws, regulations, guidelines etc., in such manner, and wherever necessary or required, in consultation with merchant bankers/and or advisors or others, on such terms and conditions (including such coupon rates as may be negotiated) and for such purposes/objectives of the Company as the Board may, in its absolute discretion, decide at the time of issue of the NCDs, provided that the total amount so raised by the Company, through issuance of such NCDs (including the premium thereon, if any, as may be decided by the Board), shall not exceed, during the period commencing from the date of conclusion of the 10th Annual General Meeting till the date of conclusion of the next/immediately succeeding 11th Annual General Meeting, an aggregate sum of ₹500 crores.

   RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all documents or writings, as may be necessary or proper or expedient for the purpose of giving effect to this resolution including creation of security in favour of the lenders as may become necessary, intimating the concerned authorities or such other regulatory body/ies and for matters connected therewith or incidental thereto including delegating all or any of the powers conferred herein to any Committee of the Directors or any Director(s) or Officer(s) of the Company to the extent permitted under the Act and the Rules thereunder.

9. To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

   RESOLVED that pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules thereunder [including any statutory modification(s) or re-enactment thereof, for the time being in force], the remuneration payable during the financial year 2019-20 to M/s. S Mahadevan & Co., Cost Accountants (holding Registration No.000007) appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2018-19, amounting to ₹3,00,000/- (Rupees three lakhs) in addition to reimbursement of out-of-pocket expenses incurred in connection with the said audit but excluding taxes, as may be applicable, be and is hereby ratified and confirmed.

   RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

By Order of the Board

Place : Chennai
S Suresh
Date : 7th May, 2018
Company Secretary

NOTES:

1. **A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member. The proxy form is annexed herewith. The duly completed proxy form must be sent so as to reach the Company not less than 48 hours before the commencement of the meeting.**

2. **A person shall not act as proxy on behalf of Members exceeding fifty in number and holding in the aggregate more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

3. Statement of material facts in respect of the Special Business under Item nos.6 to 9 (pursuant to Section 102 of the Companies Act, 2013) is annexed hereto.

4. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 1st August, 2018, to Monday, 13th August, 2018 (both days inclusive).

5. Members are requested to intimate the Registrar and Transfer Agent viz., **Karvy Computershare Private Ltd, Karvy Selenium Tower B, Plot 31-32 Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032** (RTA), not later than 1st August, 2018, of any change in their address/details about their Bank Account number, Name of the Bank, Bank's Branch name and address to enable the Company to remit the dividend electronically or alternatively, for incorporating in the dividend warrants. For shares held in dematerialised form, change in address/Bank account particulars may be intimated directly to the Member's Depository Participant(s).

6. Members holding shares in physical form are encouraged to nominate a person to whom their shareholding in the Company shall vest in the event of their demise. Nomination forms will be sent to the Members on request, by the RTA.

7. SEBI has recently directed all companies and their RTAs to immediately seek from shareholders, who hold shares in physical mode and have not furnished their PAN and Bank account details, details of the same. Hence, such Members are advised to furnish a self-attested copy of their PAN card and cancelled cheque leaf relating to their Bank account to the Company/RTA at the earliest.

8. All Members who hold their shares in physical mode are further advised to dematerialise their shares at the earliest as SEBI has decided that securities of listed companies can be transferred only in the dematerialised form from 4th December, 2018.

9. Electronic (soft) copy of the Notice of the 10th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with the Attendance Slip & Proxy Form and the Annual Report for 2017-18 is being sent to all the Members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copies of the Notice of the 10th Annual General Meeting of the Company *inter alia* including the process and manner of e-voting along with the Attendance Slip & Proxy Form and the Annual Report for 2017-18 are being sent in the permitted mode.

10. All documents referred in the accompanying Notice and the Statement shall be open for inspection in physical or in electronic form at the Registered Office of the Company during normal business hours (9.30 a.m. to 5.30 p.m.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting and also at the meeting.

ANNEXURE TO THE NOTICE

Details of the Director seeking re-appointment at the 10th Annual General Meeting vide Item no.4 of the Notice dated 7th May, 2018

[Pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The resume of Mr. M M Murugappan, in brief and other details required to be provided pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided below for the consideration of the Members:

Mr. M M Murugappan

Mr. M M Murugappan holds a Masters degree in Chemical Engineering from the University of Michigan. He was appointed as a Director of the Company with effect from 1st August, 2017 and he is the Chairman of the Company.

Details of other Directorships and memberships in Committees held by him are as follows:

Chairman	**Director**
Carborundum Universal Ltd (listed company)	Mahindra and Mahindra Ltd (listed company)
Coromandel International Ltd (listed company)	Cyient Ltd (listed company)
TI Financial Holdings Ltd (listed company)	Ambadi Investments Ltd
Cholamandalam MS General Insurance Co. Ltd	Murugappa Organo Water Solutions Private Ltd
Wendt India Ltd (listed company)	M M Muthiah Research Foundation
Cholamandalam Health Insurance Ltd	Idea Lab (India) Private Ltd
Volzhsky Abrasive Works, Russia	I I T Madras Research Park
Committee Memberships / Chairmanships	
Audit Committee	**Investment Committee**
Chairman	**Member**
Cyient Ltd	Carborundum Universal Ltd
Member	Cholamandalam MS General Insurance Co. Ltd
Mahindra & Mahindra Ltd	**Shares & Debentures Committee**
Ambadi Investments Ltd	**Chairman**
Stakeholders Relationship Committee	Tube Investments of India Ltd.
Chairman	**Corporate Social Responsibility Committee**
Tube Investments of India Ltd	**Chairman**
TI Financial Holdings Ltd	TI Financial Holdings Ltd
Wendt India Ltd	Cholamandalam MS General Insurance Co. Ltd
Carborundum Universal Ltd	**Member**
Member	Ambadi Investments Ltd
Ambadi Investments Ltd	**R & D Committee**
Nomination and Remuneration Committee	**Chairman**
Chairman (Governance)	Mahindra & Mahindra Ltd
Mahindra and Mahindra Ltd	**Borrowing Committee**
Member	**Member**
Tube Investments of India Ltd	Ambadi Investments Ltd
Cyient Ltd	**Management Committee**
TI Financial Holdings Ltd	**Chairman**
Risk Management Committee	Cholamandalam MS General Insurance Co. Ltd
Chairman	**Business Committee**
Cyient Ltd	**Member**
Member	Cholamandalam MS General Insurance Co. Ltd
Mahindra & Mahindra Ltd	
Cholamandalam MS General Insurance Co. Ltd	
Loans Committee	
Chairman	
Tube Investments of India Ltd	

Mr. M M Murugappan holds 18,90,385 equity shares of the Company.

The other details relating to Mr. M M Murugappan pursuant to the Secretarial Standard on General Meetings appear in the Annual Report under Directors' Profile, Corporate Governance Report and annexure thereto.

The Board recommends his appointment as a Director liable to retire by rotation for approval by the Members of the Company.

Mr. M M Murugappan is not related to the other Directors and Key Managerial Personnel of the Company, and their relatives.

Except Mr. M M Murugappan, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives, is concerned or interested, financially or otherwise, in the resolution relating to his re-appointment as Director of the Company.

Statement in respect of the Special Business under Item nos. 6 to 9 (pursuant to Section 102 of the Companies Act, 2013) of the Notice dated 7th May, 2018

Item no.6

Mr. Ramesh K B Menon, holding DIN 05275821 was appointed as an Additional Director of the Company with effect from 16th November, 2017 pursuant to Section 161(1) of the Companies Act, 2013 ("the Act") and holds office up to the date of the ensuing Annual General Meeting. The Company has received the requisite consent and disclosure forms from him. The Company has also received a notice in writing from a Member under Section 160 of the Act in respect of Mr. Ramesh K B Menon's appointment.

Mr. Ramesh K B Menon is a graduate in Science from Jai Hind College, Mumbai and an alumnus of XLRI, Jamshedpur. Mr. Menon had earlier worked with Madura Coats as its Director - HR, South Asia and his experience with Madura Coats spanned twenty-seven years where he had handled several HR leadership assignments including as the HR Head for South Asia & Africa Regions, consisting of thirteen countries.

Details of other Directorships and memberships in Committees held by him are as follows:

Director	**Committee Memberships**
E.I.D. Parry (India) Ltd (listed company) Ambadi Enterprises Ltd Parry Enterprises India Ltd Parry Murray and Company Ltd Parry Agro Industries Ltd Triumph Electoral Trust	**Audit Committee** **Member** Ambadi Enterprises Ltd Parry Enterprises India Ltd Parry Agro Industries Ltd **Stakeholders Relationship Committee** **Member** E.I.D Parry India Ltd **Nomination and Remuneration Committee** **Member** E.I.D Parry India Ltd

Mr. Ramesh K B Menon does not hold any shares of the Company.

The other details relating to Mr. Ramesh K B Menon pursuant to the Secretarial Standard on General Meetings appear in the Annual Report under Directors' Profile, Corporate Governance Report and annexure thereto.

The Board recommends his appointment as a Director liable to retire by rotation for approval by the Members of the Company.

Mr. Ramesh K B Menon is not related to the other directors and Key Managerial Personnel of the Company and their relatives.

Except Mr. Ramesh K B Menon, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives, is concerned or interested, financially or otherwise, in the resolution relating to his appointment as Director of the Company.

Item no.7

Section 182 of the Companies Act, 2013 provides that a company other than a government company and a company which has been in existence for less than three financial years may contribute any amount directly or indirectly to any political party.

sub-clause 10 under III(B) viz, Objects Incidental or Auxiliary to the Attainment of Main Objects in the Memorandum of Association (MoA) of the Company expressly stipulates that the Company cannot contribute to any political purposes.

To remove the impediment in contributing for political purposes, as and when proposed, it is proposed that the aforesaid Sub-clause 10 under III(B) of the MoA be altered by insertion of words to provide for making of political contributions. Such alteration to the MoA would require the approval of the Members in general meeting.

Accordingly, approval of the Members is sought by way of a Special Resolution under the applicable provisions of the Act and the Rules thereunder for alteration of the existing sub-clause 10 under III(B) viz, Objects Incidental or Auxiliary to the Attainment of Main Objects in the MoA as per details provided in the resolution under the Notice. The Board recommends the resolution for approval by the shareholders of the Company.

None of the Directors of the Company and Key Managerial Personnel of the Company and their relatives is concerned or interested in the aforesaid Special Resolution.

Item no.8

The Companies Act, 2013 ('the Act") stipulates that private placement offer/invitation of securities, not made in compliance with the provisions of the said Act and Rules framed thereunder shall be treated as a public offer requiring compliance with the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992.

The Company in the ordinary course of business raises long-term borrowings, either by way of term loans, inter-corporate deposits, external commercial borrowing(s) or debentures. It is estimated that the Company will be resorting to an aggregate long-term borrowing of ₹500 Cr. in the coming months, which may be in any one mode (or) in a combination of modes, including through issue of secured redeemable non-convertible debentures (NCDs) on private placement basis. If the Company proposes to raise long-term borrowing by such issue of NCDs on private placement basis, the Act mandates that the Company shall obtain prior approval of its shareholders by means of a Special Resolution in respect of such borrowing through NCDs during the year.

Accordingly, approval of the Members is sought by way of a Special Resolution under the applicable provisions of the Act and the Rules thereunder for issue of NCDs on private placement basis for a maximum sum of ₹500 Cr, including such premium thereon, if any, as may be decided by the Board and at such coupon rates as may be negotiated and also creation of necessary security therefore, as part of the long-term borrowing programme of the Company, during the period commencing from the date of conclusion of the 10^{th} Annual General Meeting till the date of conclusion of the next/ immediately succeeding 11^{th} Annual General Meeting. The Board recommends the resolution for approval by the shareholders of the Company.

None of the Directors of the Company and Key Managerial Personnel of the Company and their relatives is concerned or interested in the aforesaid Special Resolution.

Item no.9

In terms of the Companies (Cost Records and Audit) Rules, 2014, as amended, some of the products of the Company are covered under the requirement of conduct of audit of the cost records.

M/s. S Mahadevan & Associates were appointed by the Board of Directors, on the recommendation of the Audit Committee, as the Cost Auditors to conduct an audit of the cost records in respect of the aforementioned products of the Company for the financial year, 2018-19 on the remuneration payable to them as per details furnished under Item no.9 of the Notice of the Annual General Meeting.

In terms of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditor is required to be ratified by the shareholders of the Company. The Board recommends the resolution for approval by the shareholders of the Company.

None of the Directors of the Company and Key Managerial Personnel of the Company and their relatives is concerned or interested in the aforesaid Ordinary Resolution.

By Order of the Board
S Suresh
Company Secretary

Place : Chennai
Date : 7^{th} May, 2018

INSTRUCTIONS FOR ELECTRONIC VOTING [e-voting]

I. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of The Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ("Amended Rules 2015") and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"), the Company is pleased to provide the Members the facility to exercise their right to vote on the resolutions proposed for consideration at the 10th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the Members using an e-voting system from a place other than the venue of the AGM ("remote e-voting") is being provided by M/s. Karvy Computershare Private Limited ("Karvy").

II. Mr. R Sridharan of M/s. R Sridharan & Associates, Company Secretaries will act as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

III. **The remote e-voting period commences on Wednesday, 8th August 2018 (9.00 a.m. Indian Standard Time) and ends on Sunday, 12th August 2018 (5.00 p.m. Indian Standard Time). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the Cut-off Date of 6th August 2018, may cast their vote electronically. The remote e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.**

IV. The process and manner for remote e-voting are as under:

A. In case of Members receiving e-mail from Karvy (for Members whose e-mail IDs are registered with the Company/Depository Participant(s):

i) Open your web browser during the voting period and navigate to https://evoting.karvy.com

ii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be the EVEN number followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

iii) After entering these details appropriately, click on "LOGIN".

iv) You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v) You need to login again with the new credentials.

vi) On successful login, the system will prompt you to select the e-voting event.

vii) Select the EVENT of Tube Investments of India Limited and click on "SUBMIT".

viii) Now you are ready for e-voting as "Cast Vote" page opens.

ix) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together not exceeding your total shareholding as mentioned herein above. You may also choose the option "ABSTAIN". If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

x) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

xi) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

xii) You may then cast your vote by selecting an appropriate option and click on "Submit".

xiii) A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution(s).

xiv) Corporate/institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF format) of the board resolution/authority letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at e-mail rsaevoting@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "TII - 10th AGM".

B. In case of Members receiving physical copies of the Notice of AGM (for Members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy):

i) E-Voting Event Number (EVEN), User ID and Password is provided in the Attendance Slip.

ii) Please follow all steps from sl. no. (i) to sl. no. (xiv) above to cast vote.

C. Voting at AGM:

The Members who have not cast their vote electronically can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM venue.

Other instructions:

i) In case of any queries, you may refer Help & FAQ section of https://evoting.karvy.com (Karvy website) or call Karvy on 040-67162222 & Toll-free No.1-800-3454-001.

ii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

iii) The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the Cut-off Date viz., 6th August, 2018. However, a person who is not a Member as on the Cut-off Date should treat this Notice for information purpose only. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of the aforesaid period. Once the vote on a resolution is cast by the Member, he will not be allowed to change it subsequently or cast the vote again.

iv) Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice to the shareholders and holding shares as on the Cut-off Date of 6th August, 2018, may obtain the login ID and password by sending a request at einward.ris@karvy.com. However, if you are already registered with Karvy for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot user details/Password" option available on https://evoting.karvy.com

v) Since the Company is required to provide the Members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the Cut-off Date and not casting their vote electronically, may cast their vote at the AGM venue. Facility will be available at the venue.

vi) Members who have cast their votes through remote e-voting may also attend the AGM. However, those Members are not entitled to cast their vote again in the AGM.

vii) Voting facility will be provided to the Members through electronic voting system or through ballot/polling paper at the AGM venue. A Member can opt for only one mode of voting i.e. either through remote e-voting or voting at the AGM. Thus, voting facility at the AGM shall be used only by those who have not exercised their right to vote through remote e-voting.

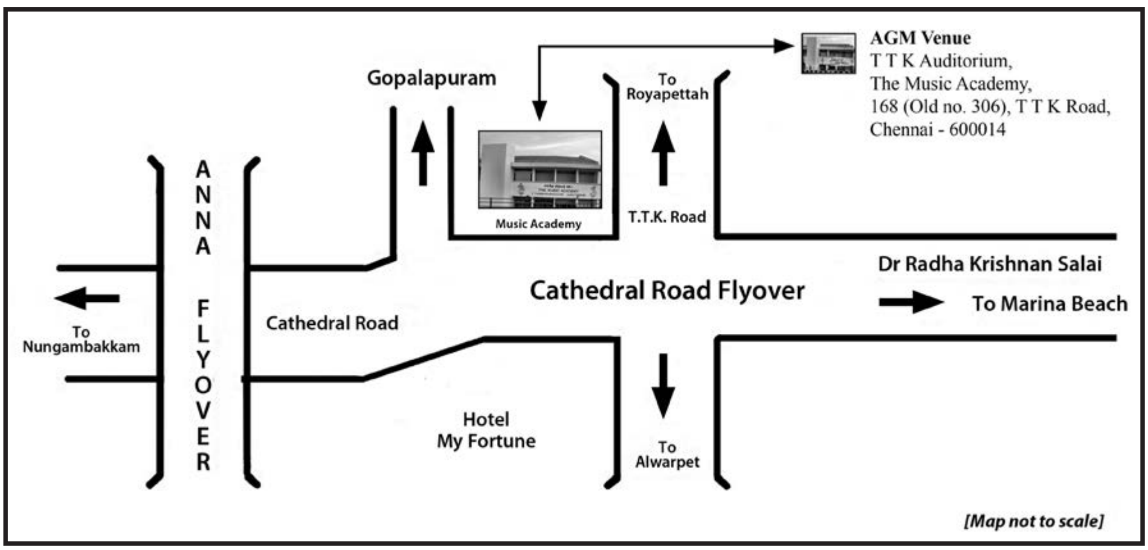
viii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutiniser, by use of e-voting for all those Members who are present at the AGM who have not cast their votes by availing the remote e-voting facility.

ix) The Scrutiniser shall after the conclusion of voting at the AGM will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company who shall make, within forty-eight hours of the conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

x) The results declared along with the Scrutiniser's Report shall be placed on the Company's website www.tiindia.com and on the website of Karvy immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchange(s).

V. All documents referred in the accompanying Notice and the Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 a.m. to 5.30 p.m.) on all working days except Saturdays and Sundays, up to and including the date of the AGM.

Route Map to AGM Venue



REPOSITIONING FOR GROWTH

TUBE INVESTMENTS OF INDIA LIMITED

Annual Report 2017-18

Contents

Corporate Overview

Management Reports

Financial Statements

Cautionary Statement

Certain expectations and projections regarding the future performance of the Company referenced in the Annual Report constitute forward-looking statements. These expectations and projections are based on currently available competitive, financial and economic data, along with the Company's operating plans and are subject to certain future events and uncertainties, which could cause actual results to differ materially from those indicated by such statements.

Repositioning for growth

The dynamics of our business continue to evolve. The auto component industry is expected to grow at a CAGR of 10% - 12% in the next two years. With a major portion of our revenues coming from the auto industry, our business growth will continue to be driven by the growth momentum in the auto industry. The bicycle opportunity is shifting towards premium bikes. The expected GDP growth of 7% - 8% in the coming years and high levels of Government spending on infrastructure like railways are expected to provide further fillip to our businesses.

Aligning to these evolving dynamics of our diverse business segments, we are repositioning ourselves for growth through moves that are timely and strategic. As auto industry is expected to continue its growth momentum, we are increasing capacities in engineering and metal formed products business, by removing the bottlenecks and expanding capacities across various manufacturing locations. Customer-centric new product development will continue to remain the focus area in our engineering and metal formed products businesses. We are also building significant operational and competitive advantage for our business segments by leveraging on our in-house Technology Centre. We will continue to explore further opportunities in exports, by focusing on new customers and geographies.

Realising that the bicycle industry is undergoing volume contraction and shifting towards the value segment, we rationalised manufacturing footprint, besides making a tactical investment to strengthen the supply chain.

People development and Operational Excellence will continue to be the focus areas for us, to keep pace with the growth.

Business Segments

Engineering

Manufacture and supply of high quality safety critical CDW tubes, ERW and tubular components for automobile application, large-diameter tubes for hydraulic cylinders and off-road application and special grade Cold Rolled Steel Strips (CRSS)

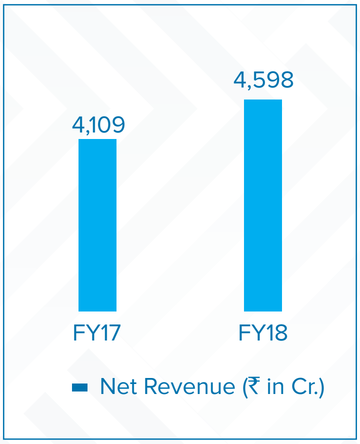
Metal Formed Products

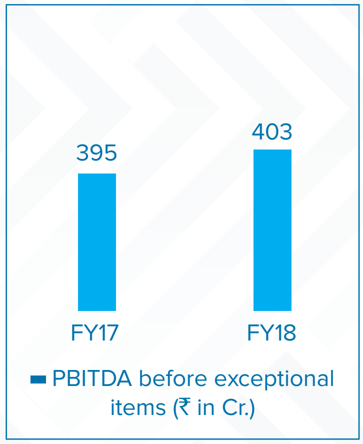
Manufacture and supply of sheet metal formed products, industrial chains, motor casings, agri blades and fine blanked components for automotive, industrial and railway segments

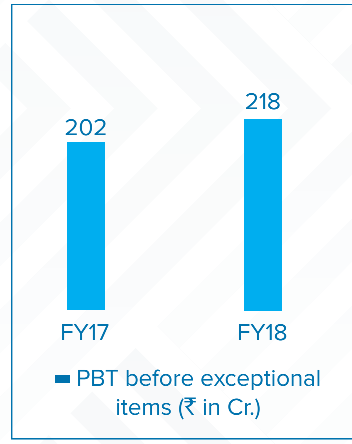
Bicycles

Manufacture and marketing of wide range of bicycles and accessories from standard bicycles to premium bicycles for kids, health and performance segments. Our brands command a leadership position in India.

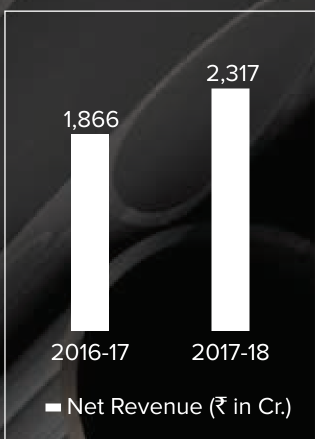
Financial Highlights

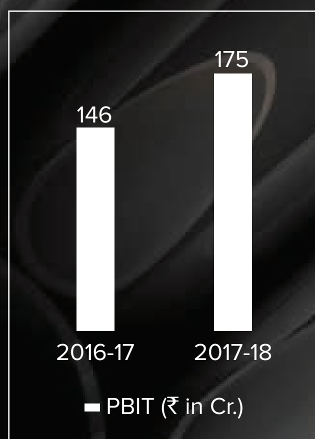


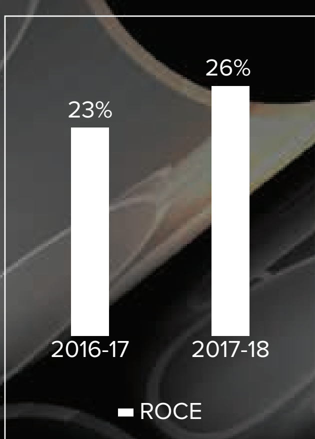




Engineering Business
Repositioning for growth







The Indian auto industry reached a new milestone in FY 2017-18, with the two-wheeler industry crossing the 20-million mark for the first time and the passenger vehicle industry also growing at a healthy pace of 6%. Our Engineering Business also registered a revenue growth of 24%. We expect the growth momentum in auto industry to continue in FY 2018-19 also. The Engineering Business of our Company, being a key supplier to the automotive industry, is well positioned to reap benefits of this growth.

The first phase of our new Greenfield manufacturing facility at Rajpura, Punjab is going to boost the production capacity in FY 2018-19, besides providing us the advantage of operating closer to the automotive customer cluster in North.

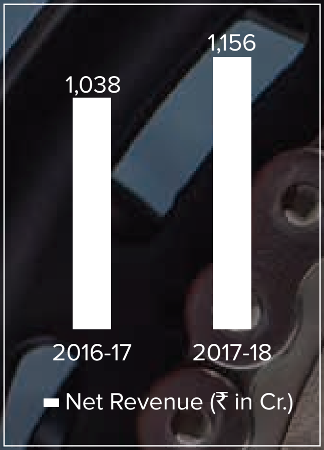
Our increased focus on 'specials' segment of cold-rolled-strips business, requires handling of higher levels of strength and thickness in material. We continue to be a preferred source for our customers for their critical applications. Additional demand from our fine blanking business and import substitution opportunities, provide further growth opportunities to this product segment. We are making necessary investments to upgrade our facilities to meet these requirements.

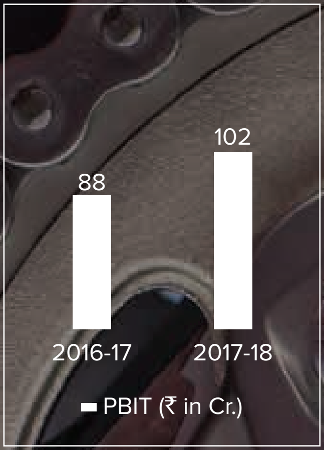
During the year, our large diameter tubes plant achieved stabilisation in terms of quality and delivery levels and registered 63% growth in volumes with improved profitability. In order to improve the profitability further, we are making investments to remove the bottlenecks and also to widen the product portfolio.

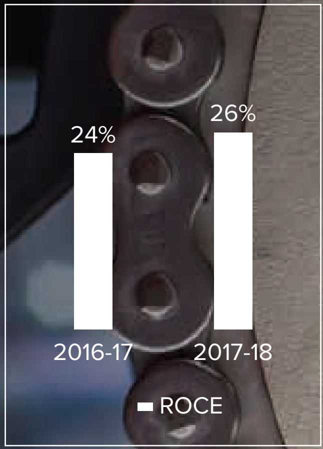
Despite the current de-globalisation scenario, our Engineering Business is constantly on the lookout for new export opportunities in European and Asian markets. Dedicated business development teams have been put in place and product-specific business development is in progress to make inroads into new export markets and customer segments. Additional investments have been planned to build, capability and also to improve testing facilities, across all the manufacturing locations.

This Business is also taking various initiatives like customer-centric product development, Customer Relationship Management initiatives, dedicated technical support etc. which can improve customer satisfaction levels further. The national and international quality awards won by our teams are a testimony to our consistently high quality levels, environmental and safety standards and customer satisfaction.

Metal Formed Products Business
Repositioning for growth







Robust growth in automotive industry, improving industrial activity across multiple sectors and increasing focus on customer safety in railways, enabled a 11% growth in our Metal Formed Products Business segment in FY 2017-18.

The strong growth witnessed in two-wheeler industry in FY 2017-18 is expected to continue in the near future also. Further expansion in capacities is planned across manufacturing and assembly plants to meet this expected growth in demand from OEMs and replacement market. Our flagship brands namely Diamond, Diamond Razer, Diamond Racing Special, Diamond Razer Magic, Diamond Duro and Rombo are positioned for various segments delivering high value in performance and reliability.

In the industrial chains segment, we will continue to grow exports business by developing new global OE business in material handling and agricultural segments through new product development.

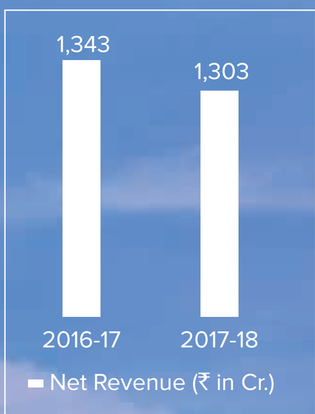
The fine blanking business will continue to be our focus area. The growth in domestic passenger vehicle industry, exports and import-substitution opportunities are encouraging us to go for creation of additional capacities in this area, with an investment of about ₹80 Cr. We are also aiming to become the preferred supplier to global tier 1 vendors, for their global requirements.

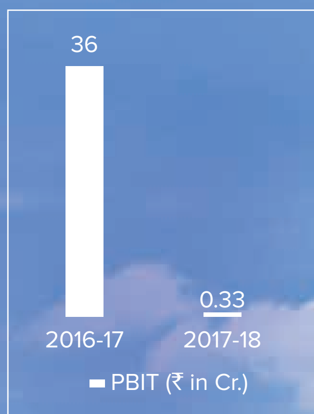
With already established market leadership in car doorframes business, we are also gearing up with additional investment to meet the demand from customers for their new product launches in FY 2018-19.

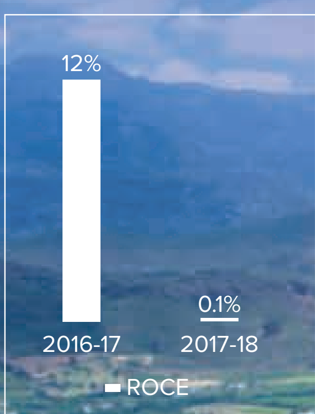
With safety becoming a priority, Indian railways is completely moving towards stainless steel LHB coaches from mild steel coaches. Our division achieved a growth of 41% during the year, with strong demand from ICF and MCF facilities of railways. In addition to expansion in capacity at its current Chennai location, our division is also making necessary investment to convert the erstwhile wagon facility at Uttarakhand into a coach facility. With expected demand of 50,000 coaches from railways in the near future, this division is aiming for significant growth in the coming years.

Our Metal Formed Products Business, recently, launched a new product category in rotavator blades and is currently testing the market in Southern states of India, leveraging on the marketing channels of the group's agri-business.

Bicycles Business
Repositioning for growth







For our Bicycles Business, FY 2017-18 was a year of strategic repositioning. With a clear understanding that the Indian bicycles industry is headed for steady decline in overall volumes, we undertook prudent steps to rationalise our manufacturing infrastructure and overheads.

New product development, which is one of our key strengths, delivered 66 new models and 81 refreshes during the year, which contributed 27% of our overall sales in trade. This will continue to be our focus area in the coming years. During the year, one of our special models "Brut+" won the CII Design Excellence Award, competing against all the major automotive brands.

We expect that consumer aspirations would steadily grow – individual retail buyers would upgrade from standard variant to specials, whereas the performance cycling segment would score robust growth over a sustainable period. On the distribution front, two extremely different formats of e-commerce as well as experiential retail, would redefine the way bicycles are bought.

In the premium segment, we achieved volume growth of 29%, ably supported by good growth in Montra and Roadeo brands and addition of 48 new stores of our flagship 'Track & Trail'. With a view to strengthen sourcing and manufacturing for premium segment, we made two strategic controlling investments in Creative Cycles and Great Cycles in Sri Lanka.

Considering the revised dynamics of the industry, we are exploring new avenues for growth, like Public Bike Sharing (PBS), strategic partnerships with the major e-commerce players; digitisation initiatives such as analytics, omni-channel portal; and accelerated expansion of distribution.

In pursuit of sustainable cost efficiency, we are also focusing on various initiatives to reduce fixed cost and material cost.

From The Desk of The Chairman

Dear Shareholders,

In 2017, the global economy rebounded with 3.7% growth. This momentum is expected to continue with favourable market sentiment and accommodative financial conditions. The International Monetary Fund (IMF), in its World Economic Outlook, April 2018 report predicts the World GDP growth rate to strengthen further by 10 basis points in 2018 and 2019.

The Indian economy grew at 6.7% in 2017-18 and is forecasted to grow to 7.4% and 7.8% in 2018 and 2019 respectively. With Indian government's focus on 'Make in India', investments in infrastructure, combined with rising disposable incomes will lead to expanding business opportunities. Favourable agro-climatic conditions accompanied by a good harvest will further enhance rural demand and boost growth in the country. India is the world's biggest market for two-wheelers, with a large customer base residing in rural India. We expect that the two-wheeler segment will continue to show higher growth, owing to a predicted normal monsoon leading to better growth in the rural economy. The implementation of the Goods and Services Tax (GST) should support accelerated manufacturing activity.

During the year, the Indian automobile sector registered a growth of 14%, with overall two-wheeler segment growing by 15%. In four wheelers, domestic sales of passenger vehicles

"With the tally of growth enabling positive factors and an enhanced commitment to Operational Excellence, we are confident that the Company will be on a sustainable growth path."

and commercial vehicles segments grew by 8% and 20% respectively. This helped the growth of Engineering and Metal Formed Products businesses to a great extent. India plans to shift to BS VI emission norms by 2020. The growth in commercial automotive market continues to be strong due to sustained nationwide focus on standards of emissions and fuel-efficient technologies. The government is in the finalisation stages for framing policies for phasing out vehicles older than 15 years. This move will accelerate the demand for automobiles, especially in the commercial market space. Indian railways and industrial sectors are also expected to witness increasing demand in the coming years on the back of various government initiatives.

This year, the Company had taken few strategic decisions towards greater manufacturing efficiencies, higher cost savings and future growth. Restructuring the manufacturing footprint in the Bicycles business and new manufacturing plant at Rajpura for our Engineering business were the major initiatives. These moves, combined with the sharp focus on R&D will help optimise our potential in the manufacturing business and grow value for our stakeholders.

We also implemented a centralised price control system for indirect materials, as a part of our control process enhancement. The Company also invested strategically to implement the latest technologies in all the processes – ranging from Customer Relationship Management, Production, Business Continuity, IT Security and Human Resource Management.

With the tally of growth-enabling positive factors and an enhanced commitment to Operational Excellence, we are confident that the Company will be on a sustainable growth path.

My most grateful thanks to our Board for their continued support and counsel as also to our Managing Director Mr. L Ramkumar, the senior leadership and the entire TI team for the dedicated contribution. Mr. S Sandilya and Mr. Hemant M Nerurkar, Independent Directors on our Board retire in August 2018. I thank them for their great contribution and insight and for being available to my colleagues and me at all times. Mr. L Ramkumar, our Managing Director also retires from the Company in August 2018 after a career spanning over three decades. I wish him well in his retirement.

As shareholders you have been a great support to the Company. May it continue always. We are indeed grateful for your enduring trust in us.

Yours sincerely,

M M Murugappan

M M Murugappan

From The Desk of Managing Director

"The Company is well positioned to meet the emerging challenges and to encash the opportunities for accelerated growth in future."

Dear Shareholders,

The GDP growth of 6.7% and robust growth in auto industry made 2017-18 a good year for the Company. Your Company recorded a growth of 12% in overall revenues and 8% growth in Profits before Tax and exceptional items. All the businesses have delivered good performance, except the Bicycles Business, wherein the overall industry is in a downward trend. Strong growth in auto industry, emphasis on infrastructure development and improving industry sentiment – all acted as propellants for our growth during the year.

ENGINEERING

The Engineering Business registered a growth of 24% in revenue and 20% in Profit before Interest and Tax (PBIT). Our focus on increasing domestic volumes, expansion of facilities and cost-efficiencies enabled growth for the segment. Our new facility at Rajpura is all set to commence production. Our Company is the only domestic player to have multiple plants at 4 different locations - closer to customer clusters. The Large Diameter Tubes Plant registered a good volume growth of 63% and also moved towards posting positive PBIT in Q4. Our focus on quality enhancement for the customers paid good dividends. This could be achieved by active employee involvement in the improvement and break-through projects. Receipt of awards by our teams in regional, national and international forums is a testimony to this achievement.

BICYCLES

The overall bicycles market is undergoing a significant transformation with decrease in commuting segment. The bicycles industry volumes in the trade segment went down by 10%. Our volumes witnessed a decline of 27% and specials by 7%. We closed down our facility at Nashik and rationalised our manufacturing capacities.

The government orders for standard cycles continued to flow in, with more welfare schemes being announced. The volumes supplied on government orders grew by 31% in FY 2017-18.

There was continued growth in the performance cycles segment where we grew by 29%. During the year, we strengthened the supply chain for premium cycles by acquiring 80% holding in two companies in Sri Lanka – M/s Great Cycles (Private) Limited and M/s Creative Cycles (Private) Limited.

We added 48 more Track and Trail stores during the year, bringing our total count to 227 outlets. The Division is also actively tapping potential in emerging opportunities like public bike sharing and sales through online sales platforms.

METAL FORMED PRODUCTS

Metal Formed Products had a revenue growth of 11%, supported by growth in two wheeler and passenger vehicles of 16% and 5% respectively.

The Fine Blanking business grew by 29%. We are expanding our capacity further in this focus area. Industrial Chains saw a growth of 8% supported by revival in industrial activity. Auto Chains grew by 17% driven by growth in two wheelers. We continued to get major orders for new door frame projects. Further investment is planned in this area to meet the requirements of the new models being launched by our key customers.

The Railway Coaches segment registered a robust growth of 41% supported by strong demand from the Railways. We are planning for further capacity enhancement in this area, expecting this growth trend to continue in the near future. Our continuing focus on quality enabled us to win several quality awards from customers.

SUBSIDIARIES

Shanthi Gears performed well during the year with a 16% growth in revenue, supported by growth across several segments including distributors and OEMs and also in strategic areas like railways and off-highway segments. Order booking registered a strong growth of 11%.

Our subsidiary in France 'Sedis' performed well during the year. There was a 9% growth in sales with good improvement in bottom line. In the year 2017-18, TI Tsubamex Private Limited registered a revenue of ₹25 Cr.

TECHNOLOGY

The Technology Centre has indigenously built a Tube Mill capable of making thick walled tubes which is expected to provide significant operational and competitive advantage for the tubing business. The tube straightening process has been upgraded by commissioning of a series of machines built through in-house design and development. Precision Tube Process capabilities have since been improving across locations in our business units.

Several machine vision systems have been deployed for inspection of automotive components to ensure high reliability in performance in the Metal Formed Products Business. Data from these systems are used for ongoing process quality improvement.

High strength hydro-formable tubes for twist beams of cars through induction heating technology have been commercialised, and are being regularly supplied to auto OEMs.

The Technology Centre has been upgraded with state-of-the-art testing machines to complement materials testing and analysis capabilities. This will help partnering with automotive customers in new product development with new age steels.

The Technology Centre is developing tests for dynamic performance of motorcycle chains for process and product improvement to insure proper product selection and specification for discerning customers, using specially built test equipment.

Interactions with knowledge bodies of global repute in the steel domain and with premier academic institutes to stay benchmarked with the latest developments on the engineering front in materials development, processing and computational methods will be continued. The Company is benchmarking with the product quality levels of high end hydraulic tubing to be able to reach export and domestic markets.

The Information Technology function is working on exclusive use of Customer Relationship Management, Business Intelligence and Analytics as well as mobile apps to enhance productivity of field sales force.

PEOPLE

People capability enhancement through Operational Excellence was the area of focus. The Operational Excellence initiative has taken deep roots in the organisation. As part of this movement, 12,986 improvement projects were implemented (2% more than the previous year). These projects substantially improved customer service, cost and quality. We are glad to mention that 90 teams from the Company won awards and recognition at state, national and international level competitions conducted by various agencies like ABK-AOTS, QCFI etc. We wish to acknowledge the efforts and thank all employees for their continuous dedication and unstinted support to the journey of excellence. The Company continues to focus on developing a leadership pipeline to meet the various challenges.

The Company is well positioned to meet the emerging challenges and to encash the opportunities for accelerated growth in future. I thank all our shareholders, employees, customers and supply chain partners for their continued support to the Company in all its endeavors.

Yours sincerely,

L Ramkumar

Our Parentage

> "The fundamental principle of economic activity is that no man you transact with will lose, then you shall not."

Murugappa Group is one of India's leading business conglomerates. The Group was established in 1900 and is presently ₹329 Billion. It has 28 businesses, including nine listed Companies traded in NSE & BSE.

The Group is headquartered in Chennai. Major companies of the Group include Carborundum Universal Ltd., Cholamandalam Investment and Finance Company Ltd., Cholamandalam MS General Insurance Company Ltd., Coromandel International Ltd., Coromandel Engineering Company Ltd., E.I.D. Parry (India) Ltd., Parry Agro Industries Ltd., Shanthi Gears Ltd., Tube Investments of India Ltd., and Wendt (India) Ltd.

The Group has wide geographical presence all over India and its span across 6 continents. The Group has renowned brands like BSA, Hercules, Ballmaster, Ajax, Parry's, Chola, Gromor, Shanthi Gears and Paramfos. The Group has professionalism and a workforce of over 35,000 employees.

Corporate Information

BOARD OF DIRECTORS

M M Murugappan, Chairman

L Ramkumar, Managing Director

Vellayan Subbiah, Managing Director (Designate)

Hemant M Nerurkar

Madhu Dubhashi

Pradeep V Bhide

Ramesh K B Menon

S Sandilya

COMPANY SECRETARY

S Suresh

REGISTERED OFFICE

'Dare House', 234 N.S.C. Bose Road, Chennai 600 001.

PLANTS

Engineering

Tube Products of India, Avadi, Chennai

Tube Products of India, Tiruttani

Tube Products of India, Shirwal, Satara

Tube Products of India, Mohali

Bicycles

TI Cycles of India, Ambattur, Chennai

TI Cycles of India, Rajpura

Metal Formed Products

TIDC India, Ambattur, Chennai

TIDC India, Kazipally, Medak

TIDC India, Uttarakhand

TI Metal Forming, Nemilicherry, Chennai

TI Metal Forming, Kakkalur, Chennai

TI Metal Forming, Bawal

TI Metal Forming, Pune

TI Metal Forming, Uttarakhand

TI Metal Forming, Sanand

Company Identification Number

L35100TN2008PLC069496

Auditors

S R Batliboi & Associates LLP

Chartered Accountants

Bankers

Bank of America

HDFC Bank Limited

Standard Chartered Bank

State Bank of India

The Hongkong & Shanghai Banking Corporation Limited

Our Board of Directors

Mr. M M Murugappan,
Chairman

Mr. M M Murugappan (62 years; DIN-00170478) holds a Masters degree in Chemical Engineering from the University of Michigan, USA. He joined the Board in August, 2017. He is currently the Chairman of Carborundum Universal Ltd., TI Financial Holdings Ltd., Cholamandalam MS General Insurance Co. Ltd. and Wendt (India) Ltd. He is also on the Board of various companies including Mahindra & Mahindra Ltd. and Cyient Ltd.

Mr. L Ramkumar,
Managing Director

Mr. L Ramkumar (62 years; DIN-00090089) is a Cost Accountant and has a Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. He joined the Board in October, 2008. He has over 37 years of rich and varied experience in management.

Mr. Vellayan Subbiah,
Managing Director (Designate)

Mr. Vellayan Subbiah (48 years; DIN-01138759) is a Bachelor of Technology in Civil Engineering from IIT Madras and holds a Masters in Business Administration from the University of Michigan. He has over 23 years of work experience in consulting, technology and financial services. He was appointed as Managing Director (Designate) of the Company, with effect from 19th August, 2017. He was earlier the Managing Director of Cholamandalam Investment and Finance Company Ltd. He is on the Board of various companies including SRF Ltd. and Havells India Ltd.

Mr. Hemant M Nerurkar,
Non-Executive Director

Mr. Hemant M Nerurkar (69 years; DIN-00265887) is a Graduate in Metallurgical Engineering and has over three and a half decades of rich experience in the steel industry. He joined the Board in August, 2017. He has served as Managing Director (India and South-East Asia) of Tata Steel Limited between 2009 and 2013. He is currently the Chairman of TRL Krosaki Refractories Ltd. He is also on the Board of various companies including NCC Ltd., and Igarashi Motors India Ltd.

Mrs. Madhu Dubhashi,
Non-Executive Director

Ms. Madhu Dubhashi (67 years; DIN-00036846) is an Economics (Hon.) Graduate and has a Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. She has an experience of about four decades in the financial/ financial services sector, having worked for various institutions like ICICI Ltd., Standard Chartered Bank etc. She joined the Board in August, 2017. She is on the Board of various companies including Axis Finance Ltd. and Majesco Ltd.

Mr. Pradeep V Bhide,
Non-Executive Director

Mr. Pradeep V Bhide, I.A.S. (Retd.) (68 years; DIN-03304262) is a Graduate in Science and Law. He also holds a Masters degree in Business Administration with specialisation in Financial Management. He joined the Board in August, 2017. In a career spanning 37 years in the Indian Administrative Service, Mr. Bhide has held senior positions at the State and Central levels. He is on the Board of various companies including Glaxo SmithKline Pharmaceuticals Ltd., Heidelberg Cement India Ltd., NOCIL Ltd. and L&T Finance Ltd.

Mr. S. Sandilya,
Non-Executive Director

Mr. S Sandilya (70 years; DIN-00037542) is a Commerce Graduate and has a Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. He joined the Board in August, 2017. He is the Group Chairman, Eicher Group. He is on the Board of various companies including Rane Brake Lining Ltd. and Mastek Ltd.

Mr. Ramesh K B Menon,
Non-Executive Director

Mr. Ramesh K B Menon (58 years; DIN-05275821 is a graduate in Science from Jai Hind College, Mumbai and an alumnus of XLRI, Jamshedpur. Mr. Menon heads the Human Resources function of the companies in the Group. He had earlier worked with Madura Coats Ltd, as its Director - HR, South Asia for twenty-seven years. He joined the Board in November, 2017.

Board's Report & Management Discussion and Analysis

Dear Shareholders,

The Directors take pleasure in presenting the 10th Annual Report together with the audited financial statements of the Company for the year ended 31st March 2018.

1. Business Environment

With growth in the Gross Domestic Product (GDP) averaging 7.5% between 2014-15 and 2016-17, India can be rated as among the best performing economies in the world. Although growth is expected to decline to 6.7% in 2017-18, bringing the four year average to 7.3%, the broad story of India's GDP growth to be significantly higher than most economies of the world remains intact. It is all the more creditable that this growth has been achieved in a milieu of lower inflation, improved current account balance and notable reduction in the fiscal deficit to GDP ratio.

In addition to the introduction of Goods & Services Tax (GST), the year also witnessed noteworthy steps being taken towards resolving the problems associated with Non-Performing Assets (NPAs) of banks, further liberalization of Foreign Direct Investment (FDI) etc., thereby strengthening the reform momentum. After remaining in the negative territory for a couple of years, growth of exports rebounded into the positive zone during 2016-17 and further strengthened in 2017-18. There was an augmentation in the foreign exchange reserves of the country, which closed at an all-time high of US$414 billion. As with any major reform, implementation of the GST is fraught with issues that businesses are still grappling with so as to familiarize themselves with the nuances of the new legislation. The months just before and after GST implementation saw a slowdown in business activity which had a dampening impact on the economy as businesses were assessing the impact of the legislation before taking major business decisions. Government played a very active role in clarifying many vexed and contentious issues, simplifying and relaxing many of the compliance processes due to which business activity has steadily picked up now.

Globally, economic activity continued to firm up during the year. The global output is estimated to have grown by 3.7% in 2017, 0.5% higher than in 2016. Global growth forecasts for 2018 and 2019 have been projected at 3.9%, reflective of the increased growth momentum and the expected impact of the recently approved U.S. tax policy changes to cut corporate income-tax rates.

However, the system of rules and regulations that governed world trade for the last several decades is under serious threat. Perhaps the clearest threat to world trade comes from the US Administration which decided to impose tariffs of 25% on steel articles and 10% on aluminium products imported from all countries except Canada and Mexico ostensibly to protect the local industry. At the very least, this shift is likely to mean a substantial change in the way international trade is organised.

The recent developments suggest the danger of an all-out trade war between countries.

In an eventful year that followed the demonetisation and ban on sale and registration of BS (Bharat Stage)-III vehicles in the previous year, the Indian automobile sector managed to grow 14% during 2017-18. In the four wheeler segment, passenger vehicle and commercial vehicle sale volumes were up by 8% and 20%. In the two wheeler segment, scooters grew by 20% and motor cycles grew by 14%.

2. Standalone Financial Highlights ₹ in Cr.

Particulars	2017-18	2016-17
Sale of Products - Gross	**4409.98**	**4207.77**
Excise Duty on Sales	(74.57)	(282.63)
Sale of Products - Net	**4335.41**	**3925.14**
Profit Before Exceptional Items and Tax	**217.94**	**201.50**
Provision for Impairment on Investments	(25.25)	-
Profit Before Tax	**192.69**	**201.50**
Tax Expense	(56.23)	(42.55)
Profit After Tax	**136.46**	**158.95**

3. Performance Overview

During 2017-18, the Company achieved a net turnover of ₹4,335 Cr., growing 10% over the previous year's ₹3,925 Cr. The Profit before Depreciation, Interest, Exceptional Items and Tax was at ₹403 Cr. as against ₹395 Cr. in the previous year. The Profit before Tax and Exceptional Items was at ₹218 Cr. as against ₹202 Cr. in the previous year, a growth of 8%.

On account of various market factors, changes in future project potential and accumulated losses, the Company has recognised during the year an impairment loss of ₹25.25 Cr. in the Statement of Profit and Loss in respect of investment made in joint ventures.

The Cycles and Accessories segment recorded revenue, net of excise duty of ₹1,303 Cr as compared to ₹1,343 Cr. during 2016-17, a de-growth of 3%, since the Cycles market was sluggish. The operating profit before interest and tax stood at ₹0.33 Cr. as compared to ₹36 Cr. during the previous year. The lower profit was mainly due to the mix between Institutional and Trade sales and costs incurred towards closure of the Nashik Plant with the objective of achieving cost efficiency and consolidation of overall capacity at two locations viz., Ambattur (Chennai) and Rajpura (Punjab).

The Engineering segment registered revenue, net of excise duty of ₹2,317 Cr. as compared to ₹1,866 Cr. during the previous year, a growth of 24%. The operating profit before interest and tax stood at ₹175 Cr. as compared to ₹146 Cr. during 2016-17, registering a growth of 20%. The increase in exports and stabilisation of the Large Diameter Tube manufacturing facility contributed to the increase in profits of the segment.

The Metal Formed Products segment recorded revenues, net of excise duty of ₹1,157 Cr. as compared to ₹1,038 Cr. during the previous year, a growth of 11%. The operating profit before interest and tax stood at ₹102 Cr. as compared to ₹88 Cr. during the previous year, a growth of 16%.

4. Business Review – Standalone

4.1. Cycles and Components

TI's Presence

The Cycles and Components segment of the Company comprises bicycles of the Standard and Special variety including alloy bikes & specialty performance bikes, cycling accessories, bicycle components sold as spares and home fitness equipment.

Industry Scenario

Bicycles fall under two distinct categories - Standards and Specials. While Standard cycles are largely used for commuting, especially in small towns & rural areas, Specials cycles cater to recreational usage, where the product is used for fun, fitness and leisure activities. As per the industry estimates, bicycle industry volumes grew by 5% during 2017-18. While orders from the Government Schemes witnessed a growth of 30% over previous year, trade volumes witnessed a decline of around 10% during the year. The year 2017-18 was a very challenging one for the bicycle industry with the Standards segment registering a drop of 21% over previous year in trade. On the other hand, due to increasing aspirations, higher purchasing power, international exposure to usage patterns and growing fitness consciousness, the use of high-end special bicycles continued to receive impetus, contributing to the continued steady growth of sale volumes year-on-year.

Nearly 80% of the country's requirements are met by four major players. The smaller regional players and imports constitute the balance. The Company enjoys a share of over one-fourth of the total organised market with a much higher share in the premium segment.

Review of Performance

The segment sold over 37.6 lakh bicycles during the year, which was however lower by 4.9% when compared with 2016-17. The thrust on Specials segment was driven by a concerted effort to enhance consumer experience through exclusive retail outlets under the brand "Track & Trail". 48 new Track & Trail outlets were opened in 2017-18 and many more migrated from the older format, taking the total of exclusive "Track & Trail" outlets to 227. The segment also made a strong entry into e-commerce with a presence in well-known e-commerce portals like Flipkart and Amazon apart from its own e-commerce portal, www.trackandtrail.in.

In 2017-18, 67 new model bicycles were launched and 60 old models were refreshed, contributing to 41% of the turnover from such new products and refreshes. Multiple innovations were introduced for the first time in the industry, notable among them being the Anti-Slip Chain and a range of ergonomic handlebars. One of the marquee models Brut+ received the best design award in the Automotive category for 2017-18 from the Confederation of Indian Industry (CII).

On the consumer outreach front, a large scale school contact programme was conducted across the States of Maharashtra, Uttar Pradesh and Karnataka, reaching about 2.7 lac children. The objective of the programme was to get children (in the age group of 8-14 years) excited about cycling, while teaching them road safety, basics of cycling and self-defence for girls. Through the year, the bicycle brands of the segment were consistently active on the digital medium. Mach City, a brand which helps urban adults rediscover cycling, was awarded the Best Social Media brand by Social Samosa, a leading online platform for analysis and research relating to social media.

As the Company has started ramping up its production in 2017-18 in the newly commissioned state-of-the-art bicycle manufacturing plant at Rajpura (Punjab), which has an installed capacity of 2,50,000 bicycles per month, the segment has closed down the Nashik facility to derive cost efficiencies through consolidation of overall capacities.

4.2. Engineering

TI's Presence

The Engineering Segment of the Company consists of cold rolled steel strips and precision steel tubes viz., Cold Drawn Welded tubes (CDW) and Electric Resistance Welded tubes (ERW). These products primarily cater to the needs of the automotive, boiler, bicycle, general engineering and process industries. The Company is further engaged in the manufacture of large diameter welded tubes mainly for non-auto application. In the past, such products were largely imported.

Industry Scenario

During 2017-18, the overall automotive industry growth was at 15%. The passenger vehicle, commercial vehicle and two-wheeler segments registered growth of 5%, 10% and 16% respectively over the last fiscal. In the two wheeler segment, the sale volumes in scooters grew by 20%, while motorcycles grew by 16%.

In Cold Rolled Steel Strips, in a market which is dominated by integrated steel manufacturers, the Company continued to be a 'niche player' by focussing on special grades catering to varied applications in different sizes and grades.

Review of Performance

The Engineering segment continued on the growth path on the back of growth in the domestic auto industry and in exports by taking good advantage of the capabilities, regional plants and distribution network of the segment.

During the year, volumes of the tubes business grew 18%, while the cold rolled steel strips business grew 11%. The Large Diameter Tube manufacturing plant, which caters to the requirements of the power, infrastructure, off-highway and general engineering segments further stabilized during the year. Plans have been drawn up for optimum utilisation of this facility and improvement in the market share.

During the year under review, the segment registered revenue net of excise duty of ₹2,317 Cr. as compared to ₹1,866 Cr. during the previous year. The operating profit before interest and tax stood at ₹175 Cr. as compared to ₹146 Cr. during 2016-17, registering a strong growth of 20%.

Increase in volumes in the domestic market, modernisation of facility and further enhancement in efficiencies were the key business emphasis areas aiding improved profitability during 2017-18.

The US Department of Commerce had initiated an investigation on the imports of cold-drawn steel mechanical tubes from India and some other countries in response to a complaint of dumping from the local manufacturers. Based on frivolous grounds, the US Department of Commerce has determined a Countervailing Duty (CVD) of 42.60% and an Anti-dumping Duty (AD) of 5.87% on the Company's export of cold-drawn tubes to the US market. Taking into account the 25% tariff imposed under Section 232 of the US Trade Expansion Act, 1962, the total tariff works out to 73.5%, making the export of cold-drawn tubes to the US unviable. The CVD and AD will be revised based on the first review by the US Department of Commerce scheduled some time in May 2019.

4.3. Metal Formed Products

TI's presence

Automotive & industrial chains, fine blanked products, stamped products, roll-formed car doorframes and cold rolled formed sections for railway wagons and passenger coaches constitute the Metal Formed Products segment.

Industry scenario

During 2017-18, the two wheeler segment grew 16% driven by scooter growth of 20% and the passenger vehicles segment by 5%. The segment is one of the major players manufacturing roller chains and fine blanked parts for the automotive industry in India. The replacement market for chains and sprockets continued to register a good growth due to the increasing two wheeler population. The domestic demand for industrial chains has grown moderately.

With international car majors continuing to invest in the country and increasingly using India as an export base, many component manufacturers have the opportunity to cater to the global needs of automobile manufacturers and their Tier 1 suppliers. Within the railway segment, the freight sub-segment is yet to show any sign of a major revival. The passenger coach segment witnessed huge growth as the Ministry of Railways is focussing on passenger safety by initiating conversion of all old type coaches into stainless steel. This segment has achieved

41% growth over previous year, supplying to various customers.

Review of Performance

Sale of automotive chains and industrial chains grew by 18% and 8% respectively when compared to 2016-17 in volume terms. The Company continued to expand its presence in the aftermarket segment benefiting from the two-wheeler population growth. Fine blanked components volumes grew by 29% primarily through new parts developed for the four wheeler segment. Though exports volume registered a growth of 5% over 2016-17, the challenges faced continued due to the difficult demand conditions in Europe.

Doorframe sale volumes were higher at 6% during 2017-18 due to higher sales on select models with two of the renowned auto majors. The focus is on generating more business from the auto OEMs, leveraging the Tier-1 position with specific emphasis on roll form products and other tubular parts used in passenger cars. In addition, growing the casings vertical with efforts spread across sectors catering to new customers for both four wheeler and two wheeler auto electrical manufacturers, strengthening the current position in respect of coach parts, expanding the customer base and foraying into agri-rotovators blades and other farm implements are some of the opportunities that will be looked into closely to sustain the drive towards growth.

During the year, the doorframe operations at Halol which catered exclusively to the requirements of a major auto MNC for one of its car models was suspended and the fixed assets moved to other locations due to the said auto MNC discontinuing the said car model.

The chains business segment will continue its core business processes to handle both volume fluctuations and change in the product mix to meet customers' demand. The replacement market continues to provide opportunities for growth notwithstanding good competition and the business expects to strengthen on the sales structure, deepen its coverage and launch new products for new categories.

During the year under review, the segment recorded revenue net of excise duty of ₹1,157 Cr. as compared to ₹1,038 Cr. during the previous year, a growth of 11%. The operating profit before interest and tax stood at ₹102 Cr. as compared to ₹88 Cr. during the previous year, a growth of 16%.

5. Dividend

The Board of Directors has recommended a Dividend of ₹0.50 (fifty paise) per share on equity share of face value of ₹1 each for the financial year ended 31st March, 2018. Together with the interim dividend of ₹1.25 per share, paid on 28th February, 2018, the total dividend for the year works out to ₹1.75 per share on equity share of face value of ₹1 each. The final dividend, if approved by shareholders, will be paid on or after 17th August, 2018.

The policy on Dividend Distribution as approved by the Board is uploaded and available on the following link on the Company's website, http://www.tiindia.com/article/values/601. The Policy also forms part of this Annual Report for the information of shareholders as Annexure-A.

6. Share Capital

The paid up Equity Share Capital as on 31st March 2018 was ₹18.75 Cr.

7. Finance

Cash and Cash Equivalents as at 31st March 2018 were ₹19.25 Cr. The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

7.1. Non-Convertible Debentures

During the year, Non-Convertible Debentures (NCDs) aggregating ₹125 Cr. were redeemed and NCDs for ₹100 Cr. were issued. As on 31st March 2018, NCDs aggregating ₹450 Cr. were outstanding.

7.2. Deposits

The Company has not accepted any fixed deposits under Chapter V of the Companies Act, 2013 and as such no amount of principal and interest were outstanding as on 31st March 2018.

7.3. Particulars of Loans, Guarantees or Investments

During the year, the Company has not given any loans or guarantees under the provisions of Section 186 of the Companies Act, 2013. The Company made the following investments:

- Subscribed to 40,00,000 Equity Shares of ₹10 each of TI Tsubamex Private Ltd, for an aggregate amount of ₹4 Cr;
- Subscribed to 37,50,000 Equity Shares of ₹10 each of TI Absolute Concepts Private Ltd., for an aggregate amount of ₹3.75 Cr.;
- Acquired by way of purchase 40,00,000 Equity Shares of Sri Lankan Rupees (SLR) 10 each of Great Cycles (Private) Ltd., for an aggregate consideration of ₹16.98 Cr.
- Acquired by way of purchase 40,00,000 Equity Shares of SLR 10 each of Creative Cycles (Private) Ltd., for an aggregate consideration of ₹6.47 Cr.

8. Consolidated Financial Highlights

₹ in Cr.

Particulars	2017-18	2016-17
Revenue from Operation	**5116.28**	**4820.20**
Profit Before Exceptional items and Tax	**230.17**	**228.55**
Exceptional items	(3.26)	-
Profit Before Tax and Exceptional Items	**226.91**	**228.55**
Tax Expense	(58.32)	(46.75)
Profit for the year before Minority Interest and share of profit from Associate	**168.59**	**181.80**
Share of loss from Associate	(13.08)	(7.45)
Net Profit for the Year	**155.51**	**174.35**

9. Business Review – Subsidiaries and Joint Ventures

9.1. Shanthi Gears Ltd (SGL)

SGL, a subsidiary of the Company, recorded revenue net of excise duty of ₹214 Cr. in 2017-18 against ₹184 Cr. in the previous year. Profit before tax was ₹33 Cr. (previous year: ₹29 Cr.). During the year, SGL renewed its focus on re-establishing itself in the market and gaining new customers.

SGL continued to look at enlarging its market presence, create a robust channel, enhance its process capabilities and launch new products to meet the growing expectations of customers.

9.2. Financière C10 SAS (FC10)

FC10, the Company's wholly-owned subsidiary in France, recorded a consolidated revenue of Euro 33 Mn in 2017 (previous year: Euro 30 Mn). The profit/loss before tax for the year was Euro 0.14 Mn (previous year: loss before tax Euro 0.19 Mn). The consolidated results of FC10 include results of its subsidiaries viz., Sedis SAS (France), Sedis GmbH (Germany) and Sedis Co Ltd (UK).

9.3. TI Tsubamex Private Limited (TTPL)

TTPL is a joint venture of the Company with M/s. Tsubamex Company Limited, Japan to engage in the business of design and engineering of sheet metal dies and fixtures and providing related services The Company presently holds 78.3% of TTPL's equity capital.

During the course of 2017-18, TTPL successfully completed and delivered varied projects for different auto OEMs and their Tier 1 suppliers. The highlight was delivery of skin panel dies for an auto major's new project. The company was able to attract, recruit and train tool & die engineers from reputed polytechnics such as Nettur Technical Training Foundation (NTTF) and Murugappa Polytechnic. This paved the way for reducing dependence on high cost contract shop floor personnel. Efforts are in progress to reduce the fixed costs further.

The joint venture partner is providing continuous support by way of assigning specific experts to work alongside TTPL's employees and impart specific skills in die assembly and die finishing.

TTPL recorded a revenue net of excise duty of ₹25.72 Cr. for 2017-18 and recorded a loss before tax of ₹6.98 Cr. (previous year: ₹5.81 Cr.).

9.4. Great Cycles (Private) Limited (GCPL)

GCPL is the Company's subsidiary in Sri Lanka acquired in March 2018. The Company presently holds 80% of GCPL's equity capital.

9.5. Creative Cycles (Private) Limited (CCPL)

CCPL is the Company's subsidiary in Sri Lanka acquired in March 2018. The Company presently holds 80% of CCPL's equity capital.

9.6. TI Absolute Concepts Private Limited (TIACPL)

TIACPL is the joint venture between the Company and M/s. Absolute Speciality Foods Chennai Private Limited with regard to the operation of bicycle theme based restaurants under the concept of 'Ciclo Café'.

During the year under review, the Company had invested in the aggregate ₹3.75 Cr. in the equity share capital of TIACPL, with the joint venture partner also making an equal contribution as envisaged under the Joint Venture Agreement. The Company presently holds 50% of TIACPL's equity capital.

Ciclo Cafes operated by TIACPL are functioning at Kotturpuram (Chennai), Hyderabad and Bengaluru.

TIACPL achieved a turnover of ₹11 Cr. for 2017-18 and recorded a loss before tax of ₹16 Cr.

The Statement containing salient features of the financial statements of the Company's Subsidiaries / Associate Companies / Joint Ventures is attached as Annexure-B. The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with the Indian Accounting Standards, form part of the Annual Report.

Further, consequent to the demerger sanctioned by the National Company Law Tribunal, Chennai vide its Order dated 17th July, 2017 and effective 1st April, 2016 viz., the Appointed Date under the Scheme of Arrangement

(Demerger), Cholamandalam Investment and Finance Company Limited ceased to be an Associate of the Company, Cholamandalam MS General Insurance Company Limited ceased to be subsidiary of the Company and Cholamandalam MS Risk Services Limited ceased to be the Joint Venture of the Company.

10. Financial Review

10.1. Profits & Profitability

The Profit before Tax and Exceptional Items registered a growth of 8%, through continued control on costs, better operating efficiencies, stabilisation of Large Diameter Tube manufacturing Plant and reduction of interest costs. On certain occasions, the Company was not able to fully recover the increase in cost from its customers.

All the business segments of the Company maintained their focus on servicing customers, improving efficiencies, controlling working capital and reducing resources employed in the business.

10.2. Capital Expenditure

The Company's Large Diameter Tube manufacturing Plant got stabilized during the current year. The Company continues to invest in facilities with a view to servicing its customers in a more timely and efficient manner, modernising its assets and aims to be the best in class. The Company continues to assess the trends emerging in the industry and the changing requirements of its customers and invest appropriately for the long-term. The Company completed the construction of a new plant in Rajpura, Punjab to manufacture precision tubes. The installation of major equipment has been completed and trial production is underway. The Company is also investing further in fine blanking area to meet the growing customer demand.

10.3. Interest Cost

The Company's average cost of borrowing reduced to 7% p.a., since interest cost for the year was lower due to the lower quantum of borrowings and lower interest rates.

10.4. Internal Control Systems

Internal Control Systems in the organisation are looked at as the key to its effective functioning. The Company believes that internal control is one of the key pillars of governance which provides freedom to the management within a framework of appropriate checks and balances. Given the nature of business and size of operations, the Company has designed and instituted a robust Internal Control System that comprises well-defined organisation structure, roles and responsibilities, documented policies and procedures, to prevent business risks through a framework of internal controls and processes. These controls ensure:

a) Recording of transactions are accurate, complete and properly authorised;
b) Adherence to Accounting Standards, compliance to applicable Statutes, Company policies and procedures and timely preparation of financial statements;
c) Effective usage of resources and safeguarding of assets;
d) Prevention and detection of frauds/errors;
e) Efficient conduct of operations.

To ensure efficient Internal Control Systems, the Company has a well-established, independent and multi-disciplinary in-house Internal Audit function that carries out periodic audits across locations and functions. The scope and authority of the Internal Audit function is derived from the Internal Audit charter duly approved by the management. The Internal Audit function reviews compliance vis-à-vis the established design of the internal control, as also the efficiency and effectiveness of operations. Internal Audit function is responsible for providing, assurance on compliance with operating systems, internal policies and legal requirements, as well as, suggesting improvements to systems and processes.

The summary of the Internal Audit findings and status of implementation of action plans for risk mitigation, are submitted to the Audit Committee every quarter for review, and concerns if any, are reported to the Board. This process ensures robustness of Internal Control System and compliance with laws and regulations including resource utilization and system efficacy.

Revenue and capital expenditures are governed by approved budgets and the levels are defined by a delegation of authority mechanism. Review of capital expenditure is undertaken with reference to benefits expected in line with the policy for the same.

Investment decisions are subject to formal detailed evaluation and approved by the relevant authority as defined in the delegation of authority mechanism. The Audit Committee reviews the plan for internal audit, significant internal audit observations and functioning of the Company's Internal Audit department on a periodic basis.

10.5. Internal Financial Control Systems with reference to the Financial Statements

The Company has complied with the specific requirements of the Companies Act, 2013 which call for establishment and implementation of an Internal Financial Control framework that supports compliance with requirements of the Act in relation to the Directors' Responsibility Statement.

The Company's business processes are enabled by an Enterprise-wide Resource Platform (ERP) as its core IT system. The operating management is not only responsible for revenue and profitability, but also for maintaining financial discipline and accountability. The systems and processes are continuously improved by adopting best in class processes, automation and implementing latest Information Technology tools.

The Company has a formal system of internal financial control to ensure the reliability of financial and operational information, and regulatory and statutory compliances. The Company's business processes are enabled by the ERP for monitoring and reporting processes resulting in financial discipline and accountability.

11. Enterprise Risk Analysis and Management

The Company has an established risk assessment and minimization framework. This framework provides a mechanism to identify the risk, evaluation of likelihood of happening and consequences. It also provides for assessment of options to mitigate the risk and develop appropriate risk management plans. There are normal constraints of time, efficiency and cost.

The Risk Management Committee of the Board of Directors reviews the risk mitigation plans periodically to monitor the key risks of the Company and evaluate the management of such risks for effective mitigation.

During the year under review, the Risk Management Committee met twice viz., on 6th November, 2017 and 13th February, 2018 and reviewed the risks and mitigation plans of the SBUs of the Company.

Some of the risks associated with the businesses and the related mitigation plans are discussed hereunder. The risks given below are not exhaustive and the evaluation of risk is based on management's perception.

11.1. Bicycles and Components

Risk	Why considered as Risk	Mitigation Plan/Counter Measure
Product Obsolescence Risk	• Availability of alternatives • Increased affordability for motorised vehicles • Shrinking road space for cycling	• Higher variety, especially of premium bikes • Products based on customer need • "Cycling" as a concept beyond commuting – leisure, fitness, fun and recreation
Sourcing Risk	• Dependence on vendor base • Consistent quality and supplies • 25% of vendors located in residential area	• Continuous upgrading of vendor capability • Relationship building • Imports from quality sources • Reconfigure & relocate vendor base
Competition Risk	• Competition from domestic suppliers • Imports	• Enhancing the Brand awareness • Introducing new models with a healthy innovation funnel • Consistent quality and timely delivery • Enhancing price competitiveness
Volume & Profitability Risk	• Rapid decline in Standards segment • Low price competition in Specials segment • Growth in Premium segment not sufficient to offset the overall drop in volume • Higher fixed cost related to volume	• Drive growth in Premium cycles segment • Build capability to compete in Specials segment at various price points • Cost reduction measures to enhance profitability
Technology Risk	• Lack of capacity and capability to handle large scale shift to alloy bikes	• Capability building for manufacture and assembly of alloy bikes • Establishing reliable source for high-end bikes

11.2. Engineering

Risk	Why considered as Risk	Mitigation Plan/Counter Measure
User Industry Concentration Risk	• Significant exposure to auto sector • Time lag in pass through of input cost changes	• New products/applications to existing customers • Introduction of new products catering to non-auto users • Leverage application engineering skills for tubular solutions • Drive operational efficiencies vigorously • Cost reduction through operational excellence initiatives
Technology Obsolescence Risk	• Cheaper alternatives for auto applications affecting revenue streams	• Imbibing new and relevant technologies • Equipment upgradations
Raw Material Risk	• Volatility in steel price • Inconsistency in quality • High inventory holding	• Alliance with steel producers • Global sourcing • Strategic sourcing • Rationalization and standardization of grades • Move to products with higher value addition
Competition Risk	• Competition from integrated steel mills • New entrants with financial strength • Imports	• Consistent quality and timely delivery • Import substitution, development of new grades • Product range of offering leveraging all businesses of the Company • Innovate on products, process and applications • Leveraging metallurgy skills
Export related risks	• Increased trade protectionism and import tariff • Global competition • Need for higher capability	• Identification of new export markets and customers • Capability building • Enhanced domestic sales

11.3. Metal Formed Products

Risk	Why considered as Risk	Mitigation Plan/Counter Measure
Product Risk	• Revenues are model specific	• Indigenization of equipment • Pursue options for other business using the same facilities • Model specific investments to be done by OEMs • More rigorous analysis of risks before taking up the project
User Industry Concentration Risk	• Dependence on auto sector • Impact of slow down	• Diversification into non-auto business • Focus on industrial applications • Develop range of power transmission products
Customer Retention Risk	• Availability of alternative source • Disruption in supplies	• Cost competitiveness through Operational Excellence initiatives • Leverage design strength • Leverage proximity to customer • Build technology superiority • Product - plant rationalization
Entry of competition	• Low technology barrier • Impact on profit	• Leverage position with customer as technology leader • Continuous upgrading of technical specifications • Cost reduction • Concentration in focus markets
Entry of internationally established players in domestic market	• Better product range • Tie-up with local player/end user • 'High quality' image	• Enhance product portfolio leveraging acquisition • Leverage leadership and competitive position in industry • Strengthen collaboration with R&D team of customers • Pursue opportunities in systems/ components • Pursue options for collaborating with other multi-national player(s) of repute
Sourcing Risk	• Dependence on a few vendors for certain components	• Vendor relationship building • Enhancing vendor base, both locally as well as overseas • Leveraging strength of combined entity
Pricing risk	• Year-on-Year price reduction expectation • Price recovery due to dependence on a few OEMS	• Utilisation of existing assets, optimal investment assumptions and reduced cost of operations • Value engineering and value analysis in business re-engineering process • Claims from customer for lower volumes

11.4. General

Risk	Why considered as Risk	Mitigation Plan/Counter Measure
Human Resource Risk	• Ability to attract talent, especially people with domain knowledge for new projects • Retention of talent	• Corporate Brand Building • Robust recruitment process • Structured induction and On-the-Job training • Coaching and team building • Individual career and development plan • Effective communication exercises • Continuous engagement with identified talent pool • Deskill operations
Currency Risk	• Foreign currency exposure on exports, imports and borrowings	• Early identification and monitoring of exposures • Hedging of exposures based on risk profile
IT Related Risk	• Confidentiality, integrity and availability	• Access controls • Secure Network Architecture • Infrastructure redundancies & disaster recovery mechanism • Audit of controls
Project Management Risk	• Delay in implementation • Increase in cost • Potential delay in stabilization of production	• Effective project management • Pre-implementation planning • Deployment of adequate resources • Effective monitoring

12. Corporate Social Responsibility (CSR)

The Company, being part of the Murugappa Group, is known for its tradition of philanthropy and community service. The Company's philosophy is to reach out to the community by establishing service-oriented philanthropic institutions in the field of education and healthcare as the core focus areas. The CSR Policy of the Company is available on the Company's website at the following link, http://www.tiindia.com/article/values/467.

As per the provisions of the Companies Act, 2013, while the Company was required to spend ₹1.26 Cr., during the financial year, 2017-18, it has spent ₹1.35 Cr. towards the identified CSR project in the field of education during the year.

The Basic Training Centre (BTC) established as part of the Company's CSR initiative imparts specialized courses in welding and fitting to underprivileged students. Affiliated to the National Council for Vocational Training, Government of India (NCVT), the Centre is considered by the Regional Directorate of Apprentice Training, Chennai (RDAT) as one of the best managed BTCs in the State of Tamilnadu. The Centre has taken it as a mission for creating sustainable livelihood for both economically and socially challenged youth and nurtures them to take up professional trade, helping them to be gainfully employed.

The Annual Report on CSR for 2017-18 is annexed to and forms part of this Report as Annexure-C as well as uploaded in the Company's website at the following link, http://www.tiindia.com/article/csrprojectsprograms/546.

13. Issue and listing of Equity Shares

Pursuant to the Scheme of Arrangement ["the Scheme"], as sanctioned by the Order dated 17th July, 2017 of the National Company Law Tribunal, Chennai, 18,74,90,591 Equity Shares in the Share Capital of the Company, of the face value of ₹1 each, aggregating ₹18,74,90,591 were allotted to the list of persons and as per the entitlement as on the Record Date of 28th August, 2017, as submitted for the purpose by the Registrar & Share Transfer Agent viz., Karvy Computershare Private Limited. Despatch of physical Share Certificates by post/crediting the demat account of the allottees was completed on 19th September, 2017. The Equity Shares of the Company were admitted to listing on the Stock Exchanges viz., BSE Ltd and National Stock Exchange of India Ltd., and commenced trading on the Stock Exchanges with effect from 2nd November, 2017 under the Stock Symbol "TIINDIA" (NSE)/Stock Code 540762 (BSE).

14. Global Depository Receipts Programme

The Company established a Global Depository Receipts ("GDR") Programme by executing a Depository Agreement on 29th January, 2018 with Bank of New York Mellon, New York, USA ("BNYM") pursuant to which BNYM acts as the Depository for the GDRs issued in respect of 42,23,460 (representing 2.25% of the Company's paid up capital) underlying equity shares of the Company allotted pursuant to the Scheme of Arrangement for Demerger between TI Financial Holdings Limited (formerly Tube Investments of India Limited - Demerged Company) and the Company (the Resulting Company).

15. Corporate Governance

The Company is committed to maintaining high standards of corporate governance.

As stated above, with the listing of its equity shares on the Stock Exchanges, the Company became a listed company with effect from 2nd November, 2017. The Company was wholly in compliance with the requirements of the Listing Agreement with the Stock Exchanges as well as the SEBI Listing Regulations.

A report on corporate governance together with a certificate from the Auditors is annexed in accordance with the terms of the SEBI Listing Regulations as Annexure-D and forms part of the Board's Report. The Managing Director and the Chief Financial Officer have submitted a certificate to the Board regarding the financial statements and other matters in terms of Part B of Schedule II [Corporate Governance] of the SEBI Listing Regulations.

The Report further contains details as required to be provided in the Board's Report on the policy on Directors' appointment and remuneration including the criteria, annual evaluation by the Board and Directors, composition and other details of Board committees, implementation of risk management policy, whistle-blower policy/vigil mechanism, dividend policy etc.

16. Business Responsibility Reporting

For the financial year 2017-18, the Company forms part of the top 500 listed entities of the country based on market capitalisation. Accordingly, as required under the SEBI Listing Regulations which mandate the inclusion of a Business Responsibility Report as part of the Annual Report for the top 500 listed entities, the Business Responsibility Report forms part of the Annual Report as Annexure-E.

The Business Responsibility Policy of the Company is displayed in the Company's website at the following link, http://www.tiindia.com/article/values/667.

17. Human Resources

The Company continues to leverage its strength in human capital by attracting the right talent, nurturing & developing, and retaining them to meet the short-term and long-term organization goals. The key HR imperatives were addressed through Organization Structure & Design, building technical & Operational Excellence (OPEX) capabilities, building leadership & talent pool, productivity improvement and employee cost reduction programs, maintaining cordial Industrial Relations and digitizing HR processes.

The Company is successful in attracting talent from outside and during the year close to two hundred people were hired across different levels and functions. Behavioural event and competency based interviewing training for strengthening the talent acquisition process was also initiated during the year.

Senior leaders have been investing lot of time and efforts in identifying and developing succession pipeline for critical positions in the organization. The transition management programmes viz., Ascend & Aspire have been very successful and as part of the programme, implementation of Individual Development Plans (IDPs) for talent pool identified through these programmes is being facilitated. The IDPs are being reviewed regularly and On-the-Job projects, job enlargement/job rotation, mentoring support to the target group are being provided. Coaching & mentoring was done for select talent across the organization with an intent of developing future leaders. Internal employees have been given opportunities to take up higher roles and grow in the system.

Several initiatives have been taken up towards enhancing the technical capability of employees across businesses. Focus was towards building an internal team of Subject Matter Experts (SMEs) in critical areas. Employees were trained in areas like Six Sigma, Value

Stream Mapping (VSM), energy management and welding through in-house training, on-the-job training, certification programs, live projects and mentoring. The SMEs are deployed in improvement projects across businesses. A Technical Training Laboratory has also been established for welding at the Basic Training Centre, Avadi, which is being used to enhance the Metal Inert Gas (MIG) welding skills of employees as well as vendors' employees.

The OPEX programme drives operational efficiency, capability development and employee involvement towards continual improvement. The objective is to achieve the benchmark targets in the eight OPEX verticals.

The total number of permanent employees on the rolls of the Company as on 31st March, 2018 is 3,365.

Industrial relations remained cordial at all the Company's units during the period under review.

The information relating to employees and other particulars required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 will be provided upon request. In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members, excluding the information on employees, particulars of which are available for inspection by the Members at the Registered Office of the Company during business hours on all working days of the Company up to the date of the forthcoming Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in the said regard.

The disclosure with regard to remuneration as required under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached and forms part of this Report as Annexure-F.

18. Prevention of sexual harassment at workplace

The Company has policy on prevention of sexual harassment at workplace in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment has been constituted. The policy extends to all employees (permanent, contractual, temporary and trainees). Employees at all levels are being sensitized about the new Policy and the remedies available thereunder. No complaints were received and disposed off during the year under review.

19. Employee Stock Option Scheme

In accordance with the Scheme of Arrangement for Demerger sanctioned by the National Company Law Tribunal, during the year, 3,63,763 Stock Options under the Company's Employee Stock Option Plan (ESOP 2017) were granted to eligible employees at the rate of 1 Stock Option for each Stock Option held and outstanding in the erstwhile Tube Investments of India Limited viz., the Demerged Company under the Scheme.

Further, a grant of 10,86,480 Stock Options and 2,62,200 Stock Options to eligible employees of the Company under the ESOP 2017 with graded vesting periods in respect of each of said grants was also made to eligible employees during the year.

During the year under review, the Company has issued 45,777 equity shares to eligible employees consequent to exercise by them of the stock options vested under the ESOP 2017.

Details in respect of the Company's ESOP 2017 as required under the relevant SEBI Regulations are displayed in the Company's website at the following link, http://www.tiindia.com/article/values/554.

20. Directors' Responsibility Statement

The Board of Directors confirm that the Company has in place a framework of internal financial controls and compliance system, which is monitored and reviewed by the Audit Committee and the Board besides the statutory, internal and secretarial auditors. To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

a) that in the preparation of the annual Financial Statements for the year ended 31st March 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the year ended on that date;

c) that proper and sufficient care has been taken 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) that the annual Financial Statements have been prepared on a going concern basis;

e) that proper internal financial controls to be followed by the Company have been laid down and that the financial controls are adequate and were operating effectively; &

f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. Auditors

M/s. S R Batliboi & Associates LLP, Chartered Accountants (LLP Identity no.AAB-4295) were appointed as Statutory Auditors at the previous 9th Annual General Meeting held on 6th November, 2017 for a period of five years viz., from the conclusion of the said 9th Annual General Meeting till the conclusion of the 14th Annual General Meeting. In terms of the resolution passed by the Members, the said appointment is subject to ratification by the Members at every Annual General Meeting and their remuneration will be recommended to the Shareholders at the time of taking up such ratification of appointment each year.

Accordingly, the Board recommends the ratification of, and the terms of remuneration payable to, the Statutory Auditors as set out in the resolution contained in the Notice of the ensuing Annual General Meeting.

M/s. S Mahadevan & Co., (firm no.000007), Cost Accountants were appointed as the Cost Auditors of the Company for auditing the cost accounting records maintained by the Company in respect of the applicable products for the financial year, 2018-19. Necessary resolution for ratification of their remuneration in respect of the aforesaid terms of appointment for financial year, 2018-19 forms part of the Notice for the ensuing Annual General Meeting.

22. Related Party Transactions

All related party transactions that were entered into during the financial year under review were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions during the year which may have a potential conflict with the interest of the Company at large. Necessary disclosures as required under the Indian Accounting Standards have been made in the notes to the Financial Statements.

The policy on Related Party Transactions as approved by the Board is uploaded and is available on the following link on the Company's website, http://www.tiindia.com/article/values/476. None of the Directors had any pecuniary relationships or transactions vis-à-vis the Company.

23. Directors

Mr. M M Murugappan will retire by rotation at the ensuing Annual General Meeting under Section 152 of the Companies Act, 2013 ("the Act") and being eligible, he offers himself for re-appointment.

Mr. Ramesh K B Menon was appointed as Additional Director (Non-Executive Director) on 16th November, 2017, liable to retire by rotation and he continues up to the ensuing Annual General Meeting. Necessary resolution proposing the appointment of Mr. Ramesh K B Menon as a Director liable to retire by rotation under Section 152 of the Companies Act, 2013 forms part of the Notice for the ensuing Annual General Meeting.

The Board takes pleasure in recommending the appointment of Mr. M M Murugappan and Mr. Ramesh K B Menon as Directors at the forthcoming Annual General Meeting.

Mr. L Ramkumar, Managing Director of the Company retires at the conclusion of the ensuing Annual General Meeting. The Board places on record its appreciation of the distinguished services rendered by Mr. L Ramkumar during his decade long association, since 2008, with TII as Managing Director before and after its demerger.

Consequent to the retirement of Mr. L Ramkumar as Managing Director at the conclusion of the forthcoming Annual General Meeting, Mr. Vellayan Subbiah assumes charge as Managing Director of the Company.

Mr. S Sandilya's term as Independent Director ends at the conclusion of the ensuing Annual General Meeting. The Board places on record its appreciation of the distinguished services rendered by Mr. S Sandilya during his long association, since January, 2005, as Director of TII, before and after its demerger.

Mr. Hemant M Nerurkar's term as Independent Director ends at the conclusion of the ensuing Annual General Meeting. Mr. Nerurkar has been associated with TII since May, 2014. The Board places on record its appreciation of the distinguished services rendered by Mr. Hemant M Nerurkar during his association as Director of TII, before and after its demerger.

All the Independent Directors of the Company have furnished necessary declaration in terms of Section 149(6) of the Act affirming that they meet the criteria of independence as stipulated thereunder.

24. Declarations/Affirmations

During the year under review:

- the manufacturing business undertaking of the Demerged Company was transferred and vested into the Company pursuant to the Scheme of Arrangement sanctioned by the National Company Law Tribunal, Chennai by its Order dated 17th July, 2017. Consequently, the business of the Company is in the nature of manufacturing business;
- apart from the demerger of the Manufacturing Business Undertaking which has been given effect in the Financial Statements, there were 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 viz., 31st March, 2018 and the date of this Report; &
- there were no significant material orders passed by the regulators or courts or tribunals impacting the Company's going concern status and its operations in future.

25. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. R Sridharan of Messrs R. Sridharan & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith and forms part of this Report as Annexure-G.

The Company has ensured compliance of the Secretarial Standards issued by the Institute of Company Secretaries of India during the period under review. Accordingly, no qualifications or observations or other remarks have been made by the Secretarial Auditor in his said Report.

26. Annual Return

Extract of the Annual Return is annexed and forms part of this Report as Annexure-H.

27. Key Managerial Personnel

Mr. L Ramkumar, Managing Director, Mr. K Mahendra Kumar, Chief Financial Officer and Mr. S Suresh, Company Secretary are the Key Managerial Personnel (KMPs) of the Company as per Section 203 of the Companies Act, 2013. They were appointed to their respective offices as KMPs with effect from the close of business hours on 1st August, 2017.

Mr. Vellayan Subbiah, Managing Director (Designate) - KMP was appointed with effect from 19th August, 2017.

Mr. L Ramkumar also holds office as the Managing Director (KMP) of TI Tsubamex Private Limited (TTPL), the Company's die manufacturing joint venture with Tsubamex Co. Limited, Japan and also a subsidiary of the Company, on 'nil' remuneration. He was re-appointed as Managing Director (KMP) of TTPL for the period from 1st April, 2018 to 13th August, 2018 (both days inclusive).

28. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014 is annexed herewith and forms part of this Report as Annexure-I.

The Directors thank all Customers, Vendors, Financial Institutions, Banks, State Governments, Joint Venture Partners and Investors for their continued support to your Company's performance and growth. The Directors also wish to place on record their appreciation of the contribution made by all the employees of the Company resulting in the good performance during the year under review.

On behalf of the Board

Chennai
7th May 2018

M M Murugappan
Chairman

Annexure-A

Dividend Distribution Policy

1. **Background :**

   This Policy is formulated in accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 introduced on 8th July 2016. This policy will be effective from 1st August, 2017, being the date of its approval by the Board of Directors of the Company.

2. **Objective :**

   The objective of this Policy is to lay down the criteria and parameters that are to be considered by the Board of Directors of the Company while deciding on the declaration of Dividend from time to time. This Policy is applicable to dividend declared/recommended on the equity shares of the Company and does not cover dividend on preference shares, if any, where the rate of dividend is governed by the terms of the issue of preference shares or any other form of dividend.

3. **Parameters to be considered for declaration of Dividend :**

   The Board of Directors may declare interim dividend/recommend final dividend for consideration of shareholders of the Company.

   As in the past, subject to the provisions of applicable laws, the Company's dividend pay-out will be determined by the Board of Directors from time to time based on the available financial resources, investment requirements and other factors more fully described hereunder. Subject to these parameters, the Company would endeavour to maintain a total dividend pay-out ratio (dividend inclusive of any tax on distribution of dividend in the hands of the Company) of about 25% of the annual standalone profits after tax after adjusting for payment of preference dividend, if any.

   The Board of Directors of the Company will consider the following parameters while recommending/declaring Dividend:

   3.1 Financial Parameters/Internal Factors :

   1. Standalone/net operating profit after tax;
   2. Operating cash flow of the Company for the year;
   3. Liquidity position, aggregate Debt of the Company (both standalone and consolidated), debt service coverage position etc.;
   4. Loan repayment and working capital requirements;
   5. Capital expenditure requirements;
   6. Resources required for funding acquisitions, mergers and/or new businesses;
   7. Cash flow required for meeting tax demands and other contingencies;
   8. Regulatory (and growth requirement of) Capital Adequacy;
   9. Regulatory (and growth requirement of) Solvency;
   10. Trend of dividends paid in the past years;
   11. Dividend receipt from subsidiaries;
   12. Any windfall, extra-ordinary or abnormal gains made by the Company; &
   13. Any other factor not explicitly covered above but which is likely to have a significant impact on the Company.

   3.2 External Factors:

   1. Prevailing legal requirements, regulatory restrictions laid down under the applicable laws including tax laws and changes made in accounting laws;
   2. Dividend pay-out ratios of companies in the same industry; &
   3. Any other factor that has a significant influence/impact on the Company's working/financial position of the Company.

   The Board of Directors may additionally recommend special dividend in special circumstances.

4. **Circumstances under which the shareholders may not expect Dividend:**

   The shareholders of the Company may not expect Dividend under the following circumstances:

   4.1 In the event of inadequacy of profits or whenever the Company has incurred losses;

   4.2 Significant cash flow requirements towards higher working capital requirements/tax demands/or others, adversely impacting free cash flows;

   4.3 An impending/ongoing capital expenditure program or any acquisitions or investment in joint ventures requiring significant allocation of capital;

   4.4 Allocation of cash required for buy-back of securities;

   4.5 Any of the above referred internal or external factors restraining the Company from considering dividend.

5. **Utilization of retained earnings :**

   The Company may declare dividend out of the profits of the Company for the year or out of the profits of any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy. Profits retained in the business will be invested in the business/operations of the Company and may be used for augmenting working capital, repayment of borrowings, funding capital expenditure/acquisition(s) and for all other corporate purposes.

6. **Parameters to be adopted with regard to various classes of shares:**

   Presently, the Authorised Share Capital of the Company is divided into equity shares of ₹1/- each. At present, the issued and paid-up share capital of the Company comprises only equity shares.

   The Company shall first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend would be declared on equity shares.

   Currently, the Company has issued one class of equity shares with equal voting rights. As and when the Company issues different class of shares, the Board of Directors may suitably amend this Policy.

7. **Procedure :**

   7.1 The dividend proposal placed before the Board for consideration shall be in terms of this Policy.

   7.2 The Company shall ensure compliance of provisions of applicable Laws and this Policy in relation to Dividend declared by the Company.

8. **Disclosure :**

   The Company shall make appropriate disclosures as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

9. **General :**

   9.1 This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities and Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.

   9.2 The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

   9.3 In case of any amendment(s), clarification(s), circular(s) etc., issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc., shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Annexure-B

Form AOC - 1

Statement containing Salient Features of the Financial Statements of Subsidiaries/Associate Companies/Joint Ventures

Part A - Information in respect of each Subsidiary

₹ in Cr.

Sl. No.	Name of the subsidiary	Shanthi Gears Limited	Financiere C10 SAS	Sedis SAS	Sedis GmbH	Sedis Company Limited	Creative Cycles (Private) Limited	Great Cycles (Private) Limited
1	Reporting period of the subsidiary	31-Mar-2018	31-Dec-2017	31-Dec-2017	31-Dec-2017	31-Dec-2017	31-Mar-2018	31-Mar-2018
2	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR	EUR 1 EUR = ₹76.76	EUR 1 EUR = ₹76.76	EUR 1 EUR = ₹76.76	GBP 1 GBP = ₹86.23	LKR 1 LKR = ₹0.42	LKR 1 LKR = ₹0.42
3	Share Capital	8.17	25.78	49.89	0.19	1.68	2.10	2.10
4	Reserves & Surplus	309.62	55.60	19.41	(2.60)	0.94	(0.73)	10.90
5	Total Assets (Non-Current and Current Assets)	360.06	105.71	198.61	3.18	6.14	16.21	14.17
6	Total Liabilities (Non-Current and Current Liabilities)	42.27	24.33	129.31	5.59	3.52	14.84	1.17
7	Investments (Non-Current and Current Investments)	113.57	80.69	4.38	0.15	-	-	-
8	Turnover	214.49	5.93	243.18	6.30	8.91	5.54	1.27
9	Profit / (Loss) Before Tax	33.17	0.04	3.79	-	(0.92)	0.13	0.15
10	Provision / (Reversal) for Tax	4.59	0.01	(1.33)	-	-	0.12	-
11	Profit / (Loss) After Tax	28.58	0.03	5.12	-	(0.92)	0.01	0.15
12	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil
13	% of Shareholding	70.12%	100.00%	100.00%	100.00%	100.00%	80.00%	80.00%

Part B - Associates and Joint Ventures

(Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures)

Sl. No.	Name of the Associates/Joint Venture Companies	TI Tsubamex Private Limited (Joint Venture Company)	TI Absolute Concepts Private Limited (Joint Venture Company)
1	Latest Audited Balance Sheet Date	31-Mar-2018	31-Mar-2018
2	Share of Associate/Joint Venture held by the Company on the year end		
	- No. of Shares	2,35,00,000	1,37,50,000
	- Amount of Investment	23,50,00,000	13,75,00,000
	- Extent of Holding (%)	78.33%	50%
3	Description of how there is significant influence	Through shareholding	Through shareholding
4	Reason why the Associate/joint venture is not consolidated	It is getting consolidated under Equity method	It is getting consolidated under Equity method
5	Net worth attributable to Shareholding as per latest audited financials (₹ in Crores.)	7.59	3.26
6	Loss for the year (₹ in Crores.)		
	- Considered in Consolidation	5.32	7.76
	- Not considered in Consolidation	Nil	Nil

Notes:

1 Names of Subsidiaries/Associates/joint ventures which are yet to commence operations - Nil

2 Names of Subsidiaries/Associates/joint ventures which have been liquidated or sold during the year - Nil

On behalf of the Board

Place: Chennai	**S Suresh**	**K Mahendra Kumar**	**L Ramkumar**	**M M Murugappan**
Date: 7th May 2018	Company Secretary	Chief Financial Officer	Managing Director	Chairman

Annexure-C

Annual Report on Corporate Social Responsibility (CSR) Activities

1. **A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.**

Outline of the Company's CSR Policy

Tube Investments of India Limited (formerly, TI Financial Holdings Limited) ("Company" or "TI"), being part of the Murugappa Group firmly believes that social responsibility is not just a corporate obligation that has to be carried out but it is one's Dharma (path of righteousness) and has been earmarking a part of its income for carrying out its social responsibilities. TI's philanthropic endeavours are therefore a reflection of its spiritual conscience and this provides it a way to discharge its responsibilities to the various sections of the society.

The CSR Policy of the Company *inter alia* provides for identification of CSR projects and programmes, modalities of execution, monitoring process. The Policy can be accessed on the Company's website (web link: http://www.tiindia.com/article/values/467).

Overview of the CSR Projects and Programmes:

TI is committed to identifying and supporting programmes aimed at -

- Empowerment of the underprivileged sections of the society through education, access to and awareness about financial services and the like;
- Provision of access to basic necessities like healthcare, drinking water & sanitation and the like;
- Working towards eradicating hunger and poverty, through livelihood generation and skill development;
- Supporting environmental and ecological balance through afforestation, soil conservation, rain water harvesting, conservation of flora & fauna and similar programmes;
- Promoting sports through training of sportspersons;
- Undertaking rural development projects;
- Promoting women empowerment and reduction of gender bias;
- Supporting traditional arts and culture;
- Any other programme that falls under TI's CSR Policy and is aimed at the empowerment of underprivileged sections of the society.

The CSR spend during the financial year, 2017-18 has been in the area of education. Details of the same can be accessed in the Company's website (web link: http://www.tiindia.com/article/csrprojectsprograms/546).

2. **Composition of the CSR Committee:**

Mr. S Sandilya (Independent Director)

Ms. Madhu Dubhashi (Independent Director)

Mr. L Ramkumar (Managing Director)

3. **Average net profits of the Company during the three immediately preceding financial years:**

The average net profits of the Company made during the three immediately preceding financial years as calculated under Section 135 of the Companies Act, 2013 and the Rules thereunder works out to ₹63.24 Cr.

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):**

The prescribed CSR expenditure (2% of the average net profits as in 3 above) under Section 135 of the Companies Act, 2013 is ₹1.26 Cr.

5. Details of CSR spend during the financial year, 2017-18:

a. Total amount spent for the financial year: ₹1.35 Cr.

b. Amount unspent: Nil

c. Manner in which the amount spent during the financial year is detailed below: (₹ in Cr.)

Sl. No.	CSR Project/ Activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State and district where Projects or Programs was undertaken	Amount Outlay (Budget) Project or Program wise	Amount spent on the Projects or Programs	Cumulative expenditure up to the reporting period	Amount Spent - Direct (D) or through implementing agency (IA)
1	Basic Training Centre	Education	**Tamilnadu :** Avadi in Chennai	1.50	1.35	1.35	1.35(D)

6. Reason for not spending the prescribed CSR expenditure amount:

Not applicable as the Company has spent in excess of the mandatory minimum.

7. Responsibility Statement:

It is hereby affirmed that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

On behalf of the Board

Place: Chennai
Date: 7th May, 2018

L Ramkumar
Managing Director

S Sandilya
Chairman, CSR Committee

Annexure-D

Report on Corporate Governance

Your Company believes that the fundamental objective of corporate governance is to enhance the interests of all stakeholders. The Company's corporate governance practices emanate from its commitment towards discipline, accountability, transparency and fairness. Key elements in corporate governance are timely and adequate disclosure, establishment of internal controls and high standards of accounting fidelity, product and service quality.

Your Company also believes that good corporate governance practices help to enhance performance and valuation of the Company.

Board of Directors

The Board provides leadership, strategic guidance and objective judgement on the affairs of the Company. The Board comprises of persons of eminence with excellent professional achievements in their respective fields. The Independent Directors provide their independent judgement, external perspective and objectivity on the issues which are placed before them.

The Board of Directors of the Company consists of eight Directors, with knowledge and experience in different fields viz., engineering, manufacturing, finance and business management. Mr. M M Murugappan, Chairman (Promoter, non-executive), Mr. L Ramkumar, Managing Director (executive), Mr. Vellayan Subbiah, Managing Director (Designate) (Promoter, executive), Mr. Ramesh K B Menon (non-executive) are the non-Independent Directors in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (referred to in this Report as "SEBI Listing Regulations"). Mr. Hemant M Nerurkar, Ms. Madhu Dubhashi, Mr. Pradeep V Bhide and Mr. S Sandilya are the Independent Directors in terms of the SEBI Listing Regulations. All the Independent Directors of the Company are eminent professionals. None of the Directors are related to each other.

The Company had issued letters of appointment to the said Independent Directors as required under Schedule IV to the Companies Act, 2013 and the terms and conditions of their appointment have also been be disclosed on the Company's website www.tiindia.com [link: http://www.tiindia.com/investors/466].

On their appointment, the Independent Directors are familiarised about the Company's operations and businesses. As part of the familiarisation programme, a handbook is provided to all Directors including Independent Directors at the time of appointment. The handbook provides a snapshot to the Directors of their duties and responsibilities, rights, appointment process and evaluation, compensation, Board procedure and stakeholders' expectations. The handbook also provides the Directors with an insight into the Group's practices.

To familiarise the Director with the Company's operations and businesses, plant visits are organised in respect of all divisions of the Company, as part of the induction programme, where the Director is taken around the facilities and explained in detail about the process. During such visit, besides interaction by the Business Heads and key executives with the Director, detailed presentations on the business of the Division are also made to the Director. Direct meetings with the Chairman and the Managing Director are further facilitated for the new appointee to familiarise him/her about the Company/its businesses and the Group practices. In addition, it is also ensured in the Board meeting agenda that besides the review of operations, information on the industry scenario in respect of the Company's businesses, competition and strategy are presented on a quarterly basis. The details of the familiarisation programme are also disclosed on the Company's website at the following link: http://www.tiindia.com/investors/466.

Neither of the Whole-time Directors served or serve as Independent Director in more than three listed entities. None of the Independent Directors of the Company served or serve as Independent Director in more than seven listed entities.

None of the Directors of the Company was a member of more than ten Board-level committees or a chairman of more than five such committees across all companies, in which he/she was a Director.

The Company has a well-established practice with regard to deciding the dates of meetings. The annual calendar for the meetings of the Board is finalised early on in consultation with all the Directors. A minimum of five Board meetings are held each year. Evolving strategy, annual business plans, review of actual performance and course correction, as deemed fit, constitute the primary business of the Board. The role of the Board also includes de-risking, investment, divestment and business reorganisation. Matters such as capital expenditure, recruitment of senior level personnel, safety & environment, Human Resources related developments, compliance with statutes and foreign exchange exposures are also reviewed by the Board from time to time.

The Company's commitment to good governance practices allows the Board to effectively perform these functions.

The Company ensures that timely and relevant information is made available to all the Directors in order to facilitate their effective participation and contribution during meetings and discussions.

Post-implementation of the Scheme of Arrangement (demerger) with effect from 1st August, 2017, there were four meetings of the Board of Directors. The dates of the Board meetings, attendance and the number of Directorships/Committee memberships held by the Directors are given in **Table 1** of the annexure to this Report.

The Committees of the Board viz., Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee, constituted with effect from 1st August, 2017 in accordance with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations, have specific scope and responsibilities.

Audit Committee

The role of the Audit Committee, in brief, is to review financial statements, internal controls, accounting policies, internal audit report, related party transactions, risk management systems and functioning of the Whistle Blower mechanism.

The Audit Committee of the Company has three members, all of whom are Independent Directors. Mr. S Sandilya, Independent Director is the Chairman of the Committee. All the members of the Committee have excellent financial and accounting knowledge. The Chairman, Managing Director, Managing Director (Designate) and the Heads of Strategic Business Units are invitees to the meetings of the Audit Committee.

The quarterly financial results are placed before the Audit Committee for its review, suggestions and recommendations before taking the same to the Board. The statutory audit plans and progress are shared with the Committee for its review.

The quarterly financial results are placed before the Audit Committee for its review, suggestions and recommendations, before taking the same to the Board. The statutory audit plans and progress are shared with the Committee for its review. The internal audit plans are drawn up in consultation with the Managing Director, Chief Financial Officer, Heads of Strategic Business Units and the Audit Committee. The Committee reviews the observations of the internal auditor periodically. The Committee also provides guidance on compliance with the Accounting Standards and accounting policies. The statutory and internal auditors attend the Audit Committee meetings. The Committee also tracks the implementation of its guidelines/suggestions through review of action taken reports. The terms of reference of Audit Committee are in line with the requirements of the Companies Act, 2013 and the Corporate Governance norms under the SEBI Listing Regulations.

The Committee met four times during the year ended 31st March, 2018. The composition of the Audit Committee and the attendance of each member at these meetings are given in **Table 2** of the annexure to this Report.

Remuneration to Directors

The success of the organisation in achieving good performance and governance depends on its ability to attract quality individuals as executive and Independent Directors.

The Managing Directors' compensation comprises a fixed component and a performance incentive. The compensation is determined based on the level of responsibility and scales prevailing in the industry. No sitting fees for attending Board/ Committee meetings are paid to the Managing Directors.

The compensation to the non-executive Directors takes the form of commission on profits. Though the shareholders have approved payment of commission up to one per cent of the net profits of the Company for each year calculated as per the provisions of the Companies Act, 2013, the actual commission paid to the Directors will be restricted to a fixed sum. The sum is reviewed periodically taking into consideration various factors such as performance of the Company, time devoted by the Directors in attending to the affairs and business of the Company and the extent of responsibilities cast on the Directors under various laws and other relevant factors. Considering the time and efforts put in by Mr. M M Murugappan, Chairman and Mr. Pradeep V Bhide, Director towards the affairs of the Company, they are being paid a differential remuneration. The non-executive Directors are paid sitting fees also as permitted by government regulations for all Board and Committee meetings attended by them.

Nomination & Remuneration Committee

The role of the Nomination & Remuneration Committee is in accordance with the requirement of Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations. Under the terms of reference, the Committee's role includes formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on Board diversity and identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Committee's scope further covers recommending to the Board the appointment/re-appointment of the executive and non-executive Directors.

The Committee as constituted effective 1st August, 2017, post the Scheme of Arrangement becoming effective, consists of three members. The Chairman of the Committee is Mr. Hemant M Nerurkar, Independent Director. The other Members are Mr. S Sandilya, Independent Director and Mr. M M Murugappan, Non-Executive Director.

The Remuneration Policy of the Company provides a performance driven and market oriented framework to ensure that the Company attracts, retains and motivates high quality executives who can achieve the Company's goals, while aligning the interests of employees, shareholders and all stakeholders in accordance with the group's values and beliefs.

The Company's total compensation package includes fixed compensation, variable compensation in the form of annual incentive, perquisites and benefits including health and life insurance and retirement benefits. In addition, select category of employees is eligible for long-term incentive plan in the form of stock options (ESOPs) under the Company's Employee Stock Option Plan 2017, which has been introduced during the year ("ESOP 2017"). The ESOP 2017 is in compliance with the applicable SEBI Regulations. Details of the same are provided in the Company's website, www.tiindia.com.

Fixed compensation is determined on the basis of size and scope of the job typically as reflected by the level or grade of the job, trends in the market value of the job and the skills, experience and performance of the employee. The annual incentive (variable pay) of senior executives is linked directly to the performance of the Business Unit and the Company through a balanced score card. A formal annual performance management process is applied to all employees, including senior executives. Annual increases in fixed and variable compensation of individual executives are directly linked to the performance ratings. Overall compensation is subject to periodic reviews which take into account data from compensation surveys conducted by specialist firms, as well as factors such as affordability based on the Company's performance and the economic environment.

Accordingly, the Committee will determine the periodic increments in salary and annual incentive of the Executive Directors. The increments and incentive of the Managing Directors are determined on the basis of the balanced score card with its three components viz., Company financials, Company score card and strategic business unit scores being given appropriate weightage.

In addition to the above, the Committee is also vested with the powers and authority for implementation, administration and superintendence of the Employee Stock Option Plan and also to formulate the detailed terms and conditions in respect of the same.

The Committee has further laid down the qualifications, positive attributes and independence criteria in terms of Section 178(3) of the Companies Act, 2013 to be considered for nominating candidates for Board positions/ re-appointment of Directors.

The Board Diversity Policy devised by the Committee sets out the approach to diversity on the Board of the Company in order to ensure a process which is transparent with diversity of thought, experience, knowledge, perspective and gender in the Board.

The Committee met three times during the year ended 31st March, 2018. The composition of the Committee and the attendance of each member at these meetings are given in **Table 3** of the annexure to this Report.

The details of remuneration paid/payable to the Managing Directors and to the non-executive Directors, for the financial year ended 31st March, 2018, are given in **Table 4** and **Table 5** respectively of the annexure to this Report.

Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee is constituted in accordance with the requirements of the Companies Act, 2013 and the Rules thereunder. The Committee consists of three members, two of them being Independent Directors. Mr. S Sandilya, Independent Director is the Chairman of the Committee. The other Members are Ms. Madhu Dubhashi, Independent Director and Mr. L Ramkumar, Executive.

Under the terms of reference, the scope of the CSR Committee is (a) to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified under Schedule VII of the Companies Act, 2013; (b) to recommend the amount of expenditure to be incurred on the activities; and (c) to monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Committee met once during the year ended 31st March, 2018. The composition of the Corporate Social Responsibility Committee and the attendance of each member at the meeting of the Committee are given in **Table 7** of the annexure to this Report.

Risk Management Committee

The role of the Risk Management Committee, in brief, is to review the Risk Management Policy developed by the Management, Risk Management framework and its implementation thereby ensuring that an effective risk management system is in place.

The Risk Management Committee regularly monitors and evaluates the key risks of the Company and apprises the management of such risks for effective mitigation. The Committee provides support to the Board in the discharge of the Board's overall responsibility in overseeing the risk management process. The Committee consists of three members, two of them being Independent Directors. Mr. Pradeep V Bhide, an Independent Director, is the Chairman of the Risk Management Committee. The other Members are Mr. Hemant M Nerurkar, Independent Director and Mr. L Ramkumar, Executive.

The Chairman and the Heads of Strategic Business Units are invitees to the meetings of the Committee. The Committee met two times during the year ended 31st March, 2018. The composition of the Committee and attendance of its members at the meeting are given in **Table 8** of the annexure to this Report.

A statement on some of the significant risks associated with the Company's businesses and the mitigation plans thereof are furnished as part of the Board's Report.

Performance Evaluation

The annual performance evaluation was carried out pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. As part of the performance evaluation process, an evaluation questionnaire based on the criteria together with supporting documents was circulated to all the Board members, in advance. The process *inter alia* considers the individual Director's understanding of the Company's business, knowledge and experience, familiarity with Company's policies, values & beliefs and Code of Conduct, involvement and participation, effectiveness as a team player, etc. The Directors evaluated themselves, the Chairman, the Managing Director, other Board members, the Board as well as the functioning of the Board Committees viz., Audit, Nomination & Remuneration, Risk Management, Corporate Social Responsibility and Stakeholders Relationship Committees on the basis of well-defined evaluation parameters as set out in the questionnaire. The duly filled in questionnaires were received back from the Chairman and all the other Directors.

To take the evaluation exercise forward, all the Independent Directors of the Company met on 22nd March, 2018, without the attendance of the non-Independent Directors and members of the management to discuss *inter alia* the matters specified under Schedule IV of the Companies Act, 2013 and Regulation 25(4) of the SEBI Listing Regulations.

The Board reviewed the process of evaluation of the Board of Directors and its Committees including the Chairman, the Managing Director and the individual Directors.

Subsidiary Companies

The Company does not have any 'material non-listed Indian subsidiary company' in terms of the SEBI Listing Regulations as at the end of 31st March, 2018.

Financiere C10 SAS is a wholly-owned subsidiary of the Company in France. Sedis SAS, France, Sedis GmbH, Germany and Sedis Co Ltd, UK are the subsidiaries of Financiere C10 SAS.

TI Tsubamex Private Limited (TTPL) is a subsidiary of the Company. The Company holds 78.3% of the share capital of TTPL.

Great Cycles (Private) Limited (GCPL) is a subsidiary of the Company. The Company holds 80% of the share capital of GCPL.

Creative Cycles (Private) Limited (CCPL) is a subsidiary of the Company. The Company holds 80% of the share capital of CCPL.

The Board of Directors is apprised of the Business Plan and the financial performance of the unlisted subsidiary companies.

The Company has formulated a policy for determining 'material' subsidiaries and the same is available on the Company's website at the following link, http://www.tiindia.com/article/values/475

Related Party Transactions

During the financial year under review, all the transactions entered into with the Related Parties, as defined under the Companies Act, 2013 and the SEBI Listing Regulations were in the ordinary course of business and on arms' length pricing basis only. Accordingly, these transactions do not attract the provision of Section 188 or disclosure in Form AOC-2 in terms of Section 134(h) of the Companies Act, 2013.

Further, there were no materially significant transactions with related parties which were in conflict with the interest of the Company.

The policy for related party transactions approved by the Board had been uploaded on the Company's website at the following link, http://www.tiindia.com/article/values/476

Dissemination of Information

The Company is conscious of the importance of timely and proper dissemination of adequate information. A press release is given along with the publication of the quarterly/ annual results, explaining the business environment and performance. This is being provided to enable the investing community to understand the financial results better and in a more meaningful manner. The press release includes non-financial aspects such as development of new products, change in market share, price movement of raw materials and in general, the business conditions. The quarterly and audited annual financial results are normally published in 'Business Standard' and 'The New Indian Express' (English) and in 'Dinamani' (Tamil). Press releases are given to all the important dailies. The financial results, press releases, shareholding pattern and the presentations made to Analysts and Brokers are posted on the Company's website. The Company's commitment to transparency is reflected in the information-rich Annual Report, investors' meets, periodic press releases and continuous updating of its website.

Investors' Service

The Company promptly attends to investors' queries/ grievances. In order to provide timely services, the power to approve transfer of shares has been delegated by the Board to the Shares and Debentures Committee. The Board has also authorised the Chairman/Managing Director/Chief Financial Officer/Secretary to approve transfers/ transmissions. Share transfer requests are processed within 15 days from the date of receipt. Karvy Computershare Private Limited, Hyderabad is the Company's share transfer agent and depository registrar.

The Stakeholders Relationship Committee specifically focuses on investor service levels. This Committee has prescribed norms for attending to the investors' services and the Committee periodically reviews the service standard achieved by the Company and its Registrar and Transfer Agent as against the prescribed norms.

The terms of reference of the Committee are in accordance with the requirement of Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and provide for the resolution of grievances of security holders of the Company including complaints, if any, relating to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividends etc.

The Committee met once during the year ended 31st March, 2018. Mr. M M Murugappan, non-executive Director, is the Chairman of the Committee and Mr. L Ramkumar, Executive is the other member. The composition of the Committee and attendance of its members at the meeting are given in **Table 6** of the annexure to this Report.

No investor complaint was received during the financial year ended 31st March, 2018 and hence, no complaints were pending as at 31st March, 2018.

In order to expedite the redressal of complaints, if any, investors are requested to register their complaints and also to take follow up action, as necessary, to the exclusive e-mail id i.e. investorservices@tii.murugappa.com Mr. S Suresh, Company Secretary is the Compliance Officer.

Statutory Compliance

The Company attaches the highest importance to compliance with statutes. Every function/department of the business is aware of the requirements of various statutes relevant to them. The Company has systems in place to remain updated with the changes in statutes and the means of compliance. An affirmation regarding compliance with the statutes by the heads of businesses and functions is placed before the Board on a quarterly basis for its review.

Internal Controls

The Company is conscious of the importance of the internal processes and controls. The Company has a robust business planning & review mechanism and has adequate internal control systems commensurate with the nature of its business, size and geographical spread. These systems are regularly reviewed and improved upon.

The Chief Financial Officer and the Managing Director have certified to the Board *inter alia* on the accuracy of financial statements and adequacy of internal controls for the financial reporting purpose as required under the SEBI Listing Regulations, for the year ended 31st March, 2018.

Whistle Blower Policy/Vigil Mechanism

The Company has established a vigil mechanism (Whistle Blower Policy) for the employees and the Directors as an avenue to voice concerns relating to unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The said mechanism/Policy is in accordance with the requirements of Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations. The Ombudsperson appointed by the Board deals with the complaints received and ensures appropriate action. The mechanism also provides for adequate safeguards against victimisation of persons using the mechanism and provides direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. No person was denied access to the Audit Committee.

Compliance of Corporate Governance Norms

The Company has complied with all the mandatory requirements of corporate governance norms during the financial year ended 31st March, 2018 upon the Company becoming a listed Company effective 2nd November, 2017. Quarterly financial results of the Company are published in leading newspapers, uploaded on the Company's website and any major developments are covered in the press releases issued by the Company and also posted on its website. Financial results for the half-year ended

30th September, 2017 were not separately sent by post to the shareholders.

The Company is also in compliance with the corporate governance requirements specified under Regulations 17 to 27 and Regulation 46(2)(b) to (i) of the SEBI Listing Regulations.

In line with its stated policy of being committed to the principles and practices of good corporate governance, the Company is in compliance with most of the requirements forming part of the discretionary requirements under Schedule II, Part E of SEBI Listing Regulations. As regards the remaining discretionary requirements, the Company after careful evaluation would strive to implement the same progressively, as appropriate.

The Board of Directors has laid down a Code of Conduct for all the Board members and the senior management of the Company. The Directors and the Senior Management of the Company have furnished their affirmation of compliance with the Code during the financial year, 2017-18. The Code of Conduct has been posted on the website of the Company at the following link, http://www.tiindia.com/article/values/33. A declaration of affirmation in this regard certified by the Managing Director is annexed to this Report.

The key Policies framed in accordance with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations are posted on the website of the Company at the following links, http://www.tiindia.com/article/values/34; http://www.tiindia.com/article/values/476; http://www.tiindia.com/article/values/493; http://www.tiindia.com/article/values/527; http://www.tiindia.com/article/values/538; http://www.tiindia.com/article/values/600; http://www.tiindia.com/article/values/601; http://www.tiindia.com/article/values/667 etc.,

Other Disclosures

A Management Discussion and Analysis Report highlighting the performance of individual businesses forms part of the Board's Report.

A write up on the risks associated with the business and mitigation plans therefor also forms part of the Board's Report.

Related party transactions during the year have been disclosed as a part of the financial statements as required under the relevant Ind AS issued by the Institute of Chartered Accountants of India.

There have been no instances of non-compliance by the Company or have any penalty or strictures been imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India or by any statutory authority on any matter related to the capital markets since listing of the Company's equity shares on the Stock Exchanges effective 2nd November, 2017.

General Shareholder Information

A separate section has been annexed to the Annual Report furnishing various details viz., the previous Annual General Meeting, time and venue thereof, share price movement, distribution of shareholding, location of factories, means of communication etc., for shareholders' reference.

On behalf of the Board

Chennai
7th May, 2018

M M Murugappan
Chairman

Declaration on Code of Conduct

To

The Members of Tube Investments of India Limited

This is to confirm that the Board has laid down a Code of Conduct for all Board members and Senior Management of the Company. The Code of Conduct has also been posted on the website of the Company.

It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2018, as envisaged under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

On behalf of the Board

Chennai
7th May, 2018

L Ramkumar
Managing Director

Annexure to the Corporate Governance Report

Note: This Annexure covers details of the Board/Board Committee Meetings of TII held after the reconstitution of the Board of Directors post coming into effect of the Scheme of Arrangement (Demerger) on 1st August, 2017.

(A) Board Meeting Dates and Attendance

Post-implementation of the Scheme of Arrangement (demerger) with effect from 1st August, 2017, the reconstituted Board of Directors of the Company met 4 times during the financial year 2017-18. The dates of the Board meetings were 9th August, 2017, 28th October, 2017, 12th February, 2018 and 23rd March, 2018.

The attendance of each Director at the meetings, the last Annual General Meeting and number of other Directorships/ Committee memberships held by them, post reconstitution of the Board consequent to the demerger, as on 31st March, 2018 are as follows:

TABLE 1

Sl. No.	Name of Director	Board meetings attended (no. of meetings held)	Number of Directorships[(a)] - including the Company (out of which as Chairman)	Number of committee memberships[(b)] - including the Company (out of which as Chairman)	Attendance at last AGM	No. of shares held as on 31st March, 2018
1	Mr. M M Murugappan, Chairman	4(4)	10(7)	8(5)	Present	18,90,385
2	Mr. L Ramkumar, Managing Director	4(4)	4(1)	2(1)	Present	1,25,650
3	Mr. Vellayan Subbiah*, Managing Director (Designate)	2(3)	4	1	Present	4,30,250
4	Mr. Pradeep V Bhide	4(4)	7	9(1)	Present	-
5	Mr. S Sandilya	2(4)	6(2)	7(4)	Present	-
6	Ms. Madhu Dubhashi	4(4)	7	6(4)	Present	-
7	Mr. Hemant M Nerurkar	4(4)	9(3)	6(3)	Present	-
8	Mr. Ramesh K B Menon#	2(2)	5	3	Not Applicable	-

(a) Excludes foreign companies, private limited companies (not being subsidiary or holding company of a public company), alternate Directorship and companies registered under Section 8 of the Companies Act, 2013.

(b) Includes only membership in Audit and Stakeholders' Relationship Committees.

* Mr. Vellayan Subbiah was appointed as Managing Director (Designate) with effect from 19th August, 2017.

\# Mr. Ramesh K B Menon was appointed as Additional Director with effect from 16th November, 2017.

(B) Composition of Audit Committee and Attendance

The Committee met four times during the year ended 31st March, 2018. The dates of the Committee's meetings were 9th August, 2017, 28th October, 2017, 12th February, 2018 and 23rd March, 2018.

The composition of the Audit Committee and the attendance of each member at these meetings are as follows:

TABLE 2

Name of the Member	Number of meetings attended (Number of meetings held)
Mr. S Sandilya, Chairman	2(4)
Mr. Pradeep V Bhide	4(4)
Mr. Hemant M Nerurkar	4(4)

(C) Composition of Nomination & Remuneration Committee and Attendance

The Committee met three times during the year ended 31st March, 2018. The dates of the Committee's meetings were 9th August, 2017, 6th November, 2017 and 12th February, 2018. The composition of the Nomination & Remuneration Committee and the attendance of each member at these meetings are as follows:

TABLE 3

Name of the Member	Number of meetings attended (Number of meetings held)
Mr. Hemant N Nerurkar, Chairman	3(3)
Mr. M M Murugappan	3(3)
Mr. S Sandilya	2(3)

(D) Remuneration of Managing Directors

The details of remuneration paid/provision made for payment to the Managing Directors are as follows:

TABLE 4 (Amount in ₹)

Name	Salary	Incentive[a]	Allowance	Perquisites & Contributions[b]	Total
Mr. L Ramkumar, Managing Director	1,49,56,875	1,08,23,309	1,30,93,295	57,98,900	4,46,72,379
Mr. Vellayan Subbiah, Managing Director (Designate)[c]	82,05,621	81,81,185	71,10,331	1,22,88,908	3,57,86,045

[a] Provisional and subject to determination by the Nomination & Remuneration Committee and the same will be paid after the adoption of accounts by the shareholders at the Annual General Meeting.

[b] Managing Directors' remuneration excludes provision for Gratuity and compensated absences since the amount cannot be ascertained individually.

[c] Appointed with effect from 19th August, 2017.

The details of Options granted under ESOP 2017 of the Company to Mr. L Ramkumar, Managing Director is furnished below:

Particulars	ESOP 2017 No. of Shares
Options granted	69,640
Options vested	69,640
Options cancelled	-
Options lapsed	-
Options exercised	69,640 (26th April, 2018)
Options outstanding	-
Exercise Price	₹ 187.29/- being the market price prior to the date of grant

The Managing Director (Designate) is not eligible for grant of any stock options.

The Managing Directors are subject to all other service conditions as applicable to other employees of the Company.

They are not entitled for any severance fee or other compensation for any loss of office.

(E) Remuneration of Non-Executive Directors

The details of commission provided for/sitting fees paid to non-executive Directors for the year ended 31st March, 2018 are as follows:

TABLE 5 (Amount in ₹)

Name of the Director	Commission *	Sitting fees	Total
Mr. M M Murugappan , Chairman	1,00,00,000	1,75,000	1,01,75,000
Mr. Hemant M Nerurkar	7,50,000	2,60,000	10,10,000
Ms. Madhu Dubhashi	7,50,000	1,15,000	8,65,000
Mr. Pradeep V Bhide	25,00,000	2,30,000	27,30,000
Mr. S Sandilya	7,50,000	1,45,000	8,95,000
Mr. Ramesh K B Menon[a]	2,79,452	50,000	3,29,452

* Provisional and subject to determination by the Board. Commission will be paid after the adoption of accounts by the shareholders at the Annual General Meeting.

[a] Commission calculated on *pro rata* basis - from 16th November, 2017

(F) Composition of Stakeholders Relationship Committee and Attendance

The Committee met on 20th February, 2018 during the year ended 31st March, 2018. The composition of the Stakeholders Relationship Committee and the attendance of each member at the above meeting are as follows:

TABLE 6

Name of the Member	Number of meetings attended (Number of meetings held)
Mr. M M Murugappan, Chairman	1(1)
Mr. L Ramkumar	1(1)

(G) Composition of Corporate Social Responsibility Committee and Attendance

The Committee met on 9th August, 2017 during the year ended 31st March, 2018. The composition of the Corporate Social Responsibility Committee and the attendance of each member at the above meeting are as follows:

TABLE 7

Name of the Member	Number of meetings attended (Number of meetings held)
Mr. S Sandilya, Chairman	1(1)
Ms. Madhu Dubhashi	1(1)
Mr. L Ramkumar	1(1)

(H) Composition of Risk Management Committee and Attendance

The Committee met two times during the year ended 31st March, 2018. The dates of the Committee's meetings were 6th November, 2017 and 13th February, 2018. The composition of the Risk Management Committee and the attendance of each member at this meeting are as follows:

TABLE 8

Name of the Member	Number of meetings attended (Number of meetings held)
Mr. Pradeep V Bhide, Chairman	2(2)
Mr. Hemant M Nerurkar	1(2)
Mr. L Ramkumar	2(2)

On behalf of the Board

Chennai
7th May, 2018

M M Murugappan
Chairman

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members of
Tube Investments of India Limited (formerly known as TI Financial Holdings Limited),
Dare House No. 234, N.S.C Bose Road, Chennai - 600 001, Tamil Nadu.

I. The Corporate Governance Report prepared by Tube Investments of India Limited (formerly known as TI Financial Holdings Limited) (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

   i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Directors Register as on March 31, 2018 and verified that at least one women director was on the Board during the year;

   iv. Obtained and read the minutes of the following committee meetings held from April 01, 2017 to March 31, 2018:

      (a) Board of Directors meeting;

      (b) Audit committee;

      (c) Annual General meeting;

      (d) Nomination and remuneration committee;

      (e) Stakeholders Relationship Committee;

      (f) Independent directors meeting; and

      (g) Risk management committee.

v. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and

vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit test for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according. to the in formation and explanations given to us, we are of the opinion at the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31 2018, referred to in paragraph 2 above.

Other matters and Restriction on Use

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose liands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 10l049W/E300004

per **Subramaman Suresh**
Partner
Membership Number : 083673

Place of Signature: Chennai
Date: May 07, 2018

General Shareholder Information

Company Registration

The Company is registered in the State of Tamil Nadu. The Corporate Identity Number (CIN) of the Company is L35100TN2008PLC069496.

Registered Office

'Dare House', 234 NSC Bose Road, Chennai 600 001

Annual General Meeting

Day	: Monday
Date	: 13th August, 2018
Time	: 3.30 P.M.
Venue	: T.T.K. Auditorium, The Music Academy, 168 (Old no.306), T.T.K. Road, Chennai 600 014

Tentative Calendar for 2018-19

The financial year of the Company is the period ending on 31st day of March every year. The tentative calendar for Board meetings for approving the quarterly financial results is given below:

Results for the first quarter ended 30th June, 2018	:	13th August, 2018
Results for the second quarter/half year ending 30th September, 2018	:	2nd November, 2018
Results for the third quarter ending 31st December, 2018	:	January/ February, 2019
Results for the fourth quarter ending 31st March 2019/Annual Results for the financial year 2018-19	:	April/May, 2019

Book Closure for Dividend

Wednesday, 1st August, 2018 to Monday, 13th August, 2018 (both days inclusive).

Dividend

The Board of Directors has recommended the payment of a final dividend of ₹0.50 per Equity Share. The dividend on Equity Shares will be paid to those Members, whose names appear in the Register of Members as on Monday, 13th August, 2018 and the same will be paid on or after 17th August, 2018. During the financial year, in February, 2018, the Company paid an interim dividend of ₹1.25 per equity share.

In respect of shares held in electronic form, dividend will be paid on the basis of beneficial ownership as per details furnished by the depositories for the purpose.

Unclaimed Dividend

The details of dividend paid by the Company and the respective due dates of transfer of the unclaimed/ unencashed dividend to the Investor Education & Protection Fund ('IE&P Fund') of the Central Government are as below:

Financial year to which dividend relates	Date of declaration	Due date of transfer to IE&P Fund
2016-17	06.11.2017	12.12.2024
2017-18 - Interim	12.02.2018	20.03.2025

As provided under the Companies Act, 1956/2013, dividends remaining unclaimed for a period of seven years shall be transferred by the Company to the IE&P Fund. In the interest of investors, the Company proposes to send reminders to the concerned investors requesting them to claim their dividend.

Instructions to Shareholders

(a) Shareholders holding shares in physical form

Requests for change of address must be sent to the Company's Registrar & Transfer Agent viz., M/s. Karvy Computershare Private Ltd ("RTA"), not later than 1st August, 2018 to enable them to forward the dividend warrants to the latest address of Members. Members are also advised to intimate the RTA the details of their bank account to enable incorporation of the same on dividend warrants. This would help prevent any fraudulent encashment of dividend warrants.

(b) Shareholders holding shares in demat form

The Company uses National Automated Clearing House (NACH) facility for payment of dividends directly to the bank accounts of shareholders. The shareholders may use the facility by providing the bank account number to the depository participant/RTA, as may be relevant, to enable the Company to effect the dividend payment through the NACH mode. If there is any change in bank account details, Shareholders are requested to advise their Depository Participant(s)/ Company's RTA, as the case may be, immediately about the change.

Further, if in case of any change in address, Shareholders are requested to advise their Depository Participant(s) immediately about their new address.

Name and address of Stock Exchanges

Name of Stock Exchanges		Address
National Stock Exchange of India Ltd.	:	Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.
BSE Ltd.	:	Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

Listing fee for the year ended 31st March, 2018 has been paid to the above Stock Exchanges in time.

Listing on Stock Exchanges - Equity Shares

Name of Stock Exchanges		Stock Code
National Stock Exchange of India Ltd.	:	TIINDIA
BSE Ltd.	:	540762

Non-Convertible Debentures

Listed on Wholesale Debt Segment (WDM) of National Stock Exchange of India Ltd.

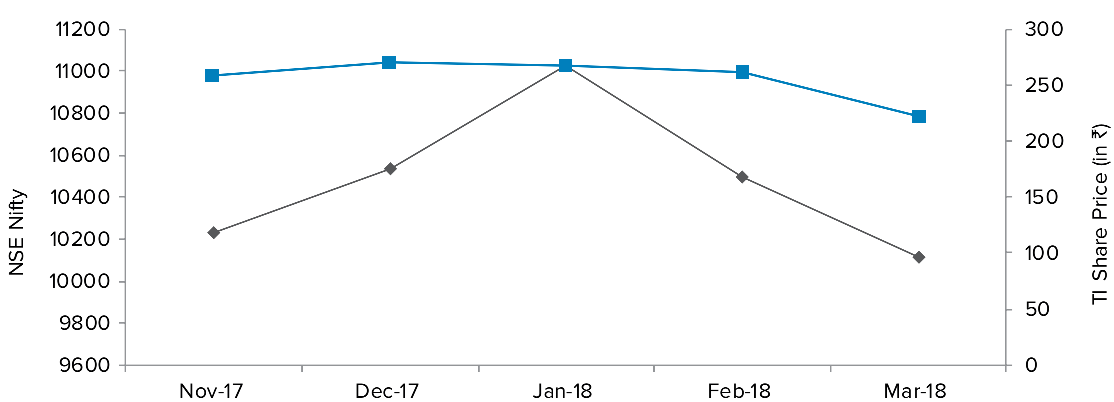
Market Price Data and Comparison

Monthly high and low price of the equity shares of the Company from 2nd November, 2017 (date of commencement of trading) to 31st March, 2018 are as follows:

The equity shares of the Company were listed on 2nd November, 2017. The Monthly high and low price of the equity shares of the Company from November, 2017 to March, 2018 are as follows:

	National Stock Exchange of India Ltd.		BSE Ltd.	
Month	High ₹	Low ₹	High ₹	Low ₹
Nov. 2017	308.90	241.00	307.55	233.00
Dec. 2017	283.35	215.70	281.00	247.00
Jan. 2018	304.70	259.50	304.00	259.90
Feb. 2018	295.00	245.00	289.80	247.00
Mar. 2018	272.50	220.20	275.00	222.55

TI Share Price Movement Vs. NSE Nifty



	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
NSE Nifty	10227	10531	11028	10493	10114
TI Share Price	259	270	267	261	222

Registrar and Share Transfer Agent

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad - 500 032
e-mail : einward.ris@karvy.com
Tel : (040) – 67162222
Fax: (040) - 23420814
Toll Free: 1800-345-4001

Debenture Trustees

IDBI Trusteeship Services Ltd
Asian Building, Ground Floor
17 R Kamani Marg
Ballard Estate
Mumbai - 400001
e-mail : itsl@idbitrustee.com
Tel : 022 - 66311771
Fax: 022 - 66311776

Share Transfer and Investor Service System

The Board has authorised Chairman/Managing Director/Chief Financial Officer/Company Secretary to approve transfers/ transmissions in addition to the Committee of the Board constituted for the purpose.

Shareholding Pattern as on 31st March, 2018

	Category	No. of shares held	% of shareholding
A	**Promoter & Promoter Group**	9,15,07,599	48.79
B	**Non-Promoter Holding**		
	1 Institutional Investors		
	a) Mutual Funds and UTI	2,49,75,117	13.32
	b) Banks, Financial Institutions and Insurance Companies	38,51,387	2.05
	c) Foreign Institutional Investors	2,09,98,896	11.20
	2 Others		
	a) Private Corporate Bodies	1,17,49,693	6.27
	b) Indian Public	2,83,77,094	15.13
	c) NRI	11,42,272	0.61
C	**Non-Promoter & Non-Public**		
	a) Bank of New York Mellon (Depository for GDR holders)	42,30,630	2.26
	b) Employees Welfare Trust	7,03,680	0.37
	Grand Total	**18,75,36,368**	**100.00**

Distribution of Shareholding as on 31st March, 2018

Category	No. of holders	% to Total	No. of shares	% to Total
1 - 5000	24,072	96.57	1,04,17,137	5.55
5001 - 10000	327	1.31	24,07,494	1.28
10001 - 20000	189	0.76	26,63,142	1.42
20001 - 30000	77	0.31	18,68,831	1.00
30001 - 40000	46	0.18	16,48,444	0.88
40001 - 50000	17	0.07	7,79,471	0.42
50001 - 100000	61	0.24	42,16,020	2.25
100001 & Above	139	0.56	16,35,35,829	87.20
Total	**24,928**	**100.00**	**18,75,36,368**	**100.00**

Nomination Facility

The Shareholders holding shares in physical form may avail of the nomination facility under Section 72 of the Companies Act, 2013. The nomination form (Form SH.13), along with instructions, will be provided to the Members on request. In case the Members wish to avail of this facility, they are requested to write to the Company's RTA viz., M/s. Karvy Computershare Pvt Ltd.

Dematerialisation of Shares

The Equity shares of the Company are compulsorily traded in dematerialised form. The code number allotted by the National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) to the Company is ISIN INE974X01010.

GDR Details

As at 31st March, 2018, 42,30,630 GDRs were outstanding representing an equal number of underlying Equity Shares. The aforesaid GDRs are not listed in any Stock Exchange.

Commodity Price Risk/Foreign Exchange Risk and Hedging Activities

The Company is guided by its foreign exchange ('forex') policy to manage its forex exposure and its attendant risks, which arise through trade transactions, namely, exports and imports, import of capital items besides short-term and long-term foreign currency borrowings. Foreign currency trade exposures are monitored Strategic Business Unit (SBU)-wise and currency-wise. The risks are managed after netting the exports and imports on monthly buckets for each currency. For capex imports, forward contracts are taken on the date of opening of the letter of credit. In respect of foreign currency borrowings, while the long-term borrowings are hedged for interest as well as for the exchange at the time of drawdown, the short-term borrowings are hedged for principal portion at the time of drawdown. Commodity Price Risk and hedging thereof are not applicable to the Company.

Means of Communication

The quarterly/annual results are being/will be published in the leading national English newspapers ("The New Indian Express" and "Business Standard") and in one vernacular (Tamil) newspaper ("Dinamani"). The quarterly/annual results are also available on the Company's website, www.tiindia.com. The Company's website will also display official press releases, shareholding pattern, compliance report on corporate governance and presentations made to analysts and brokers.

Details of Special Resolutions passed during the last three Annual General Meetings

Date of AGM	Whether any Special Resolution was passed	Particulars
30.09.2015	No	Not applicable
30.09.2016	No	Not applicable
06.11.2017	Yes	Issue of Secured Redeemable Non-Convertible Debentures on private placement basis for a maximum sum of ₹400 crores.

The Shareholders approved the said Special Resolution with requisite majority.

Resolution passed by Postal Ballot

During the year under review, no Special Resolution has been passed through the exercise of postal ballot.

Details of Special Resolution proposed to be conducted through Postal Ballot

No special resolution is proposed to be conducted through postal ballot at the AGM to be held on 13th August, 2018.

General Body Meeting

The date, time and venue of the last three Annual General Meetings are given below:

Year	Date	Time	Venue
2014-15	30.09.2015	10.00 A.M.	Registered Office "Dare House" 234 N S C Bose Road, Chennai - 600 001.
2015-16	30.09.2016	10.00 A.M.	Same as above
2016-17	06.11.2017	3.30 P.M.	T.T.K. Auditorium, The Music Academy, 163 (Old No. 306) T.T.K. Road, Chennai 600 014

Unclaimed Shares

Consequent to the Scheme of Arrangement (Demerger) approved by the National Company Law Tribunal vide its Order dated 17th July, 2017, the Company had allotted during 2017-18, 1 fully paid up equity share for every 1 fully paid up equity share held in the erstwhile Demerged Company. The said allotment included 17,86,406 equity shares allotted against shares lying in the Unclaimed Suspense Account of the Demerged Company maintained in compliance with the Listing Agreement. For administrative convenience and ease of processing of claims, the Company opened a separate TII Demerger Unclaimed Share Suspense Account to hold the aforementioned 17,86,406 shares. Details of the unclaimed shares lying in the Company's said Account are given below:

Sl. No.	Particulars	No. of Shareholders	No. of Shares
1	Aggregate number of Shareholders and the outstanding shares in the TII Demerger Unclaimed Share Suspense Account ("Account") lying as on 01.09.2017 [Date of Allotment]	1988	17,86,406
2	Number of Shareholders who approached the Company for transfer of their shares from Account during the year [from 01.09.2017 to 31.03.2018]	32	35,595
3	Number of Shareholders to whom shares were transferred Account during the year [from 01.09.2017 to 31.03.2018]	32	35,595
4	Aggregate number of Shareholders and the outstanding shares lying in the Account as on 31.03.2018.	1956	17,50,811

The voting rights on the outstanding shares in the TII Demerger Unclaimed Share Suspense Account as on 31st March, 2018 shall remain frozen till the rightful owner of such shares, claims the shares. On receipt of the claim, the Company will, after verification, arrange to credit the Equity Shares to the demat account of the Shareholder concerned or deliver the Share Certificate to the Shareholder in physical mode after re-materialisation.

Annexure-E

Business Responsibility Report

About this Report

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) prescribe that the top 500 listed entities based on market capitalisation as at the end of March of every financial year are required to include a "Business Responsibility Report" (BRR) as part of their Annual Report. Accordingly, the following is the first such Report of your Company as a Company amongst the top 500 listed entities in India based on market capitalisation at the National Stock Exchange of India Limited (NSE) and the BSE Ltd (BSE) as at March 31, 2018. The Report has been prepared as prescribed and in accordance with Regulation 34 of the Listing Regulations.

Section A: General Information about the Company

Sl. No.	Details	
1	Corporate Identity Number (CIN)	L35100TN2008PLC069496
2	Name of the Company	Tube Investments of India Limited
3	Registered office address	Dare House, 234 N S C Bose Road, Chennai - 600001
4	Website	www.tiindia.com
5	E-mail ID	investorservices@tiindia.murugappa.com
6	Financial Year reported	1st April, 2017 to 31st March, 2018
7	Sectors that the Company is engaged in (industrial activity code-wise)	(a) Cycles and Accessories (NIC Code: 3092) (b) Steel Strips and Tubes (NIC Code: 2431) (c) Metal Formed Products (NIC Code: 2511)
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Cycles and Accessories, Steel Strips & Tubes and Metal Formed Products
9	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	The Company has no international manufacturing operations of its own. The Company has one subsidiary in France engaged in the manufacture of Industrial chains and two subsidiaries in Sri Lanka engaged in manufacture of bicycles and components.
	(b) Number of National locations	Nationally, the Company has manufacturing operations in 15 locations (4 - Engineering; 2 - Bicycles; 9 - Metal Formed Products)
10	Markets served by the Company - Local/State/National/ International	The Company predominantly serves the Indian market. The Company also has sizable export of bicycles, tubes and industrial chains to other countries in Asia, Europe and the Americas.

Section B: Financial details of the Company

Sl. No.	Details	
1	Paid up Capital (INR)	18.75 Cr.
2	Total Turnover (INR)	4,409.98 Cr.
3	Total profit after taxes (INR)	136.46 Cr.
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.35 Cr. 1%
5	List of activities in which expenditure in 4 above has been incurred	Education (please refer the CSR Annual Report for details)

Section C: Other details

1. Does the Company have any Subsidiary company/companies?

   Yes. The Company has 4 direct subsidiaries and 3 step down subsidiaries. Of the above, 1 subsidiary is located in India and listed on the Stock Exchanges, while the rest are located abroad.

2. Do the subsidiary company/companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

   The Indian listed subsidiary (not in the top 500 companies based on market capitalisation as on 31st March, 2018) has its own BR initiatives. The other Indian subsidiary takes/would take part in the BR initiatives of the Company. The overseas subsidiaries carry out their BR initiatives in consonance with the prevailing requirements at their respective locations.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

   The Company does not mandate its suppliers and distributors to participate in its BR activities. However, they are encouraged to do so.

Section D: BR Information

1. Details of Director/Directors responsible for BR

Details	
a) Details of the Director/Director responsible for implementation of the BR policy/policies	
• DIN Number	00090089
• Name	L Ramkumar
• Designation	Managing Director
b) Details of the BR head	
• DIN Number	00090089
• Name	L Ramkumar
• Designation	Managing Director
• Telephone number	044-42177770
• Email ID	ramkumarl@tii.murugappa.com

2. Principle-wise (as per NVGs) BR Policy/policies

The 9 areas of business responsibility enunciated under the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs, Government of India are:

Priniciple ("P")	Area of BR
1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability;
2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle;
3	Businesses should promote the well-being of all employees;
4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized;
5	Businesses should respect and promote human rights;
6	Business should respect, protect and make efforts to restore the environment;
7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner;
8	Businesses should support inclusive growth and equitable development;
9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

No.	Questions	P.1	P.2	P.3	P.4	P.5	P.6	P.7	P.8	P.9
1	Do you have policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://www.tiindia.com/article/values/667.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

The policies of the Company are based on its guiding principles and core values and are mapped to each of the principles hereunder:

Principle	Applicable Policies
Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	• Values and Beliefs, called the 'Five Lights' • Whistle Blower Policy • TII Code of Conduct
Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	• Safety, Health and Environmental Policy • Operational Excellence Practices
Businesses should promote the well-being of all employees.	• Safety, Health and Environmental Policy • Policy on prevention of Sexual Harassment at the work place
Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	• CSR Policy
Businesses should respect and promote human rights.	• Values and Beliefs, called the 'Five Lights' • Whistle Blower Policy • Code of Conduct
Business should respect, protect and make efforts to restore the environment.	• Safety, Health and Environmental Policy • Operational Excellence Practices
Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	• Values and Beliefs, called the 'Five Lights'
Businesses should support inclusive growth and equitable development.	• CSR Policy
Businesses should engage with and provide value to their customers and consumers in a responsible manner.	• Values and Beliefs, called the 'Five Lights' • Operational Excellence Practices

2a. If answer to Sl. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options):

Not Applicable

3. Governance related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year.**

  The BR performance revolves around a number of policies which is assessed by the BR Head monthly, quarterly and annually based upon its importance and impact on the Company's operations and activities.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

  The requirement to publish a BR Report has arisen for FY 2017-18. Besides the Annual Report, the BR Report is also available in the website of the Company at www.tiindia.com.

Section E: Principle-wise Performance

Principle 1 – Ethics, Transparency & Accountability

The Company is committed to developing governance structures, procedures and practices that ensure ethical conduct at all levels; and promoting the adoption of this principle across its value chain. Commitment to ethical and lawful business conduct is a fundamental shared value of the Board of Directors, senior management and all employees of the Company.

1. Does the policy relating to Ethics, Bribery and Corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?

The Company's policies relating to Governance rest on adhering to ethics, transparency in dealing with stakeholders, adequate and timely disclosure etc. These policies are similar across all the entities in the Group. All stakeholders of the Company - internal as well as external are expected to work within the framework of the aforesaid policies/principles. In the selection of its vendors and contractors, the Company ensures to identify and deal with those who can maintain and follow ethical standards. The Company further on a regular basis endeavours to reiterate awareness and also impart training on these values to its employees. The relevant stakeholders of the Company are also made aware of the said values from time to time.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company has set up a Whistle-blower mechanism as an avenue for voicing of concerns *inter alia* relating to unethical behavior. During the year, there were no complaints under the Company's Whistle Blower policy. There were also no complaints from the stakeholders under the Stakeholders Relationship Committee established for voicing of grievances/issues by investors.

Principle 2 - Safety and sustainability of goods & services

The Company undertakes to assure safety and optimal resource use over the life-cycle of its products. Efforts will be made to ensure that everyone connected with it be it designers, producers, value chain members, customers and recyclers are made aware of their responsibilities.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Bicycles

The Company, being conscious that bicycle is a common mode of transport for certain sections of the public, develops new models/products which are affordable and durable. The Company is also developing number of new models catering to the health and leisure segment of the bicycle users.

Steel Tubes

The Company has developed a number of steel tubes which are used in safety critical applications by the automotive industry. Some of Company's products are import substitution, enabling conservation of foreign currency. The Company caters to the requirements of infrastructure industry by providing products to off-road vehicles.

Industrial/Automotive Chains

The Company has developed industrial chains that are used in elevators, escalators and travellators used in the country's infrastructure development projects.

The Company has strong focus on managing and reducing its energy, water and waste footprint, and is in constant lookout for improvement opportunities. Some interventions taken in this regard includes implementation of ISO 14001 and OHSAS 18001 standardization systems, reducing overall dependence on direct fuel consumption at our operational sites. All these efforts have allowed us to improve upon our resource use efficiency.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

--

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

Yes. Vendors/service providers are encouraged to adopt management practices detailed under the international standards such as ISO 9001, ISO 14001, OHSAS 18001 and Company's Environment, Health and Safety (EHS) Guidelines. The Company's integrated operations ensure sustainable exploitation of the available resources. Joint project opportunities amongst various business units improve efficiencies in sourcing besides resulting in product efficiencies. Conscious efforts are made to ensure that everyone connected with the Company be it the designers, producers, value chain members, customers and recyclers are made aware of their responsibilities. The Company's Operational Excellence (OPEX) practices help in achieving operational efficiencies also resulting in energy conservation and sustainable operations. Usage of materials which are either recycled or capable of recycling assumes top priority.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company has developed a vendor base around many of its manufacturing locations. Capability building is the primary focus of the Company's vendor development and management process. The Company recognises the importance of its vendor base and continuously monitored the financial health and business practices of the same.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.**

The Company has sustainable processes in place to recycle the products and waste, post completion of manufacturing life cycle.

Principle 3 - Promotion of wellbeing of employees

The Company ensures a work environment that promotes well-being of all its employees. Focusing on health, safety and preventing discrimination are part of the Company's guiding principles on employees' well-being.

1	Please indicate the total number of employees	3365
2	Please indicate the total number of employees hired on temporary/contractual/casual basis	8551
3	Please indicate the number of permanent women employees	72
4	Please indicate the number of permanent employees with disabilities	7
5	Do you have an employee association that is recognized by management?	Yes
6	What percentage of your permanent employees is members of this recognized employee association?	55.78%
7	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Nil
8	What safety & skill upgradation training was provided in the last year?	Safety: Safety Induction General Awareness on Safety Usage of Personal Protective Equipment (PPE) & Equipment Handling Video Based Training Skill: Class room training On-the-Job training
	• Permanent employees (includes women employees and employees with disabilities)	100%
	• Casual/Temporary/Contractual Employees	100%

Principle 4 - Responsiveness towards stakeholders

The Company is responsive to the requirements of all its Stakeholders and this is enshrined in its Corporate Values & Beliefs of Integrity, Passion, Quality, Respect and Responsibility. These values require that the Company act as a responsible corporate citizen and change lives for the better and this is to be done in a manner that reflects humility. The Company considers its employees, business associates, suppliers, stockists, dealers, customers, shareholders/investors and communities surrounding its operations and regulatory authorities as its key stakeholders. The Company continues its engagement with them through various mechanisms such as consultations with local communities, supplier/vendor meetings, customer/employee engagement surveys, investor forums, etc. The Company's website, www.tiindia.com provides comprehensive information to the stakeholders about the Company.

1. **Has the Company mapped its internal and external stakeholders?**

   Yes. The Company has mapped its internal and external stakeholders.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   The Company identifies underprivileged communities around its business locations as disadvantaged, vulnerable and marginalised stakeholders and continuously engages with all such stakeholders identifying their needs and priorities so as to serve these needs accordingly. The systems and processes are in place to systematically identify stakeholders and for understanding their concerns and for engaging with them is reviewed from time to time.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders.**

   The Company on a periodical basis undertakes dedicated activities as a part of its CSR initiatives for the disadvantaged, vulnerable and marginalised stakeholders in and around the Company's factories/plants. Education, sports and health aids are provided to schools in rural/under-developed areas and to schools supporting differently abled children. The Company acknowledges the importance of skill development in this competitive environment and has set up the Basic Training Center (BTC) at the Avadi Complex of Tube Products of India, a division of the Company, with the motto of developing technical skills amongst indigent students. The BTC will provide a skill bank of a technically competent and industry ready work force drawn from socially and economically backward sections of the society. During the year under review, the Directorate of Employment and Training, Tamilnadu (DET) completed an inspection of the BTC and impressed with its high standards, has approved an enhancement in the strength of students to 140 and also upgraded the BTC as a Basic Training Provider, which makes the Center eligible for government subsidy. All the twenty-one students of the BTC who appeared for the All India Trade Test for the National Apprentice Certificate secured first class and found suitable placements. The Company also pursues other local community assistance programmes in and around its plants' and office locations.

Principle 5 - Promoting human rights

The Company respects the rights and dignity of all individuals and upholds the principles of human rights. The Company's commitment to human rights and fair treatment is set out in its Code of Conduct and the Five Principles governing the group. The policy provides conduct of operations with honesty, integrity and openness with respect for human rights and interests of employees. The Company believes that a sustainable organisation rests on a foundation of ethics and respect for human rights.

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   The policy of the Company on human rights is imbibed in its values represented in the Five Lights guiding the Company, its group companies and their employees across all spheres. The alignment with this value system is expected out of any person dealing with the Company.

   The Company's policy on human rights covers not only the Company but extends to its subsidiaries. The Company encourages its suppliers, contractors and others to follow the principles laid down in the five principles of its values and beliefs.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   No complaint pertaining to violation of human rights was received during the financial year ended 31st March, 2018.

Principle 6- Protecting the environment

The Company takes responsibility for and accords the highest value to the protection of the environment. Accordingly, the best practices and procedures relating to environment protection are followed by all the factories of the Company. The Company strives to promote ecological sustainability and green initiatives by adopting energy saving mechanism and sensitising employees to reduce carbon foot print of the Company.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/others.

Sustainability is an important element of the Company's business processes. The Company encourages all its stakeholders to follow environment-friendly processes.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming etc.?

As a manufacturing company, necessary mechanisms have been set up for ensuring compliance with the laws on environment mechanisms in place to ensure compliance with the applicable environmental laws. The Company is committed to be an environment friendly organisation and has a dedicated Environmental Policy across all its business units. The Company is an active player in practising initiatives to address environmental issues and ensuring sustainable development. Almost all locations of the Company have received the ISO 14001 certificate for their Environment Management Systems and ISO 9001 for Quality Management Systems. All factories of the Company have a green belt around the plant. Other than these, the Company does not have any initiative to address global environmental issues.

3. Does the Company identify and assess potential environmental risks?

Yes. The Company does have a mechanism to identify and assess potential environmental risks in its plants, projects and operations. Environmental risk identification and mitigation is ingrained in the Company's risk management system.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any Environmental Compliance Report is filed?

No, the Company has not undertaken any specific project related to the Clean Development Mechanism as per the Kyoto Protocol. However, all the manufacturing locations of the Company are certified ISO 14001 (Environment Management System), QMS - ISO 9001 (Quality Management System), OSHAS - 18001 (Health and Safety Management System).

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc?

The Company utilises its resources in an optimal and responsible manner ensuring sustainability through reduction, re-use, re-cycling and managing waste. Continuous efforts are on to improve energy efficiency in every sphere of Company's operations. Appropriate measures to check and prevent pollution are undertaken. The Company seeks to improve its environmental performance by adopting cleaner production methods, promotion of energy efficient and environmental friendly technologies. Suitable processes and systems are developed with contingency plans and processes that help in preventing, mitigating and controlling environmental damages caused due to the Company's operations.

6. Are the emissions/wastes generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

All businesses of the Company are engaged in manufacturing activity. Accordingly, it is being ensured that the emissions/wastes being generated through such activities are in compliance with the applicable environmental laws. The Company's policy on environment and the ISO-14001 certification of its facilities emphasizes on its commitment to be an environment friendly organization setting standards in environment management.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause/legal notices were received from CPCB/ SPCB during the Financial Year.

Principle 7- Responsibility towards public and regulatory policy

1. Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with.

Yes.

(a) Confederation of Indian Industry
(b) Southern India Chamber of Commerce & Industry
(c) Madras Management Association
(d) All India Cycle Manufacturers' Association
(e) Employers Federation of Southern India
(f) Federation of Indian Chamber of Commerce and Industry

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, others)

Yes. While the Company is not actively involved in lobbying, as a responsible corporate citizen, the

Company as a part of major industry associations/ chambers makes recommendations/representations before regulators and associations for advancement and improvement of industrial climate in India.

The Company also represents its views/opinions on energy security, economic reforms, governance etc.

Principle 8 – Supporting inclusive growth and development

1. **Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   Yes. Please refer to the CSR Annual Report for the financial year ended 31st March, 2018.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

   For the financial year, 2017-18, the budgeted CSR initiatives were implemented directly by the Company with in-house support. For projects requiring specialized experience and expertise for execution, implementing agencies are also involved.

3. **Have you done any impact assessment of your initiative?**

   All CSR initiatives are supported by an Impact assessment to ensure that they reach the community intended and positively impact the life of those covered under the initiative.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

   Please refer to the CSR Annual Report of the Boards' Report for the FY 2017-18 for details of the direct contribution made by the Company during the financial year ended 31st March 2018.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

   Initiatives are identified based on the requirement of the community such that the benefits out of them are of an enduring nature. – Please refer to the CSR Annual Report for the financial year ended 31st March, 2018.

Principle 9 – Providing value to customers & consumers

The Company firmly believes in being a quality and customer centric organization offering products/goods of genuine value to all its discerning customers that meets with their expectations every time. The products/ goods of the Company undergo several quality checks at every level of the production process chain. Well-defined Standard Operating Procedures (SOPs) and processes aid in identifying and eradicating process/system impediments. The Company's overall approach on this aspect is guided by its quality policy and Operational Excellence (OPEX) practices.

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   Pending customer complaints/consumer cases constitute a very meager percentage (less than 1%) as at the end of 31st March, 2018. Proactive steps are being taken to resolve the same at the earliest.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks.**

   Yes. Product information is displayed on all product/ goods of the Company in accordance with the Legal Metrology Act, 2011 and the applicable Rules thereunder/other laws. In addition, wherever it is considered relevant and appropriate for to facilitate better usage of the product/goods by the customer, additional information about the products/goods, the use and the mode of handling thereof are also provided.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year.**

   There have been no cases relating to unfair trade practices, irresponsible advertising and/or anti-competitive behavior against the Company.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   Yes. Conduct of periodical consumer surveys and mapping of customer satisfaction trends are considered and utilised by the Company on a regular basis as effective tools of business strategy to understand the customers and their needs better.

Annexure-F

Disclosure of Remuneration Under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The details of remuneration during the financial year, 2017-18 as per Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended, are as follows:

i. Ratio of remuneration* of each Director to the median remuneration of the employees of the Company for the financial year, 2017-18:

Name	Designation	Ratio#
Mr. M M Murugappan	Chairman	21.48
Mr. Pradeep V Bhide	Director	5.76
Mr. S. Sandilya	Director	1.89
Mr. Ramesh K B Menon@	Director	0.70
Mr. Vellayan Subbiah$	Managing Director (Designate)	75.55
Mr. Hemant M Nerurkar	Director	2.13
Ms. Madhu Dubhashi	Director	1.83
Mr. L Ramkumar	Managing Director	94.30

Note: *Remuneration includes Sitting Fees
Number of times the median remuneration
@ Part of the year – from 16th November, 2017
$ Part of the year – from 19th August, 2017

ii. Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer & Company Secretary in the financial year, 2017-18

Name	Designation	% increase
Mr. M M Murugappan	Director	-0.78%
Mr. Pradeep V Bhide	Director	-2.67%
Mr. S. Sandilya	Director	-22.51%
Mr. Ramesh K B Menon@	Director	-
Mr. Vellayan Subbiah#	Managing Director (Designate)	-
Mr. Hemant M Nerurkar	Director	6.88%
Ms. Madhu Dubhashi	Director	-1.14%
Mr. L Ramkumar	Managing Director	19.53%
Mr. S Suresh	Company Secretary	6.57%
Mr. K Mahendra Kumar*	Chief Financial Officer	-

@ Part of the year – from 16th November, 2017
# Part of the year – from 19th August, 2017
* Part of the year – 2016-17

iii. Percentage increase in median remuneration of employees in the financial year, 2017-18 - 13.67%

iv. **Number of permanent employees on the rolls of the Company as on 31.3.2018 - ** 3365

v. **Average per centile increase already made in the salaries of employees other than the managerial personnel in the last financial year and comparison with the per centile increase in the managerial remuneration and justification thereof. Whether there are any exceptional circumstances for increase in the managerial remuneration.**

Parameters	
Average % increase in the salaries of employees other than managerial personnel viz., Managing Directors in the financial year, 2017-18	7.94%
Average % increase in the managerial remuneration in the financial year, 2017-18 viz., Managing Director's remuneration	19.53%
Remarks	The Managing Directors' remuneration comprises of fixed and variable component. The annual increment in salary for the financial year, 2017-18 is determined by the Nomination & Remuneration Committee on the basis of Company financials, level of responsibility, experience and scales prevailing in the industry.

vi. **Affirmation**

It is affirmed that the remuneration paid to the employees during the financial year, 2017-18 is as per the Remuneration Policy of the Company.

On behalf of the Board

Place : Chennai
Date : 7th May, 2018

M M Murugappan
Chairman

Annexure-G

Secretarial Audit Report

for the financial year ended 31st March, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
TUBE INVESTMENTS OF INDIA LIMITED
(Formerly known as "TI Financial Holdings Limited")
Dare House, No.234, N S C Bose Road
Chennai - 600001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by TUBE INVESTMENTS OF INDIA LIMITED (Formerly known as "TI FINANCIAL HOLDINGS LIMITED") [Corporate Identification Number: L35100TN2008PLC069496] (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act, 1956 (to the extent applicable);

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) During the year under review the Company has complied with the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment. There is no Foreign Direct Investment and External Commercial Borrowings during the year under review;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are applicable;

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d) The Employee Stock Option Plan, 2017 approved under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Company has not delisted its Securities from any of the Stock Exchanges in which it is listed during the period under review and hence the question of complying with the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 does not arise; and

h) The Company has not bought back any Securities during the period under review and hence the question of complying with the provisions of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 does not arise;

(vi) We have reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Acts, Rules, Regulations and Guidelines prescribed under various laws which are applicable to the Company and categorized under the following major heads/groups:

1. Factories Act, 1948;

2. Labour laws and other incidental laws related to labour and employees appointed by the Company

including those on contractual basis as relating to wages, gratuity, prevention of sexual harassment, dispute resolution, welfare, provident fund, insurance, compensation etc.;

3. Industries (Development & Regulation) Act, 1951;
4. Acts relating to consumer protection including the Competition Act, 2002;
5. Acts and Rules prescribed under prevention and control of pollution;
6. Acts and Rules relating to Environmental protection and energy conservation;
7. Acts and Rules relating to hazardous substances and chemicals;
8. Acts and Rules relating to electricity, fire, petroleum, drugs, motor vehicles, explosives, boilers etc.;
9. Acts relating to protection of IPR;
10. Land revenue laws; and
11. Other local laws as applicable to various plants and offices.

With respect to Fiscal laws, based on the information & explanations provided by the management and officers of the Company and certificates placed before the Board of Directors, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

We have also examined compliance with the applicable clauses/regulations of the following:

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Uniform Listing Agreement entered with BSE Limited and the National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors before schedule of the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Notes on agenda which are circulated less than the specified period, the necessary compliances under the Companies Act, 2013 and Secretarial Standards on Board Meeting are complied with.

Based on the verification of the records and minutes, the decisions at the Board/Committee Meetings were taken with the consent of the Board of Directors/Committee Members and no Director/Member had dissented on any of the decisions taken at such Board/Committee Meetings.

We further report that based on review of compliance mechanism established by the Company we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws including labour laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has

a) Obtained an Order from the National Company Law Tribunal, Chennai Bench sanctioning the Scheme of Arrangement (Demerger) between Tube Investments of India Limited ("Demerged Company") and TI Financial Holdings Limited ("Resulting Company") and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 on 17th July, 2017 and the Demerged Company and the Resulting Company have filed necessary forms with the Registrar of Companies along with the certified true copy of the Order, the Scheme had become effective from 1st August, 2017 with the appointed date of 1st April, 2016.

b) Changed the objects clause of the Memorandum of Association of the Company pursuant to the Order received from The National Company Law Tribunal, Chennai Bench sanctioning the Scheme of Arrangement (Demerger) between Tube Investments of India Limited ("Demerged Company") and TI Financial Holdings Limited ("Resulting Company") and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 on 17th July, 2017.

c) Changed its name by making an application in Form INC 24 with the Registrar of Companies, Chennai on 10th August, 2017 from "TI Financial Holdings Limited" to the new name "Tube Investments of India Limited" pursuant to the Order received from

The National Company Law Tribunal, Chennai Bench sanctioning the Scheme of Arrangement (Demerger) between Tube Investments of India Limited ("Demerged Company") and TI Financial Holdings Limited ("Resulting Company") and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013.

d) Pursuant to the Scheme of Arrangement as sanctioned by the National Company Law Tribunal, Chennai Bench vide order dated 17th July, 2017, 18,74,90,591 equity shares in the share capital of the Company of the face value of ₹1/- were allotted on 1st September, 2017 to the members of the Demerged Company and the said shares were admitted to listing on the Stock Exchanges viz., BSE Limited and National Stock Exchange of India Limited and commenced trading on the Stock Exchanges with effect from 2nd November, 2017.

e) Obtained the approval of the Board at its meeting held on 9th August, 2017 for the investment of an amount not exceeding ₹5 crores in TI Absolute Concepts Private Limited.

f) Obtained the approval of the Board at the meeting held on 28th October, 2017 for the following:

   i. For acquisition of upto 90% of the share capital of the following target companies for an aggregate consideration not exceeding the sum of USD 3.8 million:-

      a) 45,00,000 ordinary shares constituting 90% of paid up share capital in Great Cycles Private Limited and

      b) 45,00,000 ordinary shares constituting 90% of the paid up share capital in Creative Cycles Private Limited.

   ii. For an investment of an amount not exceeding in the aggregate ₹10 crores in one or more tranches, by way of additional infusion through subscription to the equity share capital of TI Tsubamex Private Limited.

   iii. For opening of a representative office of the company for its division, Tube Products of India at Suzhou, China.

g) Obtained the approval of the members at their Extra-Ordinary General Meeting held on 29th May, 2017 for amending the Capital Clause of Memorandum of Association for increasing the authorized capital of the Company from the existing ₹2 Crores to ₹25 Crores.

h) Obtained the approval of the members at their Extra-Ordinary General Meeting held on 12th July, 2017 under Section 62(1)(b) of the Act for the “Employee Stock Option Plan 2017” (‘ESOP 2017’) and grant of Stock Options to employees of the Company and its subsidiaries under the ESOP 2017.

i) Issued secured redeemable non-convertible debentures for ₹100 crores.

j) Redeemed secured redeemable non-convertible debentures for ₹125 crores.

For R.SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES

CS R.SRIDHARAN
CP No. 3239
FCS No. 4775
UIN : S2003TN063400

Place : Chennai
Date : 7th May, 2018

Annexure-H

Form MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018
[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

1	Corporate Identification No.	:	L35100TN2008PLC069496
2	Registration Date	:	6th October, 2008
3	Name of the Company	:	Tube Investments of India Limited (formerly TI Financial Holdings Limited)
4	Category/Sub-Category of the Company	:	Public Company/Limited by shares
5	Address of the Registered Office and contact details	:	"Dare House", 234 N S C Bose Road Chennai – 600 001 Tel: 044 42177770-5 Fax: 044 42110404 E-mail: investorservices@tii.murugappa.com
6	Whether listed company	:	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32 Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 E-mail: einward.ris@karvy.com Tel : (040) - 67162222 Fax : (040) – 23001153

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
1.	Cycles and Accessories	3092	30
2.	Steel Strips and Tubes	2431	45
3.	Metal Formed Products	2511	25

III. PARTICULARS OF HOLDING, SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

Sl. No.	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Shanthi Gears Ltd.	304A, Trichy Road, Singanallur Coimbatore – 641 005	L29130TZ1972PLC000649	Subsidiary	70.12	2(87)(ii)
2	TI Tsubamex Private Ltd.	"Dare House", No.234, N S C Bose Road Chennai – 600 001	U28910TN2014PTC094447	Subsidiary	78.30	2(87)(ii)
3	TI Absolute Concepts Private Ltd.	No.17/35, Second Main Road, Gandhi Nagar Adyar Chennai - 600020	U74900TN2015PTC102418	Joint Venture Co.	50.00	2(6)

Sl. No.	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
4	Financiere C10 SAS	35 Rue Des Bas Trevois 10003 TROY France, RCS Troyes 428,747,703 (No.2000 B Management 163)	Foreign Company	Subsidiary	100.00	2(87)(ii)
5	Sedis SAS	35 Rue Des Bas Trevois 10003 TROY France, RCS Troyes 379 720 212 (No.92B Management 146)	Foreign Company	Fellow Subsidiary [Subsidiary of (4) above]	100.00	2(87)(ii)
6	Sedis GmbH	Schurmannstr. 16 D-45136 Essen Deutschland	Foreign Company	Fellow Subsidiary [Subsidiary of (4) above]	100.00	2(87)(ii)
7	Sedis Co. Ltd.	248 Mackadown Lane, Kitts Green, Birmingham, D33 OLE England	Foreign Company	Fellow Subsidiary [Subsidiary of (4) above]	100.00	2(87)(ii)
8	Great Cycles (Private) Ltd.	101 C, Phase III, Export Processing Zone, Katunayake, Sri Lanka.	Foreign Company	Subsidiary	80.00	2(87)(ii)
9	Creative Cycles (Private) Ltd.	101 C, Phase III, Export Processing Zone, Katunayake, Sri Lanka.	Foreign Company	Subsidiary	80.00	2(87)(ii)

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

(i) Category-wise Shareholding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2017)				No. of Shares held at the end of the year (31st March, 2018)				% change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(A)	**PROMOTER**									
(1)	**INDIAN**									
(a)	Individual/HUF	-	-	-	-	99,87,295	-	99,87,295	5.33	5.33
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	11,00,000*	11,00,000*	100.00*	7,11,25,795	-	7,11,25,795	37.93	62.07
(d)	Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1):	**-**	**11,00,000**	**11,00,000**	**100.00**	**8,11,13,090**	**-**	**8,11,13,090**	**43.25**	**67.40**
(AA)	**PROMOTER GROUP**									
(a)	Individual/HUF	-	-	-	-	62,32,289	-	62,32,289	3.32	3.32
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	21,06,470	-	21,06,470	1.12	1.12
(d)	Others	-	-	-	-	20,55,750	-	20,55,750	1.10	1.10
	Sub-Total (AA):	**-**	**-**	**-**	**-**	**1,03,94,509**	**-**	**1,03,94,509**	**5.54**	**5.54**
(A2)	**FOREIGN**									
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(2):	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)=(A1)+(AA)+(A2)	**-**	**11,00,000**	**11,00,000**	**100.00**	**9,15,07,599**	**-**	**9,15,07,599**	**48.79**	**72.94**

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2017)				No. of Shares held at the end of the year (31st March, 2018)				% change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(B)	**PUBLIC SHAREHOLDING**									
(1)	**INSTITUTIONS**									
(a)	Mutual Funds/UTI	-	-	-	-	2,49,75,117	-	2,49,75,117	13.32	13.32
(b)	Financial Institutions/Banks	-	-	-	-	9,07,911	7,350	9,15,261	0.49	0.49
(c)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	29,36,126	-	29,36,126	1.57	1.57
(f)	Foreign Institutional Investors/Foreign Portfolio Investors	-	-	-	-	2,02,33,020	2,36,660	2,04,69,680	10.92	10.92
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Others - Foreign Nationals	-	-	-	-	3,660	-	3,660	-	-
	Sub-Total B(1):	**-**	**-**	**-**	**-**	**4,90,55,834**	**2,44,010**	**4,92,99,844**	**26.29**	**26.29**
(2)	**NON-INSTITUTIONS**									
(a)	Bodies Corporate	-	-	-	-	1,17,19,218	4,140	1,17,23,358	6.25	6.25
(b)	Individuals									
	(i) Individual Shareholders holding nominal share capital upto ₹2 lakhs	-	-	-	-	1,98,81,722	12,72,856	2,11,54,578	11.28	11.28
	(ii) Individual Shareholders holding nominal share capital in excess of ₹2 lakhs	-	-	-	-	70,51,623	-	70,51,623	3.76	3.76
(c)	Others									
	CLEARING MEMBERS	-	-	-	-	59,837	-	59,837	0.03	0.03
	NON RESIDENT INDIANS	-	-	-	-	10,85,242	57,030	11,42,272	0.61	0.61
	TRUSTS	-	-	-	-	1,07,396	-	1,07,396	0.06	0.06
	EMPLOYEE BENEFIT TRUST	-	-	-	-	7,03,680	-	7,03,680	0.38	0.38
	OTHERS	-	-	-	-	5,55,551	-	5,55,551	0.30	0.30
	Sub-Total B(2):	**-**	**-**	**-**	**-**	**4,11,64,269**	**13,34,026**	**4,24,98,295**	**22.66**	**22.66**
	Total Public Shareholding B=B(1)+B(2):	**-**	**-**	**-**	**-**	**9,02,20,103**	**15,78,036**	**9,17,98,139**	**48.95**	**48.95**
	Total (A+B):	**-**	**11,00,000**	**11,00,000**	**100.00**	**18,17,27,702**	**15,78,036**	**18,33,05,738**	**97.74**	**2.26**
										.
(C)	Shares held by custodians for GDRs & ADRs									
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	4223460	7170	42,30,630	2.26	2.26
	Sub-Total C:	-	-	-						
	GRAND TOTAL (A+B+C):	**-**	**11,00,000**	**11,00,000**	**100.00**	**18,59,51,162**	**15,85,206**	**18,75,36,368**	**100.00**	-

Note: *Erstwhile Tube Investments of India Ltd (presently, TI Financial Holdings Ltd.) was holding 11,00,000 equity shares in the Company at the beginning of the year. Pursuant to the Scheme of Arrangement for demerger ("Scheme"), the said equity shares were cancelled. The Company allotted equity shares on 1st September, 2017 to the shareholders of the said erstwhile Tube Investments of India Ltd., in terms of the Scheme.

(ii) Shareholding of Promoters

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No .of Shares	% of the shares of the company	% of the Shares pledged/ encumbered to total Shares	No .of Shares	% of the shares of the company	% of the Shares pledged/ encumbered to total Shares	
	Messrs.							
1	Mr. M V Murugappan	-	-	-	8,63,980	0.46	-	0.46
2	Mr. M V Subbiah	-	-	-	7,44,150	0.40	-	0.40
3	Mr. S Vellayan	-	-	-	4,30,250	0.23	-	0.23
4	Mr. A Vellayan	-	-	-	6,31,900	0.34	0.02	0.34
5	Mr. V Narayanan	-	-	-	2,81,140	0.15	-	0.15
6	Mr. V Arunachalam	-	-	-	3,38,990	0.18	-	0.18
7	Mr. A Venkatachalam	-	-	-	7,64,610	0.41	0.02	0.41
8	Mr. Arun Venkatachalam	-	-	-	1,98,130	0.11	-	0.11
9	Mr. M M Murugappan	-	-	-	17,30,535	0.92	-	0.92
10	Mr. M M Veerappan	-	-	-	-	-	-	-
11	Mr. M M Muthiah	-	-	-	-	-	-	-
12	Mr. M M Venkatachalam	-	-	-	11,67,710	0.62	0.002	0.62
13	Mr. M V Muthiah	-	-	-	-	-	-	-
14	Mr. M V Subramanian	-	-	-	-	-	-	-
15	Mr. M A Alagappan	-	-	-	8,40,660	0.45	0.003	0.45
16	Mr. Arun Alagappan	-	-	-	8,33,090	0.44	-	0.44
17	Mr. M A M Arunachalam	-	-	-	6,18,820	0.33	-	0.33
18	Valli Arunachalam (Valli Arunachalam holds shares as Kartha of M V Murugappan (HUF)	-	-	-	5,43,330	0.29	-	0.29
19	E.I.D. Parrry (India) Ltd.	-	-	-	-	-	-	-
20	Coromandel International Ltd. (Formerly known as Coromandel Fertilizers Ltd.	-	-	-	-	-	-	-
21	New Ambadi Estate Private Ltd.	-	-	-	-	-	-	-
22	Ambadi Enterprises Ltd.	-	-	-	10,58,200	0.56	-	0.56
23	Ambadi Investments Ltd.	-	-	-	7,00,66,595	37.36	-	37.36
24	Carborundum Universal Ltd.	-	-	-	1,000	-	-	-
25	Murugappa &Sons (M V Murugappan, M A Alagappan and M M Murugappan hold shares on behalf of the Firm	-	-	-	-	-	-	-
26	TI Financial Holdings Limited (Formerly, Tube Investments of India Limited)	11,00,000*	100.00	-	-	-	-	-
	Total	**11,00,000**	**100.00**	-	**8,11,13,090**	**43.25**	**0.04**	**43.25**

Note:

1) *Erstwhile Tube Investments of India Ltd (presently, TI Financial Holdings Ltd.) was holding 11,00,000 equity shares in the Company at the beginning of the year. Pursuant to the Scheme of Arrangement for demerger ("Scheme"), the said equity shares were cancelled. The Company allotted equity shares on 1st September, 2017 to the shareholders of the said erstwhile Tube Investments of India Ltd., in terms of the Scheme.

2) The above table does not include the holdings of the Promoter group aggregating 1,03,94,509 shares (5.54%) as at 31st March, 2018.

(iii) Change in Promoters' Shareholding

*Erstwhile Tube Investments of India Ltd (presently, TI Financial Holdings Ltd.) was holding 11,00,000 equity shares in the Company at the beginning of the year. Pursuant to the Scheme of Arrangement for demerger ("Scheme"), the said equity shares were cancelled. The Company allotted equity shares on 1st September, 2017 to the shareholders, which includes the Promoters of the Company, of the said erstwhile Tube Investments of India Ltd., in terms of the Scheme. Further, the Company has allotted equity shares on 1st September, 2017 to the shareholders of erstwhile Tube Investments of India Ltd., as per the Scheme including the Promoters, which is reflected above under (ii) Shareholding of Promoters.

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

Sl. No	Shareholder's Name	Shareholding at the beginning of the Year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (1.4.2017 to 31.03.2018)	
		No. of Shares at the beginning of the year (1.4.2017)/ at end of the year (31.3.2018)	% of total shares of the company				No of Shares	% of total shares of the company
1	HDFC TRUSTEE COMPANY LIMITED A/C HDFC BALANCED FUND	0	0.00					
				01/09/2017	1,32,95,490	Allotment	1,32,95,490	7.09
				15/12/2017	-1,000	Sale	1,32,94,490	7.09
				09/02/2018	3,08,300	Purchase	1,36,02,790	7.25
				16/02/2018	4,76,000	Purchase	1,40,78,790	7.51
				23/02/2018	2,00,000	Purchase	1,42,78,790	7.61
				09/03/2018	3,00,000	Purchase	1,45,78,790	7.77
				16/03/2018	2,14,710	Purchase	1,47,93,500	7.89
				23/03/2018	6,000	Purchase	1,47,99,500	7.89
		1,47,99,500	7.89	31/03/2018			1,47,99,500	7.89
2	GAGANDEEP CREDIT CAPITAL PVT LTD	0	0.00					
				01/09/2017	40,41,256	Allotment	40,41,256	2.16
		40,41,256	2.15	31/03/2018			40,41,256	2.15
3	LIFE INSURANCE CORPORATION OF INDIA	0	0.00					
				01/09/2017	29,36,046	Allotment	29,36,046	1.57
		29,36,046	1.57	31/03/2018			29,36,046	1.57
4	UTI-UNIT SCHEME FOR CHARITABLE AND RELIGIOUS TRUSTS AND REGISTERED SOCIETIES	0	0.00					
				01/09/2017	28,93,424	Allotment	28,93,424	1.54
				10/11/2017	90,921	Purchase	29,84,345	1.59
				17/11/2017	-72,519	Sale	29,11,826	1.55
				01/12/2017	3,00,000	Purchase	32,11,826	1.71
				08/12/2017	3,58,370	Purchase	35,70,196	1.90
				15/12/2017	-29,462	Sale	35,40,734	1.89
				12/01/2018	-1,25,000	Sale	34,15,734	1.82
				19/01/2018	-1,91,456	Sale	32,24,278	1.72
				26/01/2018	-1,82,950	Sale	30,41,328	1.62
				02/02/2018	-9,456	Sale	30,31,872	1.62
				09/02/2018	-4,00,000	Sale	26,31,872	1.40
				16/02/2018	-4,50,000	Sale	21,81,872	1.16
				23/02/2018	-2,00,072	Sale	19,81,800	1.06
				02/03/2018	-58,114	Sale	19,23,686	1.03
				16/03/2018	-4,580	Sale	19,19,106	1.02
				30/03/2018	-4,691	Sale	19,14,415	1.02
		19,14,415	1.02	31/03/2018			19,14,415	1.02
5	TOYOTA TSUSHO CORPORATION	0	0.00					
				01/09/2017	27,00,000	Allotment	27,00,000	1.44
		27,00,000	1.44	31/03/2018			27,00,000	1.44

Sl. No	Shareholder's Name	Shareholding at the beginning of the Year: No. of Shares at the beginning of the year (1.4.2017)/ at end of the year (31.3.2018)	Shareholding at the beginning of the Year: % of total shares of the company	Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (1.4.2017 to 31.03.2018): No of Shares	Cumulative Shareholding during the year (1.4.2017 to 31.03.2018): % of total shares of the company
6	RELIANCE CAPITAL TRUSTEE CO LTD A/C-RELIANCE REGULAR SAVINGS FUND EQUITY OPTION	0	0.00					
				01/09/2017	26,43,846	Allotment	26,43,846	1.41
		26,43,846	1.41	31/03/2018			26,43,846	1.41
7	SHAMYAK INVESTMENT PRIVATE LIMITED	0	0.00					
				01/09/2017	23,48,880	Allotment	23,48,880	1.25
		23,48,880	1.25	31/03/2018			23,48,880	1.25
8	L&T MUTUAL FUND TRUSTEE LIMITED-L&T EMERGING BUSINESSES FUND	0	0.00					
				01/09/2017	21,03,703	Allotment	21,03,703	1.12
				10/11/2017	-2,23,200	Sale	18,80,503	1.00
				17/11/2017	5,05,743	Purchase	23,86,246	1.27
				24/11/2017	1,42,957	Purchase	25,29,203	1.35
				08/12/2017	1,01,237	Purchase	26,30,440	1.40
				15/12/2017	97,879	Purchase	27,28,319	1.46
				29/12/2017	4,87,841	Purchase	32,16,160	1.72
				12/01/2018	31,991	Purchase	32,48,151	1.73
				19/01/2018	25,000	Purchase	32,73,151	1.75
				09/02/2018	70,103	Purchase	33,43,254	1.78
				16/02/2018	16,892	Purchase	33,60,146	1.79
				23/02/2018	68,758	Purchase	34,28,904	1.83
				02/03/2018	73,693	Purchase	35,02,597	1.87
				09/03/2018	28,054	Purchase	35,30,651	1.88
				16/03/2018	13,484	Purchase	35,44,135	1.89
				23/03/2018	25,000	Purchase	35,69,135	1.90
		35,69,135	1.90	31/03/2018			35,69,135	1.90
9	TUBE INVESTMENTS OF INDIA LTD. UNCLAIMED SHARE SUSPENSE ACCOUNT	0	0.00					
				01/09/2017	17,86,406	Allotment	17,86,406	0.95
				05/01/2018	-17,86,406	Transfer	0	0.00
		0	0.00	31/03/2018			0	0.00
10	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND	0	0.00					
				01/09/2017	17, 59,101	Allotment	1,75,9101	0.94
				12/01/2018	-11,28,210	Sale	6,30,891	0.34
				26/01/2018	-57,5891	Sale	55,000	0.03
				02/02/2018	-2,757	Sale	52,243	0.03
				16/03/2018	-3,238	Sale	49,005	0.03
		49,005	0.03	31/03/2018			49,005	0.03

Note:

Pursuant to the Scheme of Arrangement (Demerger), the Company has allotted equity shares on 1st September, 2017 to the shareholders of erstwhile Tube Investments of India Ltd.

(v) **Shareholding of Directors and Key Managerial Personnel**

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year (1.04.2017)		Cumulative Shareholding during the year (1.04.2017 to 31.03.2018)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Directors				
1	**Mr. M M Murugappan**				
	At the beginning of the year	-	-	-	-
	Date wise Increase in Shareholding during the year (01.09.2017)*	-	-	18,90,385	1.008
	At the end of the year	-	-	18,90,385	1.008
2	**Mr. L Ramkumar**				
	At the beginning of the year	10@	0.009%	-	-
	Date wise Increase in Shareholding during the year (01.09.2017)*	-	-	1,25,650	0.067
	At the end of the year	-	-	1,25,650	0.067
3	**Mr. Vellayan Subbiah**				
	At the beginning of the year	-	-		
	Date wise Increase in Shareholding during the year (01.09.2017)*	-	-	4,30,250	0.2294
	At the end of the year	-	-	4,30,250	0.2294
4	**Mr. Hemant M Nerurkar**				
	At the beginning of the year	-	-	-	-
	Date wise Increase in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
5	**Ms. Madhu Dubhashi**				
	At the beginning of the year	-	-	-	-
	Date wise Increase in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
6	**Mr. Pradeep V Bhide**				
	At the beginning of the year	-	-	-	-
	Date wise Increase in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
7	**Mr. S Sandilya**				
	At the beginning of the year	-	-	-	-
	Date wise Increase in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
8	**Mr. Ramesh K B Menon**				
	At the beginning of the year	-	-	-	-
	Date wise Increase in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
	Key Managerial Personnel				
9	**Mr. K Mahendra Kumar - Chief Financial Officer**				
	At the beginning of the year	-	-	-	-
	Date wise Increase in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
10	**Mr. S Suresh - Company Secretary**				
	At the beginning of the year	10@	0.009%	-	-
	Date wise Increase in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-

Note: @ M/s. Tube Investments of India Ltd. (name changed as TI Financial Holdings Ltd.) erstwhile holding Company was the beneficial owner of the shares. These shares were cancelled pursuant to the Scheme of Arrangement (Demerger)["Scheme"].

*The Shares were allotted pursuant to the Scheme of Arrangement (Demerger).

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment ₹ in Cr.

Particulars	Secured	Short Term - Unsecured	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	626.81	150.00	-	776.81
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	17.38	-	-	17.38
Total (i+ii+iii)	**644.19**	**150.00**	**-**	**794.19**
Change in Indebtedness during the financial year				
i) Addition	580.00	870.00	-	1,450.00
ii) Reduction	519.34	1,020.00	-	1,539.34
Net Change	**60.66**	**(150.00)**	**-**	**(89.34)**
Indebtedness at the end of the financial year				
i) Principal Amount	687.47	-	-	687.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	13.69	-	-	13.69
Total (i+ii+iii)	**701.16**	**-**	**-**	**701.16**

VI. Remuneration of Directors and Key Managerial Personnel

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

₹ in Cr.

Sl. No.	Particulars of Remuneration	Mr. L Ramkumar Managing Director	Mr. Vellayan Subbiah Managing Director (Designate)#	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	4.327	2.583	6.910
	(b) Value of perquisites under Section 17(2) of Income-tax Act, 1961	0.140	0.996	1.136
	(c) Profits in lieu of salary under Section 17(3) of Income tax Act, 1961	-	-	-
2	Stock Option*	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of Profit - others, specify	-	-	-
5	Others, please specify			
	Total (A)	**4.467**	**3.579**	**8.046**
	Ceiling as per the Act			**23.12**

Note : *No Stock Options vested under ESOP 2017 were exercised during the year.

Appointed as Managing Director (Designate) w.e.f. 19th August, 2017.

B. Remuneration to other Directors:

Particulars of remuneration	Name of Directors				Total Amount
1. Independent Directors	Mr. S Sandilya	Mr. P V Bhide	Mr. Hemant M Nerurkar	Ms. Madhu Dubhashi	
Fees for attending Board/Committee Meetings	0.015	0.023	0.026	0.012	0.076
Commission *	0.075	0.250	0.075	0.075	0.475
Others, please specify	-	-	-	-	-
Total (1)	0.09	0.273	0.101	0.087	0.551

2. Other Non-Executive Directors	Mr. M M Murugappan	Mr. Ramesh K B Menon	Total Amount
Fees for attending Board/Committee Meetings	0.018	0.005	0.023
Commission*	1.000	0.028#	1.028
Others, please specify	-	-	-
Total (2)	**1.018**	**0.033**	**1.051**
Total (B) = (1)+(2)			**1.602**
Total Managerial Remuneration (A)+(B)			**9.648**
Overall Ceiling as per the Act			**25.43**

Note: *Commission will be paid after the adoption of accounts for the financial year ended 31st March, 2018 by the shareholders at the forthcoming Annual General Meeting.

\# *pro rata* payment - Appointed as Director on 16th November, 2017

C. Remuneration to Key Managerial Personnel other than Managing Director/Manager/Whole-time Director.

Sl. No.	Particulars of remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	Chief Financial Officer	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	0.774	1.094	1.868
	(b) Value of perquisites under Section 17(2) of Income-tax Act, 1961	0.041	0.046	0.087
	(c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of Profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	**0.815**	**1.140**	**1.955**

VII. Penalties/Punishment/Compounding of Offences:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2018.

Annexure-I

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Power & Fuel Consumption

Sl. No.	Particulars	2017-18	2016-17
1	**Electricity**		
	(a) Purchased		
	Units (kWh)	14,28,82,987	13,27,09,085
	Total Cost (₹ Cr.)	105.02	99.15
	Rate per unit (₹)	7.35	7.47
	(b) Own Generation through Diesel Generator		
	Units (kWh)	31,14,264	27,41,241
	Total Cost (₹ Cr.)	5.48	4.29
	Rate per unit (₹)	17.58	15.65
	(c) Own generation through Solar Plant		
	Units (kWh)	3,44,216	1,94,604
	Total Cost (₹ Cr.)	0.20	0.11
	Rate per unit (₹)	5.94	5.90
2	**Consumption per unit of production**		
a.	Cycles (kWh per Cycle)	5	4
b.	Strips and Tubes (kWh per Ton)	229	244
c.	Metal Form (kWh per Ton)	537*	396
d.	Chains (kWh per Ton)	1,233	1,264

*increase due to lower activity levels in Uttarakhand plant

Conservation of Energy

The Company is committed to the conservation of energy and pursues various measures in the said regard. Some of the measures taken during 2017-18 are highlighted hereunder:

In the Engineering business, energy efficient pumps were installed at five places in place of old mono bloc pumps. The business also replaced metal halide illumination with LED lighting for around 550 numbers in the factory. Electrical heated air drier was changed to heat exchanger with hot water generated from briquette boilers to economize heat use. A modified lower HP fume exhaust blower with light weight FRP blades was installed in one wet process area on a trial basis. Variable frequency drives for hoist operation have been installed on five cranes. In addition, studies were conducted on harmonics and variable speed drives to understand the potential for energy savings.

In the Bicycles business, the Company has introduced energy efficient transformers, LED lights and an online energy monitoring system over the year.

In the Metal Formed Products business, older generation fluorescent, metal halide, CFL and sodium vapour lighting have been replaced by LED lamps of equivalent luminous intensity and the Company continues to implement this across all factories in a phased manner, leading to savings in consumed power. Automatic process timers and electronic interlocks in manually operated machinery are also being introduced on an on-going basis to eliminate idle running losses. Installation of thryristorised power controls on the seal quench furnace and layout modifications in starter motor casing lines have also resulted in savings on power. A small solar panel has been installed to run the sewage treatment plant.

The Company has also increased natural lighting on the shop floor with polycarbonate translucent sheets to eliminate any usage of lights during day time, besides fixing lower powered solar powered LED lights indoors.

Technology Absorption

Efforts made by the Company towards technology absorption and its benefits

a) High strength hydro-formable tubes for twist beams of cars through induction heating technology have been commercialised and are being regularly supplied to an auto OEM.

b) Several machine vision systems have been deployed for inspection of automotive components to ensure high reliability in performance in the Metal Formed Products business. Data is being collected from these systems for on-going process quality improvement.

c) The tube straightening process has been upgraded by commissioning of a series of machines built through in-house design and development. Precision tube process capabilities have been improving across locations in the business units.

d) Indigenously designed and developed Sealed Chain assembly machines in the Metal Formed Products business are expected to meet emerging customer demands for the product, with enhanced productivity levels, while reducing capital spend and dependency on imports.

e) Laboratory equipment has been upgraded in the Technology Centre. Some additions include a new state-of-the-art Universal Testing machine, a new Scanning Electron Microscope and an Endurance Testing Machine to complement materials' testing and analysis capabilities. This will help partnering with automotive customers in new product development with new age steels.

f) A new, indigenously built Tube Mill capable of making thick walled tubes is being commissioned and is expected to provide significant operational and competitive advantage for the Engineering business, starting from the next financial year.

Future plans on technology

a) The Technology Centre is developing tests for dynamic performance of motorcycle chains for process and product improvement to insure proper product selection and specification for discerning customers, using specially built test equipment.

b) The Technology Centre continues to interact with knowledge bodies of global repute in the steel domain and with premier academic institutes to stay benchmarked with the latest developments on the engineering front in materials development, processing and computational methods.

c) The Technology Centre is focussing on automation to reduce material handling, people fatigue and repetitive tasks.

d) Equipment for residual stress measurement will be added to the Company's laboratory to understand the impact of processing methodologies on material performance and to decode the structure-property-performance-relationships.

e) The Company is benchmarking with the product quality levels of high end hydraulic tubing to reach export and domestic markets in a greater way.

f) Progressive automation of repetitive manual operations and inspection and upgrading of material handling systems are planned for the improved process reliability and quality control.

Expenditure on R & D

₹ in Cr.

Particulars	2017-18	2016-17
Capital expenditure	6.12	0.54
Recurring	22.04	18.17
Total	**28.16**	**18.71**
Total R&D expenditure as a % of total turnover (Net)	0.65	0.48

Foreign Exchange Earnings and Outgo

Particulars	2017-18	2016-17
Foreign exchange earnings (CIF Value)	354.37	347.76
Foreign exchange outgo	324.26	303.74

On behalf of the Board

Chennai
7th May 2018

M M Murugappan
Chairman

Plant Locations

TI Cycles of India
Post Bag No.5 MTH Road
Ambattur, Chennai 600 053
Tel : (044) - 42093434
Fax: (044) - 42093345

TI Cycles of India
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Tehsil Rajpura, Dist Patiala,
Punjab 140 417
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Tube Products of India
Shirwal Post,
Khandala Taluka
Satara District,
Maharastra 412 801
Tel : (02169) - 244080-85
Fax: (02169) - 244086

Tube Products of India
Tirupati-Chennai Highway
Ponpadi Village,
Thiruvelangadu Block,
Tiruttani Taluk
Tiruvallur 631 213
Tel : 09940259940

Tube Products of India
P.B.No. 4, Avadi,
Chennai 600 054
Tel: (044) - 42291999
Fax : (044) - 42291990

TI Metal Forming
Chennai - Tiruvallur High Road
Tiruninravur 602 024
Tel : (044) 26390194,
26390437
Fax : (044) 26390856

TI Metal Forming
80/81, SIDCO Industrial Estate
Kakkalur,
Thiruvallur 602 003
Tel : (044) - 27667104
Fax: (044) - 26390856

TI Metal Forming
Gat No.312
Sablewadi, Bahul Post
Chakan-Shikrapur Road
Khed Taluk
Pune 410 501
Tel: 09272237117/8

TI Metal Forming
Tata Motors Ltd. Vendors Park
Plot No.C11, Survey No.1, North Kotpura,
Sanand, Viroch Nagar Post
Ahmedabad, Gujarat 382 170
Tel: 09228021343/09228021179

TI Metal Forming
Plot No.222 & 227 Gangnouli Village
Tehsil - Laksar, Haridwar
Uttarakhand 247 663
Tel: 09219401388/9

TI Metal Forming
Plot No. 245, Sector 3
Growth Centre
Bawal, Rewari Dist.
Haryana 123 501
Tel : (01284) - 260707, 264106
09812038561
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TIDC India
Post Bag No.11
MTH Road, Ambattur
Chennai 600 053
Tel : (040) - 42235555
Fax : (044) - 42235406

TIDC India
Kazipally Village, Plot No.1
Jinnaram Mandal
Medak Dist 502 319
Tel : (08458) - 277240
Fax: (08458) - 277241

TIDC India
Gangnouli Village
Tehsil - Laksar, Haridwar
Uttarakhand 247 663
Tel : (01332) - 271295

CONTACT ADDRESS

COMPLIANCE OFFICER
Mr. S Suresh
Company Secretary
Tube Investments of India Limited
'Dare House', 234, N S C Bose Road Chennai 600 001
e-mail: sureshs@tii.murugappa.com
Tel : (044) – 42286711
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For all matters relating to investor services:
Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad 500 032
e-mail : einward.ris@karvy.com
Tel : (040) – 67162222
Fax: (040) - 23001153
Toll Free: 1800-345-4001

Independent Auditor's Report

To the Members of Tube Investments of India Limited (formerly known as TI Financial Holdings Limited)

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of Tube Investments of India Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, Cash Flows and Changes in Equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 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 Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018, its profit including Other Comprehensive Income, its Cash Flows and the Changes in Equity 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 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on 31st March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(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 Standalone Ind AS Financial Statements – Refer Note 37 to the Standalone Ind AS Financial Statements;

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

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

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Subramanian Suresh**
Partner
Membership Number: 083673

Place of Signature: Chennai
Date: 7th May 2018

ANNEXURE 1 REFERRED TO IN OUR REPORT OF EVEN DATE

Re: Tube Investments of India Limited (formerly known as TI Financial Holdings Limited) ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management and pursuant to the Scheme of Arrangement as detailed in Note 1.2 to the Standalone Ind AS Financial Statements, the title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, guarantees, and securities granted in respect of which provisions of Section 185 of the Companies Act 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of Section 186, in respect of investments made have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 relating to certain products of the Company to which such rules apply, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates	Amount ₹ in Crores *
Central Excise Act, 1944	Excise Duty / Interest / Penalty	CCE (Appeals) / CESTAT / HC	1995-96, 2002-03 to 2006-07 and 2013-14	0.20
Value Added Tax Act, 2005	VAT	Joint Commissioner, Pune, Maharashtra	2010-11	0.13
Central Sales Tax Act, 1956	CST	Joint Commissioner / AO / Tribunal	2011-12, 2013-14 and 2015-16 to 2017-18	1.21
Income Tax Act, 1961	Income Tax	CIT (Appeals)	2005-06, 2006-07, 2009-10 and 2011-12	7.15

* Net of amounts paid under protest of ₹73.88 Crores.

(viii) In our opinion and according to the information and explanations given by the management, Company has not defaulted in repayment of dues to banks or debenture holders. The Company did not have any dues to in respect of loans and borrowings payable to financial institutions or government.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore the reporting requirements under clause 3(xiv) are not applicable to the Company and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions involving directors as referred to in Section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Subramanian Suresh**
Partner
Membership Number: 083673

Place of Signature: Chennai
Date: 7th May 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF TUBE INVESTMENTS OF INDIA LIMTED (FORMERLY KNOWN AS TI FINANCIAL HOLDINGS LIMITED)

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

To the Members of Tube Investments of India Limited (formerly known as TI Financial Holdings Limited)

We have audited the internal financial controls over financial reporting of Tube Investments of India Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

Auditor's 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 as specified 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.

An 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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Subramanian Suresh**
Partner
Membership Number: 083673

Place of Signature: Chennai
Date: 7th May 2018

Balance Sheet

₹ in Crores

Particulars	Notes	As at 31-Mar-2018	As at 31-Mar-2017
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	5	913.10	881.34
Capital Work-in-Progress		89.60	33.10
Investment Property	6	5.01	5.09
Financial Assets			
(a) Investments			
- Investment in Subsidiaries and Joint ventures	7a	560.70	554.75
- Other Investments	7b	11.12	12.19
(b) Other Financial Assets	7c	17.58	17.99
Deferred Tax Assets	15	31.50	38.11
Non-Current Tax Assets		13.45	4.44
Other Non-Current Assets	8	30.72	27.98
		1,672.78	**1,574.99**
Current Assets			
Inventories	9	607.23	580.72
Financial Assets			
(a) Loans	10a	1.45	1.37
(b) Trade Receivables	10b	575.44	528.22
(c) Investments	10c	-	102.08
(d) Cash and Cash Equivalents	10d	19.25	18.76
(e) Other Financial Assets	10e	23.55	13.04
Other Current Assets	11	65.33	55.26
		1,292.25	**1,299.45**
Total Assets		**2,965.03**	**2,874.44**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	18.75	18.74
Other Equity	13	1,194.39	1,123.27
Total Equity		**1,213.14**	**1,142.01**
Non-Current Liabilities			
Financial Liabilities			
(a) Long Term Borrowings	14	200.00	350.00
Deferred Tax Liabilities	15	59.71	64.38
		259.71	**414.38**
Current Liabilities			
Financial Liabilities			
(a) Short Term Borrowings	16a	237.47	300.97
(b) Trade Payables	16b	876.80	717.00
(c) Derivative Instruments	16c	0.31	0.15
(d) Other Financial Liabilities	16d	296.23	227.27
Government Grants	19c	1.08	1.38
Short Term Provisions	17	58.99	49.72
Other Current Liabilities	18	21.30	21.56
		1,492.18	**1,318.05**
Total Liabilities		**1,751.89**	**1,732.43**
Total Equity and Liabilities		**2,965.03**	**2,874.44**
Summary of Significant Accounting Policies	4		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn. No : 101049W / E300004

On behalf of the Board
For **Tube Investments of India Limited**

per **Subramanian Suresh**
Partner
Membership No : 083673

M M Murugappan
Chairman

Chennai
7th May 2018

S Suresh
Company Secretary

K Mahendra Kumar
Chief Financial Officer

L Ramkumar
Managing Director

Statement of Profit and Loss

₹ in Crores

Particulars	Notes	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Revenue from Operations	20		
Sale of Products		4,409.98	4,207.77
Other Operating Revenues		271.61	208.12
		4,681.59	4,415.89
Other Income	21	28.04	31.06
Total Income		**4,709.63**	**4,446.95**
Expenses			
Cost of Materials Consumed	22	2,698.32	2,473.84
Purchase of Stock-in-Trade - Cycles / Components and Metal Formed Products		139.55	133.47
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	0.05	(107.94)
Excise Duty on Sale of Goods and Scraps	20	83.38	307.32
Employee Benefits Expense	24	432.91	398.63
Depreciation and Amortisation Expense	25	128.30	121.25
Finance Costs	26	56.38	72.05
Other Expenses	27	952.80	846.83
Total Expenses		**4,491.69**	**4,245.45**
Profit Before Tax and Exceptional Items		**217.94**	**201.50**
Less : Exceptional Items	28	25.25	-
Profit Before Tax after Exceptional Items		**192.69**	**201.50**
Income Tax Expense	29		
- Current Tax		74.16	58.25
- Current Tax - earlier years		(7.68)	(16.94)
- Deferred Tax (Net) (Refer Note 15)		(10.25)	1.24
		56.23	**42.55**
Profit for the year (I)		**136.46**	**158.95**
Other Comprehensive Income:	31		
Other Comprehensive Income to be reclassified to Statement of Profit and Loss in subsequent periods:			
Movement on Cash Flow Hedges		0.19	0.51
Income Tax Effect		(0.07)	(0.18)
		0.12	**0.33**
Other Comprehensive Income not to be reclassified to Statement of Profit and Loss in subsequent periods:			
Re-measurement Gain / (Loss) on Defined Benefit Obligations (Net)		1.46	(4.13)
Income Tax Effect		(0.51)	1.43
		0.95	**(2.70)**
(Loss)/Gain on FVTOCI Equity Securities (Net)		(1.07)	0.71
Income Tax Effect		0.43	(0.01)
		(0.64)	**0.70**
Other Comprehensive Income / (Loss) for the Year, Net of Tax (II)		**0.43**	**(1.67)**
Total Comprehensive Income for the Year, Net of Tax (I + II)		**136.89**	**157.28**
Earnings Per Equity Share of ₹1 each (Previous year - ₹1 each)	32		
Basic		7.28	8.48
Diluted		7.27	8.48

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn. No : 101049W / E300004

per **Subramanian Suresh**
Partner
Membership No : 083673

Chennai
7th May 2018

On behalf of the Board
For **Tube Investments of India Limited**

M M Murugappan
Chairman

S Suresh
Company Secretary

K Mahendra Kumar
Chief Financial Officer

L Ramkumar
Managing Director

Statement of Changes in Equity

a. Equity Share Capital:

Particulars	No. of shares	₹ in Crores
As at 31st March 2016 Equity Shares of ₹1 each issued, subscribed and fully paid	**1,10,000**	**0.11**
Cancellation of Share Capital pursuant to the Scheme of Arrangement (Refer Note 2)	(1,10,000)	(0.11)
Equity Shares of ₹1 each issued pursuant to the Scheme of Arrangement (Refer Note 2)	18,74,47,871	18.74
As at 31st March 2017 Equity Shares of ₹1 each issued, subscribed and fully paid	**18,74,47,871**	**18.74**
Issue of share capital (Refer Note 12)	88,497	0.01
As at 31st March 2018	**18,75,36,368**	**18.75**

b. Other Equity

For the year ended 31st March 2018

₹ in Crores

Particulars	Reserves and Surplus						Items of OCI		Total Other Equity
	Securities Premium Reserve (Note 13)	Share option outstanding account (Note 13)	Retained Earnings (Note 13)	Debenture Redemption Reserve (DRR) (Note 13)	Capital Reserve (Note 13)	General Reserve (Note 13)	Cash flow Hedge Reserve (Note 13)	FVTOCI Reserve (Note 13)	
As at 1st April 2017	**-**	**-**	**663.17**	**118.75**	**0.11**	**334.63**	**(0.24)**	**6.85**	**1,123.27**
Profit for the Year	-	-	136.46	-	-	-	-	-	136.46
Other comprehensive income for the Year (Note 31)	-	-	-	-	-	-	0.12	0.31	0.43
Re-measurement Gain / (Loss) on Defined Benefit Obligations (Net) transferred to Retained Earnings	-	-	0.95	-	-	-	-	(0.95)	-
Exercise of share options	0.10	-	-	-	-	-	-	-	0.10
Share-based payments	-	5.43	-	-	-	-	-	-	5.43
Debentures Redemption Reserve (DRR) transferred to Retained Earnings (Net)	-	-	6.25	(6.25)	-	-	-	-	-
Dividends	-	-	(60.94)	-	-	-	-	-	(60.94)
Dividend Distribution Tax on Dividend	-	-	(10.36)	-	-	-	-	-	(10.36)
As at 31st March 2018	**0.10**	**5.43**	**735.53**	**112.50**	**0.11**	**334.63**	**(0.12)**	**6.21**	**1,194.39**

Statement of Changes in Equity

For the year ended 31st March 2017

₹ in Crores

Particulars	Reserves and Surplus						Items of OCI		Total Other Equity
	Securities Premium Reserve (Note 13)	Share option outstanding account (Note 13)	Retained Earnings (Note 13)	Debenture Redemption Reserve (DRR) (Note 13)	Capital Reserve (Note 13)	General Reserve (Note 13)	Cash flow Hedge Reserve (Note 13)	FVTOCI Reserve (Note 13)	
As at 1st April 2016	**-**	**-**	**(0.06)**	**-**	**-**	**-**	**-**	**-**	**(0.06)**
Adjustment pursuant to Scheme of Arrangement (Refer Note 2)	-	-	406.05	220.83	0.11	334.63	(0.87)	-	960.75
Adjustment pursuant to transition to Ind AS	-	-	0.23	-	-	-	0.30	4.77	5.30
Revised as at 1st April 2016	**-**	**-**	**406.22**	**220.83**	**0.11**	**334.63**	**(0.57)**	**4.77**	**965.99**
Profit for the Year	-	-	158.95	-	-	-	-	-	158.95
Other Comprehensive Income for the Year (Note 31)	-	-	-	-	-	-	0.33	(2.00)	(1.67)
Re-measurement Gain / (Loss) on Defined Benefit Obligations (Net) transferred to Retained Earnings	-	-	(4.08)	-	-	-	-	4.08	-
DRR transferred to Retained Earnings (Net)	-	-	102.08	(102.08)	-	-	-	-	-
As at 31st March 2017	**-**	**-**	**663.17**	**118.75**	**0.11**	**334.63**	**(0.24)**	**6.85**	**1123.27**

The accompanying notes are an integral part of the financial statements
As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn. No : 101049W / E300004

per **Subramanian Suresh**
Partner
Membership No : 083673

Chennai
7th May 2018

On behalf of the Board
For **Tube Investments of India Limited**

M M Murugappan
Chairman

S Suresh
Company Secretary

K Mahendra Kumar
Chief Financial Officer

L Ramkumar
Managing Director

Cash Flow Statement

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
A. Cash Flow from Operating Activities:		
Profit Before Tax after Exceptional Items	**192.69**	**201.50**
Adjustments to reconcile Profit Before Tax to Net Cash Flows:		
Depreciation on Property, Plant and Equipment	128.22	121.17
Depreciation on Investment Properties	0.08	0.08
Share based payment expenses	5.29	-
Loss / (Profit) on Property Plant and Equipment sold/discarded (Net)	3.12	(1.08)
Profit on Sale of Investments carried at FVTPL	(2.03)	(10.61)
Provision / (Reversal of Provision) for Trade Receivables (Net)	1.08	(5.01)
Net Foreign Exchange differences	0.24	(1.13)
Finance Income (including Fair Value changes in Financial Instruments)	(0.15)	(5.43)
Finance Costs	56.38	72.05
Liabilities / Provisions no longer payable written back	(1.47)	(1.22)
Provision for Impairment of Investments	25.25	-
Dividend Income	(11.38)	(0.52)
Operating Profit before Working Capital / Other Changes	**397.32**	**369.80**
Adjustments for :		
Increase in Provisions and Government Grants	10.43	9.17
Increase in Trade and Other Payables	158.81	116.07
(Decrease) / Increase in Other Financial Liabilities	(55.77)	57.78
Decrease in Other Current Liabilities	(0.26)	(2.65)
Increase in Other Non-Current Assets	(6.56)	(1.17)
(Increase) / Decrease in Other Financial and Current Assets	(20.66)	0.68
Increase in Trade and Other Receivables	(45.94)	(36.01)
Increase in Inventories	(26.51)	(122.41)
Cash Generated From Operations	**410.86**	**391.26**
Income Tax paid	(63.45)	(35.90)
Net Cash Flow from Operating Activities	**347.41**	**355.36**
B. Cash Flow from Investing Activities:		
Capital Expenditure (Including Capital Work In Progress and Capital Advances)	(215.97)	(152.24)
Proceeds from Sale of Property plant and equipment	3.52	8.06
Sale / (Purchase) of Current Investments (Net) (Refer Note 10c)	104.11	(91.39)
Purchase of Non Current Investments	(31.20)	(10.00)
Interest Income received	0.50	4.17
Dividend Received	11.38	0.52
Net Cash Used in Investing Activities	**(127.66)**	**(240.88)**
C. Cash Flow from Financing Activities:		
Proceeds from Issue of Shares	0.11	0.01
Proceeds from Long Term Borrowings	100.00	100.00
Repayment of Long Term Borrowings	(124.99)	(732.90)
(Repayment) / Proceeds from Short Term Borrowings (Net)	(142.86)	56.49
Finance Costs Paid	(60.07)	(106.41)
Dividends Paid (Including Net Dividend Distribution Tax)	(71.30)	-
Net Cash Used in Financing Activities	**(299.11)**	**(682.81)**
Net Decrease in Cash and Cash Equivalents [A+B+C]	**(79.36)**	**(568.33)**
Cash and Cash Equivalents at the Beginning of the Year	**9.57**	**0.05**
Transferred to the Company pursuant to Scheme of Arrangement (Refer Note 2)	**-**	**577.85**
Cash and Cash Equivalents as at End of the Year (Refer Note 10d)	**(69.79)**	**9.57**

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn. No : 101049W / E300004

On behalf of the Board
For **Tube Investments of India Limited**

per **Subramanian Suresh**
Partner
Membership No : 083673

M M Murugappan
Chairman

Chennai
7th May 2018

S Suresh
Company Secretary

K Mahendra Kumar
Chief Financial Officer

L Ramkumar
Managing Director

Notes to Financial Statements

1. General Information of the Company

Corporate Information

Tube Investments of India Limited ("the Company") with CIN No: L35100TN2008PLC069496, was formerly known as TI Financial Holdings Limited and is a Public Limited Company domiciled in India. The Company is listed on BSE and National Stock Exchange. The Registered Office of the Company is located at 234, NSC Bose Road, Chennai, Tamilnadu. The Company was originally incorporated as TI Financial Holdings Limited on 6th October 2008 under the Companies Act, 1956, as a wholly-owned subsidiary of erstwhile Tube Investments of India Limited ("Demerged Company").

Pursuant to the Scheme of Arrangement ("the Scheme") the details relating to which are more elaborately provided under Note 2 below, the Manufacturing Business Undertaking of the Demerged Company was vested in / transferred to the Company and the Name of the Company was changed to "Tube Investments of India Limited".

The Company has manufacturing locations across the Country and has three product segments namely, Cycles and Accessories, Engineering and Metal Formed Products. The Company also has Subsidiaries and Joint Venture Companies, Viz., Shanthi Gears Limited, Financiere C10 SAS, Sedis SAS, Sedis Gmbh, SEDIS Co Limited, Great Cycles (Private) Limited, Creative Cycles (Private) Limited, TI Tsubamex Private Limited and TI Absolute Concepts Private Limited.

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on 7th May 2018.

2. Scheme of Arrangement

The Scheme of Arrangement ("the Scheme") between the Company ("Resulting Company") and TI Financial Holdings Limited, formerly known as Tube Investments of India Limited ("Demerged Company") and their Shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, was approved by the Board of Directors of both the Companies on 3rd November 2016.

The Demerged Company, interalia, was engaged in manufacturing of tubes, strips, tubular components, bicycles and fitness products, chains for automobile sector and industrial applications, roll-formed sections, other metal formed products, industrial gears, designing and manufacturing of dies ("Manufacturing Business Undertaking"). The Manufacturing Business is also carried out through subsidiaries and Joint Venture Companies (Shanthi Gears Limited, Financiere C10 SAS, Sedis SAS, Sedis Gmbh, SEDIS Co Limited, TI Tsubamex Private Limited and TI Absolute Concepts Private Limited).

The Scheme provided for the demerger of the Manufacturing Business Undertaking of the Demerged Company into this Company, on a going concern basis, with effect from the appointed date of 1st April 2016.

The salient features of the Scheme of Arrangement are as under:

a. The Demerged Company and the Company has made applications and/or petitions under Section 230 read with Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 to the National Company Law Tribunal, Chennai ("Tribunal" or "NCLT") for sanction of this Scheme and all matters ancillary or incidental thereto.

b. The whole of the undertaking and assets and properties of the Manufacturing Business Undertaking of the Demerged Company, shall stand transferred to and vested in the Company with all the rights, title and interest pertaining to the Manufacturing Business Undertaking.

c. The Scheme of Arrangement has become effective from the Appointed Date i.e. 1st April 2016 but operative from the Effective Date i.e. 1st August 2017 being the date of filing of a certified copy of the Order of NCLT by the Company and the Demerged Company with the Registrar of Companies, Tamil Nadu, Chennai.

d. Equity Share Capital of the Company

   i. Equity Share Capital of ₹0.11 Cr. Of the Company as on the Appointed Date stands cancelled and credited to Capital Reserve.

   ii. The Company has issued and alloted 1 (One) fully paid up Equity Share of ₹1 (Rupee One Only) each for every 1 (One) fully paid up Equity Share of ₹2 (Rupees Two) each held in the Demerged Company.

3. Basis of Preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the

Notes to Financial Statements

Companies (Indian Accounting Standards) Rules, 2015, as amended.

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments)

The standalone financial statements are presented in INR and all values are rounded to the nearest crore, except when otherwise indicated.

4. Summary of Significant Accounting Policies

4.1. Presentation and Disclosure of Financial Statements

An asset has been classified as current when it satisfies any of the following criteria;

a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

b) It is held primarily for the purpose of being traded;

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.

A liability has been classified as current when it satisfies any of the following criteria;

a) It is expected to be settled in the Company's normal operating cycle;

b) It is held primarily for the purpose of being traded;

c) It is due to be settled within twelve months after the reporting period; or

d) The Company does not have an unconditional right to defer settlements of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets and liabilities have been classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products / activities, the Company has determined its operating cycle as twelve months for the above purpose of classification as current and non-current.

4.2. Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

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 best economic 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 are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

b) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Notes to Financial Statements

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement.

External valuers are involved for valuation of assets such as investment properties. Involvement of external valuers is decided upon annually by the Company. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. Other fair value related disclosures are given in the relevant notes (Refer Note 42).

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 the fair value hierarchy as explained above (Refer Note 42).

4.3. Use of Estimates

The preparation of Standalone Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, like provision for employee benefits, provision for doubtful trade receivables / advances / contingencies, provision for warranties, allowance for slow / non-moving inventories, useful life of Property, Plant and Equipment, provision for retrospective price revisions, provision for taxation, etc., during and at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

4.4. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

4.5. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

For the purpose of the Statement of Cash Flows, cash and cash equivalents as defined above, net of outstanding bank overdrafts as they are considered an integral part of the cash management of the Company.

4.6. Property, Plant and Equipment

Property, Plant and Equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Freehold land is measured at cost and not depreciated. Cost includes related taxes, duties, freight, insurance, etc. attributable to the acquisition, installation of the Property, Plant and Equipment and borrowing cost if capitalisation criteria are met but excludes duties and taxes that are recoverable from tax authorities.

Machinery Spares including spare parts, stand-by and servicing equipment are capitalised as Property, Plant and Equipment if they meet the definition of Property, Plant and Equipment i.e. if the company intends to use these for more than a period of 12 months. These spare parts capitalized are depreciated as per Ind AS 16.

Subsequent expenditure relating to Property, Plant and Equipments is capitalised only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Material replacement cost is capitalized provided it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When replacement cost is eligible for capitalization, the carrying amount of those parts that are replaced in derecognized. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful life.

Notes to Financial Statements

The Company identifies and determines cost of each component / part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Capital Work-in-Progress: Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and attributable interest. Once it has become available for use, their cost is re-classified to appropriate caption and subjected to depreciation.

4.7. Investment Properties

Investment property represents property held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition Criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Depreciation on building classified as Investment Property has been provided on the straight-line method over a period of 60 years as prescribed in Schedule II to the Companies Act, 2013. These are based on the Company's estimate of their useful lives taking into consideration technical factors.

Though the Company measures Investment Property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying valuation models.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of derecognition.

4.8. Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, 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 risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of three years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the third year. To estimate cash flow projections beyond periods covered by the most recent budgets / forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products,

Notes to Financial Statements

industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment including impairment on inventories, are recognized in the Statement of Profit and Loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

4.9. Inventories

Raw materials, stores and spare parts and stock-in-trade are valued at lower of weighted average cost and estimated net realisable value. Cost includes freight, taxes and duties and is net of Credit under VAT, CENVAT and GST scheme, where applicable.

Work-in-progress and finished goods are valued at lower of weighted average cost and estimated net realisable value. Cost includes all direct costs and appropriate proportion of overheads to bring the goods to the present location and condition based on the normal operating capacity, but excluding borrowing costs. Cost of finished goods includes Excise Duty.

Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

4.10. Revenue and Other Income

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The Company is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax / value added tax (VAT) and Goods and Services tax (GST) are not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition Criteria described below must also be met before revenue is recognised.

Sale of Goods:

Revenue from sale of goods is recognised on transfer of significant risk and rewards of ownership to the buyer which generally coincides with shipment. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Rendering of Services:

Revenue from rendering of services is recognised with reference to the stage of completion determined based on estimate of work performed, and when the outcome of the transaction can be estimated reliably.

Dividends:

Dividend income is accounted for when the right to receive it is established.

Interest Income:

For all debt instruments measured at amortised cost, interest income is recognised on time proportion basis, taking into account the amount outstanding and effective interest rate.

Rental Income:

Rental income arising from operating leases is accounted for on a straight-line basis over the lease

Notes to Financial Statements

terms and is included in revenue in the Statement of Profit and Loss due to its operating nature.

4.11. Government Grants, Subsidies and Export Benefits

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received.

When the grant or subsidy from the Government relates to an expense item, it is recognised as income on a systematic basis in the Statement of Profit and Loss over the period necessary to match them with the related costs, which they are intended to compensate. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset, i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value of the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

4.12. Employee Benefits

I. Defined Contribution Plan

a. Superannuation

The Company contributes a sum equivalent to 15% of the eligible employees salary to a Superannuation Fund administered by trustees and managed by Life Insurance Corporation of India (LIC). The Company has no liability for future Superannuation Fund benefits other than its annual contribution and recognizes such contributions as an expense in the year in which the services are rendered.

b. Provident Fund

Contributions in respect of Employees who are not covered by Company's Employees Provident Fund Trust are made to the Regional Provident Fund. These Contributions are recognised as expense in the year in which the services are rendered. The Company has no obligation other than the contribution payable to the Regional Provident fund.

c. Employee State Insurance

Contributions to Employees State Insurance Scheme are recognised as expense in the year in which the services are rendered.

II. Defined Benefit Plan

a. Gratuity

The Company makes annual contribution to a Gratuity Fund administered by trustees and the Contributions are invested in a Scheme with Life Insurance Corporation of India, as permitted by Indian Law. The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined every year using the Projected Unit Credit method.

Re-measurements, comprising of actuarial gains / losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are immediately recognised in the Balance Sheet with a corresponding debit or Credit in to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to profit or loss in subsequent periods.

Past service cost is recognised in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs and
- Net interest expense or income.

Notes to Financial Statements

b. **Provident Fund**

In respect of the employees not covered under Point I b above, contributions to the Company's Employees Provident Fund Trust are made in accordance with the fund rules. The interest rate payable to the beneficiaries every year is being notified by the Government.

In the case of contribution to the Trust, the Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and recognizes such obligation, if any, determined based on an actuarial valuation as at the Balance Sheet date, as an expense.

III. Long Term Compensated Absences

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit Credit method at the year-end. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss. The Company presents the leave as a current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

IV. Short Term Employee Benefits

Short term employee benefits includes short term compensated absences which is recognized based on the eligible leave at Credit on the Balance Sheet date, and the estimated cost is based on the terms of the employment contract.

V. Voluntary Retirement Scheme

Compensation to employees under Voluntary Retirement Schemes is expensed in the period in which the liability arises. The Company recognizes termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

4.13. Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

4.14. Foreign Currency Transactions

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate at the date of the transaction.

Measurement as at Balance Sheet date

Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at year end exchange rates.

Non-monetary items carried at historical cost are translated using the exchange rates at the dates of initial transactions.

Treatment of Exchange Differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

4.15. Derivative Instruments and Hedge Accounting

The Company uses Cash flow hedges (forward contracts and currency swaps) to hedge its risks associated with foreign currency fluctuations relating to firm commitment or highly probable forecast

Notes to Financial Statements

transactions. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge by applying the hedge accounting principles set out in Ind AS 109 – "Financial Instruments".

The use of Derivative Contracts is governed by the Company's policies on the use of such financial derivatives consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculative purposes.

Derivative Contracts are measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in the fair value of these Derivative Contracts that are designated and effective as hedges of future cash flows are recognised directly in "Other Comprehensive Income" and the ineffective portion is recognized immediately in the Statement of Profit and Loss.

Changes in the fair value of Derivative Contracts that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

The amounts recognised in the Other Comprehensive Income are transferred to the Statement of Profit and Loss when the hedged transactions crystalizes.

If the forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognised in Other Comprehensive Income is transferred to Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised. If any of these events occur or if a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised under Other Comprehensive Income is transferred to the Statement of Profit and Loss for the year.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

4.16. Depreciation and Amortisation

The Company depreciates Property, Plant and Equipment over their estimated useful lives using the Straight-line method, as per Schedule II of Companies Act, 2013. The estimated useful lives are as follows:

Description of Assets	Useful life
Plant and Machinery	7.50 - 15 Years
Electrical Appliances	5 - 10 Years
Furniture and Fixtures	10 Years
Factory Buildings	30 Years
Other Buildings	60 Years
Vehicles	4 Years

The following category of Property, Plant and Equipment are not depreciated as per Schedule II of Companies Act, 2013. These category of Property, Plant and Equipment are depreciated based on the Company's estimate of their useful lives taking into consideration, technical advise:

Description of Assets	Useful life
Buildings - Roof structure on certain factory areas, where useful life is less	10 Years
Plant and Machinery - Special tools and special purpose machines used in door frame products	4 Years
Plant and Machinery - Electrical Appliances such as Air Conditioner, Fridge, Water Cooler, Camera, TV, Grinder etc.,	5 Years
Office Equipment - Data Processing Equipment	3 Years
Vehicles - Motor Vehicles	4 Years

Finance lease assets are depreciated over the primary lease period of 35 years - 95 years, as the right to use these assets ceases on expiry of the lease period.

Depreciation is provided pro-rata from the month of Capitalisation.

Notes to Financial Statements

Certain Property, Plant and Equipment are treated as Continuous Process Plants based on technical evaluation done by the Management and are depreciated on the straight-line method based on the useful life as prescribed in Schedule II to the Companies Act, 2013.

4.17. Research and Development

Revenue expenditure on research and development is expensed when incurred. Capital Expenditure on Research and Development is capitalised under Property, Plant and Equipment and depreciated in accordance with Note 4.16 above.

4.18. Taxes on Income

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in Equity, in which case it is recognized in Equity.

Current tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in Other Comprehensive Income or in Equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in Equity.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax for the year. The company recognizes MAT credit only to the extent that it is probable that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as Deferred Tax Asset. The company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is probable that it will pay normal tax during the specified period.

Deferred Tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred Tax Liabilities are recognised for all taxable temporary differences, except when the Deferred Tax Liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred Tax Assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred Tax Assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the Deferred Tax asset to be utilised. Unrecognised Deferred Tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the Deferred Tax Asset to be recovered.

Deferred Tax Assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred Tax relating to items recognised outside the Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in Other Comprehensive Income or in Equity). Deferred Tax items are recognised in correlation to the underlying transaction either in OCI or directly in Equity.

Deferred Tax Assets and Deferred Tax Liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable Company and the same taxation authority.

In the situations where the Company is entitled to a tax holiday under the Income-Tax Act, 1961, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company’s gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.

Notes to Financial Statements

4.19. Provisions and Contingencies

A provision is recognized when a Company has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for warranty-related costs are recognized when the product is sold or service provided. Provision is estimated based on historical experience and technical estimates. The estimate of such warranty-related costs is reviewed annually.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the Standalone Financial Statements.

4.20. Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalisation of Borrowing Costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period they occur.

4.21. Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity Shares outstanding during the period.

The weighted average number of Equity Shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential Equity Shares, that have changed the number of Equity Shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential Equity Shares.

4.22. Share Based Payments (Employees Stock Option Scheme)

Stock options are granted to the employees under the stock option scheme. The costs of stock options granted to the employees (equity-settled awards) of the company are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Company and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

This cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves / stock options outstanding account in Equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or Credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

Notes to Financial Statements

4.23.Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one Company and a financial liability or equity instrument of another company.

A. Financial Assets

i. Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

ii. Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

a. Debt instruments at amortised cost

b. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

c. Equity instruments measured at fair value through Other Comprehensive Income (FVTOCI)

Debt instruments At Amortised Cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt Instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the Criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity Investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within Equity.

iii. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset or has transferred control of the asset.

iv. Impairment of Financial Assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and Credit risk exposure:

Notes to Financial Statements

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in Credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets, the Company determines that whether there has been a significant increase in the Credit risk since initial recognition. If Credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if Credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, Credit quality of the instrument improves such that there is no longer a significant increase in Credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected Credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other Credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The Balance Sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off Criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in Credit risk and impairment loss, the Company combines financial instruments on the basis of shared Credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in Credit risk to be identified on a timely basis.

B. Financial Liabilities

i. Initial Recognition and Measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

ii. Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Notes to Financial Statements

Financial Liabilities At Fair Value Through Profit and Loss

Financial liabilities at fair value through profit or loss include derivatives. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the Criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own Credit risks are recognized in OCI. These gains / loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within Equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

4.24. Equity Investment in Subsidiaries and Joint Ventures

Investment in Subsidiaries and Joint Ventures are carried at Cost in the Separate Financial Statements as permitted under Ind AS 27.

Notes to Financial Statements

Note 5. Property Plant and Equipment

₹ in Crores

Particulars	Gross Block at Cost					Depreciation / Amortisation				Net Block	
	As at 31-Mar-2017	Adjustment pursuant to Scheme of Arrangement (Refer Note 2)	Additions	Deletions	As at 31-Mar-2018	As at 31-Mar-2017	For the Year	On Deletions	As at 31-Mar-2018	As at 31-Mar-2018	As at 31-Mar-2017
Land (Freehold)	**120.24**	(-)	**1.38**	(-)	**121.62**	(-)	(-)	(-)	(-)	**121.62**	**120.24**
	(-)	(121.04)	(-)	(0.80)	(120.24)	(-)	(-)	(-)	(-)	(120.24)	(-)
Land (Leasehold)	**0.61**	(-)	(-)	(-)	**0.61**	**0.01**	(-)	(-)	**0.01**	**0.60**	**0.60**
	(-)	(0.61)	(-)	(-)	(0.61)	(-)	(0.01)	(-)	(0.01)	(0.60)	(-)
Buildings	**230.39**	(-)	**45.70**	**1.62**	**274.47**	**10.12**	**11.48**	**0.20**	**21.40**	**253.07**	**220.27**
	(-)	(179.66)	(50.80)	(0.07)	(230.39)	(-)	(10.12)	(-)	(10.12)	(220.27)	(-)
Plant and Machinery	**619.85**	(-)	**110.45**	**8.59**	**721.71**	**99.94**	**108.72**	**4.21**	**204.45**	**517.26**	**519.91**
	(-)	(510.83)	(118.66)	(9.64)	(619.85)	(-)	(104.08)	(4.14)	(99.94)	(519.91)	(-)
Railway Siding	**0.01**	(-)	(-)	(-)	**0.01**	(-)	(-)	(-)	(-)	**0.01**	**0.01**
	(-)	(0.01)	(-)	(-)	(0.01)	(-)	(-)	(-)	(-)	(0.01)	(-)
Office Equipment	**9.08**	(-)	**3.53**	**0.10**	**12.51**	**3.29**	**3.75**	**0.06**	**6.98**	**5.53**	**5.79**
	(-)	(4.56)	(4.54)	(0.02)	(9.08)	(-)	(3.29)	(-)	(3.29)	(5.79)	(-)
Furniture and Fixtures	**8.57**	(-)	**1.86**	**0.12**	**10.31**	**1.27**	**1.28**	**0.11**	**2.44**	**7.87**	**7.30**
	(-)	(4.00)	(4.57)	(-)	(8.57)	(-)	(1.27)	(-)	(1.27)	(7.30)	(-)
Vehicles	**9.39**	(-)	**3.70**	**1.06**	**12.03**	**2.17**	**2.99**	**0.27**	**4.89**	**7.14**	**7.22**
	(-)	(5.72)	(4.49)	(0.82)	(9.39)	(-)	(2.40)	(0.23)	(2.17)	(7.22)	(-)
Total	**998.14**	(-)	**166.62**	**11.49**	**1,153.27**	**116.80**	**128.22**	**4.85**	**240.17**	**913.10**	**881.34**
	(-)	(826.43)	(183.06)	(11.35)	(998.14)	(-)	(121.17)	(4.37)	(116.80)	(881.34)	(-)

Notes:

a. All the above assets are owned by the Company unless otherwise stated as leased asset.

b. Previous Year Figures are given in brackets.

c. Non Convertible Debentures are secured by first pari-passu charge on certain Land and Building.

Notes to Financial Statements

Note 6. Investment Property

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Opening Balance as at the beginning of the period	5.17	-
Adjustment pursuant to Scheme of Arrangement (Refer Note 2)	-	5.17
Additions during the year	-	-
Closing Balance as at the end of the period	**5.17**	**5.17**
Depreciation and Impairment		
Opening Balance as at the beginning of the period	0.08	-
Depreciation during the year	0.08	0.08
Closing Balance as at the end of the period	**0.16**	**0.08**
Net Block as at the end of the period	**5.01**	**5.09**

Information regarding Income and Expenditure of Investment Property:

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Rental Income derived from Investment Properties	0.43	0.54
Direct Operating Expenses (including repairs and maintenance)	-	-
Profit arising from Investment Properties before Depreciation and Indirect Expenses	**0.43**	**0.54**
Depreciation	(0.08)	(0.08)
Profit arising from Investment Properties before Indirect Expenses	**0.35**	**0.46**

The Company's Investment Property consists of two properties in Mumbai lying vacant and two properties in Chennai which have been let out on rent.

As at 31st March 2018, the Fair Value of the properties is ₹6.74 Cr. (31st March 2017 - ₹6.48 Cr.)

The Fair values of the Investment Properties are determined by external independent valuer based on current prices in the market. The resulting Fair value Estimates are classified under level 2 of the Fair value Hierarchy (Refer Note 42.2).

The Company has no restrictions on the disposal of its Investment Property and no contractual obligations to purchase, construct or develop Investment Property or for Repairs, Maintenance and Enhancements.

Reconciliation of Fair Value

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Opening Balance as at the beginning of the period	**6.48**	**-**
Adjustment pursuant to Scheme of Arrangement (Refer Note 2)	-	5.17
Fair value difference	0.26	1.31
Purchases	-	-
Sales	-	-
Closing Balance as at the end of the period	**6.74**	**6.48**

Notes to Financial Statements

Note 7a. Investments in Subsidiaries and Joint Ventures

Particulars	Nominal Value ₹ per unit	Number of shares As at 31-Mar-2018	Number of shares As at 31-Mar-2017	₹ in Crores As at 31-Mar-2018	₹ in Crores As at 31-Mar-2017
Investments at Cost:					
Equity Shares (Fully Paid) - Quoted					
Investment in Subsidiaries					
Shanthi Gears Limited	1	5,72,96,413	5,72,96,413	464.10	464.10
Equity Shares (Fully Paid) - Unquoted					
Investment in Subsidiaries					
Financiere C10 SAS	Euro 15	2,23,920	2,23,920	61.15	61.15
Great Cycles (Private) Limited (Refer Note a below)	LKR 10	40,00,000	-	16.98	-
Creative Cycles (Private) Limited (Refer Note b below)	LKR 10	40,00,000	-	6.47	-
Investment in Joint Ventures					
TI Tsubamex Private Limited (Refer Note c below)	10	2,35,00,000	1,95,00,000	23.50	19.50
TI Absolute Concepts Private Limited (Refer Note d below)	10	1,37,50,000	1,00,00,000	13.75	10.00
Total				**585.95**	**554.75**
Less : Provision for Impairment of Investments				(25.25)	-
Total				**560.70**	**554.75**

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Quoted		
Cost	464.10	464.10
Market value	740.84	637.42
Unquoted		
Cost	121.85	90.65
Aggregate amount of impairment in the value of investments in Joint Venture	25.25	-

Notes:

a. During the year, the Company acquired 80% stake in Great Cycles (Private) Limited, Srilanka and has become a Subsidiary Company. The Company has purchased 40,00,000 Equity Shares of face value of LKR 10 each of at ₹10 per share amounting to ₹16.98 Cr.

b. During the year, the Company acquired 80% stake in Creative Cycles (Private) Limited, Srilanka and has become a Subsidiary Company. The Company has purchased 40,00,000 Equity Shares of face value of LKR 10 each of at ₹10 per share amounting to ₹6.47 Cr.

c. During the year, the Company subscribed to 40,00,000 Equity Shares of face value of ₹10 each of TI Tsubamex Private Limited (TTPL), a Joint Venture Company at ₹10 per share amounting to ₹4.00 Cr.

d. During the year, the Company subscribed to 37,50,000 Equity Shares of face value of ₹10 each of TI Absolute Concepts Private Limited (TIACPL), a Joint Venture Company at ₹10 per share amounting to ₹3.75 Cr.

Notes to Financial Statements

Note 7b. Other Investments

Particulars	Nominal Value ₹ per unit	Number of shares As at 31-Mar-2018	Number of shares As at 31-Mar-2017	₹ in Crores As at 31-Mar-2018	₹ in Crores As at 31-Mar-2017
Investments at Fair Value Through Other Comprehensive Income (FVTOCI):					
Equity Shares (Fully Paid) - Quoted					
LG Balakrishnan & Bros. Limited	10	5,192	5,192	0.55	0.32
LGB Forge Limited	1	25,960	25,960	0.01	0.02
GIC Housing Finance Limited	10	48,700	48,700	1.81	1.79
Equity Shares (Fully Paid) - Unquoted					
Bombay Mercantile Co-operative Limited (Fair value ₹5,000 only)	10	500	500	-	-
Southern Energy Development Corporation Limited	10	70,000	70,000	6.34	7.65
TI Cycles of India Co-operative Canteen Limited (Fair value - ₹250 only)	5	50	50	-	-
TI Diamond-Miller Co-operative Canteen Limited (Fair value - ₹100 only)	5	20	20	-	-
Cauvery Power Generation Chennai Private Limited	10	24,00,000	24,00,000	2.41	2.41
Total				**11.12**	**12.19**

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Quoted		
Cost	0.24	0.24
Market value	2.37	2.13
Unquoted		
Cost	2.48	2.48

Investments at fair value through OCI reflect investment in quoted and unquoted equity investments. Refer Note 42.1 for determination of their fair value.

Notes to Financial Statements

Note 7c. Other Financial assets ₹ in Crores
(At Amortised Cost)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Electricity and Other Deposits	17.58	15.47
Others	-	2.52
Total	**17.58**	**17.99**

Note 8. Other non-current assets
(Considered Good, Unsecured unless stated otherwise) ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Capital Advances		
- Secured	3.16	8.35
- Unsecured	9.30	8.34
Deposits with Government, Public Bodies and Others		
- Balance with Customs, Excise and Sales Tax Authorities	18.26	11.29
Total	**30.72**	**27.98**

Note 9. Inventories ₹ in Crores
(Lower of Cost and estimated Net Realisable Value)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Raw Materials	203.52	174.76
Work-in-Progress	127.91	82.38
Finished Goods	194.33	238.54
Stock-in-Trade	46.02	45.60
Stores and Spare Parts	7.02	7.51
Goods-in-Transit		
- Raw Materials	20.33	22.04
- Stock-in-Trade	8.10	9.89
Total	**607.23**	**580.72**

During the year ended 31st March 2018, ₹9.61 Cr. was recognised as an expense to bring the inventories to record them that Net Realisable Value. (31st March 2017 - ₹7.04 Cr.)

Note 10a. Loans
(Considered Good, Unsecured unless stated otherwise) ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Loan to employees	1.45	1.37
Total	**1.45**	**1.37**

Loans to employees are Non-Derivative Financial Assets which generate a fixed or variable interest income for the Company.

Notes to Financial Statements

Note 10b. Trade Receivables

(Unsecured) ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	13.47	3.08
Doubtful	6.89	6.12
	20.36	9.20
Provision for Doubtful Receivables	(6.89)	(6.12)
	13.47	**3.08**
Other Receivables		
Considered Good *	563.28	526.14
Doubtful	-	-
	563.28	526.14
Provision for Impairment on Receivables	(1.31)	(1.00)
	561.97	**525.14**
Total Trade Receivables		
Considered Good	576.75	529.22
Doubtful	6.89	6.12
	583.64	**535.34**
Provision for Doubtful / Impairment on Receivables	(8.20)	(7.12)
Total	**575.44**	**528.22**
* Includes dues from Related parties		
Sedis SAS	6.72	5.24
Shanthi Gears Limited	0.03	0.10
TI Tsubamex Private Limited	0.82	0.57
TI Absolute Concepts Private Limited	0.84	0.13
Creative Cycles (Private) Limited	0.23	-

Trade Receivables are non-interest bearing and are generally have Credit period to a maximum of 120 days. For terms and conditions relating to Related Party receivables, refer Note 38.

Reconciliation of Provision / Impairment for Receivables ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Opening Balance as at beginning of the year	**7.12**	**-**
Adjustment pursuant to scheme of arrangement (Note 2)	-	12.13
Created / (Reversed) during the year	1.08	(5.01)
Closing Balance as at end of the year	**8.20**	**7.12**

Notes to Financial Statements

Note 10c. Investments

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Quoted Investments - FVTPL		
Investments in Mutual Funds	-	102.08
Total	**-**	**102.08**

During the year, the Company has invested an aggregate amount of ₹1198.10 Cr. (Previous Year - ₹1799.96 Cr.) in the units of various Cash Management Schemes of Mutual funds, for the purpose of deployment of temporary cash surplus and has Nil (Previous Year - ₹102.08 Cr.) in various schemes of mutual funds. The total consideration received on the sale of units during the year was ₹1302.21 Cr. (Previous Year - ₹1708.57 Cr.)

Note 10d. Cash and Cash Equivalents

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balances with Banks in Current Accounts	18.70	18.69
Cash on hand	0.06	0.07
Other Bank balances		
- Unpaid Dividend Accounts	0.49	-
Cash and Cash Equivalents as per Balance Sheet	**19.25**	**18.76**
Cash Credit facility (Secured)	(88.55)	(9.19)
Balances in Unpaid Dividend Accounts	(0.49)	-
Cash and Cash Equivalents as per Statement of Cash Flows	**(69.79)**	**9.57**

As at 31st March 2018, the Company had undrawn committed borrowing facilities of ₹287.53 Cr. (31st March 2017 - ₹224.03 Cr.).

Pursuant to the Scheme of Arrangement (Refer Note 2), the Cash and Cash Equivalents taken over as at 1st April 2016 is ₹607.54 Cr. For the purpose of Cash Flow Statement under Ind AS, the Bank Overdraft / Cash Credit balances of ₹29.69 Cr. as at 1st April 2016 has been reduced from Cash and Cash equivalents.

Note 10e. Other Financial Assets
(At Amortised Cost)

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Claims Recoverable		
- Goods and Services	4.05	1.62
- Employee Related	0.44	0.18
Other deposits	3.58	4.23
Government Grants	15.48	7.01
Total	**23.55**	**13.04**

Notes to Financial Statements

Note 11. Other Current Assets

(Considered Good, Unsecured unless stated otherwise) ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Advances and Claims Recoverable		
- Goods and Services	17.62	16.55
- Employee Related	0.57	0.54
- Prepaid Expenses	2.78	2.66
- Gratuity Fund (Net of Provision)	0.86	0.09
	21.83	**19.84**
Balances with Customs, Excise, Sales Tax and GST Authorities	43.50	35.42
Total	**65.33**	**55.26**

Note - 12. Equity Share Capital ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Authorised Capital		
25,00,00,000 Equity Shares of ₹1 each (31-Mar-2017: 25,00,00,000 Equity Shares of ₹1 each)	25.00	25.00
Issued, Subscribed and Paid-up Capital		
18,75,36,368 Equity Shares of ₹1 each fully paid up (31-Mar-2017: 18,74,47,871 Equity Shares of ₹1 each fully paid up)	18.75	18.74
Total	**18.75**	**18.74**

Note – Pursuant to the Scheme of Arrangement (Refer Note 2), during the year, the Company issued One fully paid up Equity Share of ₹1 each for every one fully paid up Equity Share held in Demerged Company, accumulating to 18,74,90,591 shares as at the record date i.e 28th August 2017.

a) The Reconciliation of shares capital is given below ₹in Crores

Particulars	As at 31-Mar-2018		As at 31-Mar-2017	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	18,74,47,871	18.74	1,10,000	0.11
Cancellation of existing Equity Share Capital pursuant to Scheme of Arrangement (Note 2)	-	-	(1,10,000)	(0.11)
Equity Shares of ₹1 each to be issued pursuant to Scheme of Arrangement (Note 2)	-	-	18,74,47,871	18.74
Issue of share capital *	88,497	0.01	-	-
At the end of the year	**18,75,36,368**	**18.75**	**18,74,47,871**	**18.74**

*The Breakup of shares issued during the year was as follows:

Particulars (Refer Note 35)	No of Shares
Shares issued upon exercise of Employee Stock Options of the Demerged Company prior to the record date	42,720
Shares issued upon exercise of Employee Stock Options of the Resulting Company	45,777
Total	**88,497**

Notes to Financial Statements

b) Terms / Rights attached to class of shares

The Company has only one class of shares referred to as Equity Shares having a par value of ₹1 each. The holders of Equity Shares are entitled to one vote per share. Dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. Repayment of capital will be in proportion to the number of Equity Shares held by the shareholders.

c) Details of Shareholder(s) holding more than 5 percent of Equity Shares in the Company

Particulars	As at 31-Mar-2018		As at 31-Mar-2017	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Ambadi Investments Limited (Face Value ₹1 each)	7,00,66,595	37.36%	6,40,54,680	34.17%

Pursuant to the Scheme of Amalgamation of Murugappa Holdings Limited and Pressmet Private Limited with Ambadi Investments Private Limited, Murugappa Holdings Limited and Pressmet Private Limited has been merged with Ambadi Investments Limited. Subsequent to this Amalagamation, Ambadi Investments Private Limited has become a public limited company.

d) Status on Global Depository Receipts (GDRs):

Pursuant to the Scheme of Arrangement (Refer Note 2), during the year, the Company issued shares in the ratio of GDRs held by them in the Demerged Company, to a appointed depository. The appointed depository shall hold such shares on behalf of the holders of the Demerged Company GDRs. Consequently, the aggregate number of GDRs deemed to be outstanding as at 31st March 2018 is 42,30,630 (As at 31st March 2017 – 42,30,630) each representing one Equity Share of ₹1 face value. GDR % against total number of shares is 2.26%. The GDRs carry the same terms / rights attached to Equity Shares of the Company.

Note 13. Other Equity

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
General Reserve	334.63	334.63
Securities Premium Reserve	0.10	-
Retained Earnings	735.53	663.17
Other Reserves		
Share Options Outstanding Account	5.43	-
Cash Flow Hedge Reserve	(0.12)	(0.24)
FVTOCI Reserve	6.21	6.85
Capital Reserve	0.11	0.11
Debenture Redemption Reserve	112.50	118.75
Total Other Equity	**1,194.39**	**1,123.27**

a. General Reserve - The general reserves is a free reserve, retained from company's profits to meet future obligations.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the beginning of the year	334.63	-
Adjustment pursuant to Scheme of arrangement (Refer Note 2)	-	334.63
Balance at the end of the year	**334.63**	**334.63**

Notes to Financial Statements

b. **Securities Premium Reserve -** The Securities premium received during the year represents the premium received towards allotment of 45,777 shares. This balance will be utilised in accordance with the provisions of Section 52 of the Companies Act towards issuance of fully paid bonus shares, write-off of preliminary expenses, commission / discount expenses on issue of shares / debentures, premium payable on redemption of redeemable preference shares / debentures and buy back of its own shares / securities under Section 68 of the Companies Act.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Securities Premium		
Balance at the beginning of the year	-	-
Adjustment pursuant to Scheme of arrangement (Refer Note 2)	-	-
Additions during the year	0.10	-
Balance at the end of the year	**0.10**	**-**

c. **Retained Earnings -** The amount that can be distributed by the Company as dividends to its Equity Shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the beginning of the year	**663.17**	**(0.06)**
Adjustment pursuant to Scheme of arrangement (Refer Note 2)	-	406.05
Adjustment pursuant to transition to Ind AS	-	0.23
Profit for the Year	136.46	158.95
Dividend Paid during the year	(60.94)	-
Dividend Distribution tax paid during the year	(10.36)	-
Re-measurement Gain / (Loss) on Defined Benefit Obligations (Net) transferred to Retained Earnings	0.95	(4.08)
Transferred from DRR (Net)	6.25	102.08
Balance at the end of the year	**735.53**	**663.17**

d. **Share Option Outstanding Account -** Under Ind AS 102, fair value of the options granted is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service. Stock options granted but not vested as on the transition date were valued for expired period, calculated from the grant date till date of transition, aggregating to ₹5.43 Cr. and were credited to Share options outstanding account.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the beginning of the year	-	-
Additions during the year	5.43	-
Deductions during the year	-	-
Balance at the end of the year	**5.43**	**-**

e. **Cash Flow Hedge Reserve -** The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the beginning of the year	**(0.24)**	**-**
Adjustment pursuant to Scheme of arrangement (Refer Note 2)	-	(0.87)
Adjustment pursuant to transition to Ind AS	-	0.30
Additions / (Deductions) during the year (Net)	0.12	0.33
Balance at the end of the year	**(0.12)**	**(0.24)**

Notes to Financial Statements

f. **FVTOCI Reserve -** This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through Other Comprehensive Income.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the beginning of the year	6.85	-
Adjustment pursuant to transition to Ind AS	-	4.77
Additions during the year	0.31	(2.00)
Deductions during the year	(0.95)	4.08
Balance at the end of the year	**6.21**	**6.85**

g. **Capital Reserve -** The Share Capital of ₹0.11 Cr. of the Company as at 31st March 2016, has been cancelled pursuant to the Scheme of Arrangement (Refer Note 2) and the same has been credited to the Capital Reserve in 2016-17.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the beginning of the year	**0.11**	**-**
Adjustment pursuant to Scheme of arrangement (Refer Note 2)	-	0.11
Balance at the end of the year	**0.11**	**0.11**

h. **Debenture Redemption Reserve (DRR) -** The Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures outstanding. Accordingly, the Company has created DRR equal to 25% of the outstanding debentures.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the beginning of the year	118.75	-
Adjustment pursuant to Scheme of arrangement (Refer Note 2)	-	220.83
Additions during the year	25.00	72.92
Deductions during the year	(31.25)	(175.00)
Balance at the end of the year	**112.50**	**118.75**

Note 14. Long term Borrowings

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Secured, Listed and Rated Non-Convertible Debentures (NCD)		
7.56% Privately Placed NCD	100.00	-
7.55% Privately Placed NCD	100.00	100.00
8.79% Privately Placed NCD	-	150.00
8.90% Privately Placed NCD	-	100.00
Total	**200.00**	**350.00**

Notes to Financial Statements

Repayment Schedule:

Secured, Listed and Rated Non-Convertible Debentures (NCD)

Coupon Rate	Effective Interest Rate	Oustanding Amount in ₹ Cr.	Maturity date and Redemption particulars
7.56%	7.55%	100	28-Dec-20
7.55%	7.55%	100	20-Feb-20
* 8.79%	8.78%	150	26-Oct-18
* 8.90%	8.89%	100	25-Sep-18

* Classified as "Other Financial Liabilities" (Refer Note 16d)

Nature of Security - All NCDs are secured by a pari passu first charge on certain immovable properties of the Company (Refer note 5c)

Note 15. Deferred Tax Assets and Liabilities

₹ in Crores

Particulars	Balance Sheet		Statement of Profit and Loss	
Nature - (Liability) / Asset	**31-Mar-18**	**31-Mar-17**	**31-Mar-18**	**31-Mar-17**
Deferred Tax Liabilities				
Difference between depreciation as per books of accounts and the Income Tax Act, 1961	(59.71)	(64.38)	(4.67)	(0.36)
Total (A)	**(59.71)**	**(64.38)**	**(4.67)**	**(0.36)**
Deferred Tax Assets				
Provision for Doubtful Trade Receivables	2.86	2.46	(0.40)	1.73
Provision for Employee Benefits	3.63	4.80	1.17	1.90
On expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	20.67	14.55	(6.12)	(2.02)
Effect of Cash flow hedge and fair value of equity investments through Other Comprehensive Income	(2.14)	(2.50)	(0.36)	0.19
MAT Credit Entitlement	6.25	18.80	12.55	3.74
Others	0.23	-	(0.23)	(0.01)
Total (B)	**31.50**	**38.11**	**6.61**	**5.53**
Deferred Tax Expenses / (Income) (A+B)			**1.94**	**5.17**
Net Deferred Tax (Liabilities) / Assets (A+B)	**(28.21)**	**(26.27)**		

Reconciliation of Deferred Tax Liabilities(Net)

₹ in Crores

Particulars	31-Mar-17	31-Mar-17
Opening balance	**(26.27)**	**-**
Adjustment pursuant to Scheme of Arrangement (Refer Note 2)	-	(19.41)
Adjustment pursuant to transition to Ind AS	-	(1.69)
Tax Income / (Expense) during the period recognised in Profit and Loss	10.25	(1.24)
MAT Credit Utilised	(12.55)	(3.74)
Tax Income / (Expense) during the period recognised in OCI	0.36	(0.19)
Closing balance	**(28.21)**	**(26.27)**

Notes to Financial Statements

Note 16a. Short Term Borrowings

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Secured Borrowings (Secured by pari passu first charge on Inventories and Trade Receivables)		
From Banks		
Packing Credit Rupee Loans	148.92	142.62
Cash Credit	88.55	9.19
	237.47	**151.81**
Unsecured Borrowings		
Commercial Papers	-	149.16
	-	**149.16**
Total	**237.47**	**300.97**

Note - Short term Borrowings have a maturity of up to 6 months with an interest rate range of 7%-10%

During the current year, the company has borrowed fresh short term loans amounting to ₹1350.00 Cr. and repaid loans to the tune of ₹1492.86 Cr. relating to Packing Credit, Commercial Paper and other Short Term Working Capital Loans.

Note 16b. Trade Payables

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Trade Payables		
- Dues to Micro, Small and Medium Enterprises (See Note below)	0.40	1.36
- Others *	876.40	715.64
Total	**876.80**	**717.00**
* Includes Dues to		
Key Managerial Personnel	2.29	1.12
Related Parties		
- Sedis SAS	0.02	-
- Parry Enterprises India Limited	0.16	0.13
- Shanthi Gears Ltd	0.04	-

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Principal amount due to suppliers under MSMED Act	0.37	1.34
Interest accrued and due to suppliers under MSMED Act, on the above amount	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	6.90	6.66
Interest paid to suppliers under MSMED Act (Section 16)	0.02	0.01
Interest due and payable to suppliers under MSMED Act, for payments already made	0.03	0.02
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	0.03	0.02

Trade payables are non-interest bearing and are normally settled within a period of 90 to 180 days. For terms and conditions relating to Related Party receivables, Refer Note 38

Notes to Financial Statements

Note 16c. Derivative Instruments

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Derivative Instruments at FVTOCI (Refer Note 41)		
Cash Flow Hedges - Foreign Exchange Forward Contracts	0.31	0.15
Total	**0.31**	**0.15**

Note 16d. Other Financial Liabilities

(At Amortised Cost)

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Current Maturities of Long Term Borrowings		
Secured, Listed and Rated Non-Convertible Debentures (NCD)		
- 8.79% Privately Placed NCD *	150.00	-
- 8.90% Privately Placed NCD *	100.00	-
- 9.81% Privately Placed NCD	-	75.00
- 9.99% Privately Placed NCD	-	49.99
Payable to TIFHL (Demerged Company)	-	55.00
Interest Accrued But Not Due	13.69	17.38
Unpaid dividends	0.49	-
Advances and Deposits from Customers / Others	8.69	9.31
Dues to Directors	1.35	-
Other Liabilities		
- Recoveries from Employees	3.54	3.24
- Capital Creditors	18.00	15.08
- Others	0.47	2.27
Total	**296.23**	**227.27**

* Refer Note 14 for Nature of Securities and Repayment Particulars

Note 17. Short Term Provisions

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Provision for Compensated Absences (Refer Note a below)	18.85	16.86
Provision for Warranties (Refer Note b below)	1.57	1.62
Provision for Contingency / Others (Refer Note c below)	38.57	31.24
Total	**58.99**	**49.72**

(a) Provision for Compensated Absences

This refers to the Company's liability for accumulated Earned Leave and Sick Leave, which can be encashed at the time of resignation/retirement of employee. The assumptions used to compute the provision are provided in Note 36c.

(b) Provision for Warranties

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
At the Beginning of the Year	**1.62**	**-**
Adjustment pursuant to Scheme of Arrangement (Refer Note 2)	-	1.64
Created during the Year	1.11	1.36
Utilized during the Year	(1.16)	(1.38)
At the end of the Year	**1.57**	**1.62**

Notes to Financial Statements

A provision is recognised for expected warranty claims on products sold during the last one year (2 years in respect of certain components), based on past experience of the level of returns. It is expected that most of these costs will be incurred within one year after the reporting date. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the applicable warranty period for all products sold.

(c) Provision for Contingencies / Others ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
At the beginning of the Year	**31.24**	**-**
Adjustment pursuant to scheme of arrangement (Refer Note 2)	-	23.02
Created / (Utilised) during the year	7.33	8.22
At the end of the year	**38.57**	**31.24**

The above Provision represents expected future outflows relating to various tax related matters, timing of which cannot be ascertained. The assumptions used to calculate the provisions are based on past experience of similar matters and professional consultations.

Note 18. Other Current Liabilities ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Statutory Liabilities	10.49	14.20
Advances from Customers	10.81	7.36
Total	**21.30**	**21.56**

Note 19a. Financial Assets ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Financial Assets - Non Current		
At Fair Value		
Investments at FVTOCI	11.12	12.19
At Amortised Cost		
Other Financial Assets	17.58	17.99
Total Non Current Financial Assets (A)	**28.70**	**30.18**
Financial Assets - Current		
At Fair Value		
Investments at FVTPL	-	102.08
At Amortised Cost		
(a) Loans	1.45	1.37
(b) Trade Receivables	575.44	528.22
(c) Cash and Cash Equivalents	19.25	18.76
(d) Other Financial Assets	23.55	13.04
Total Current Financial Assets (B)	**619.69**	**663.47**
Total Financial Assets (A + B)	**648.39**	**693.65**

Notes to Financial Statements

Note 19b. Financial Liabilities

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Financial Liabilities - Non Current		
At Amortised Cost		
Borrowings	200.00	350.00
Total Non Current Financial Liabilities (A)	**200.00**	**350.00**
Financial Liabilities - Current		
At Fair Value		
Derivative Instruments	0.31	0.15
At Amortised Cost		
(a) Short Term Borrowings	237.47	300.97
(b) Trade Payables	876.80	717.00
(c) Other Financial Liabilities	296.23	227.27
Total Current Financial Liabilities (B)	**1410.81**	**1245.39**
Total Financial Liabilities (A + B)	**1610.81**	**1595.39**

Note 19c. Government Grants

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the Beginning of the Year	1.38	-
Received during the Year	4.41	6.65
Released to the Statement of Profit and Loss	(4.71)	(5.27)
Balance at the End of the Year	**1.08**	**1.38**
Current	1.08	1.38
Non current	-	-
	1.08	**1.38**

Government Grants are Interest Subvention given by RBI on Packing Credit Rupee Export Loan towards Exports of Certain Products.

Note 19d. Proposed Dividend

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Proposed Dividends on Equity Shares:		
Dividend for FY 2017-18- ₹0.50 per share (Dividend for FY 2016-17 - ₹2 per share)	9.38	37.49
Dividend Distribution Tax (DDT) on Proposed Dividend	1.93	7.63
	11.31	**45.12**

Proposed Dividend on Equity Shares are subject to approval at the Annual General Meeting and are not recognised as a Liability (including DDT thereon) as at 31st March.

Notes to Financial Statements

Note 19e. Information on Subsidiaries and Joint Ventures as per Ind AS 27

Company	Relationship	Country of Incorporation	Proportion of ownership as at 31-Mar-2018
Financiere C10 SAS (FC 10)	Subsidiary	France	100.00%
Subsidiaries of FC 10			
- Sedis SAS		France	
- Sedis GmbH		Germany	
- Sedis Co. Ltd		United Kingdom	
Shanthi Gears Limited (SGL)	Subsidiary	India	70.12%
TI Tsubamex Private Limited (TTPL)	Joint Venture	India	78.33%
TI Absolute Concepts Private Limited (TIACPL)	Joint Venture	India	50.00%
Great Cycles (Private) Limited	Subsidiary	Srilanka	80.00%
Creative Cycles (Private) Limited	Subsidiary	Srilanka	80.00%

Note 20. Revenue from Operations

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Sale of Products		
Finished Goods	4,213.00	4,065.44
Traded Goods	196.98	142.33
Sale of Products (A)	**4,409.98**	**4,207.77**
Other Operating Revenue		
Scrap Sales	233.00	185.15
Service Income from Subsidiaries	7.59	6.30
Conversion Income	0.08	0.27
Government Grant including Export Benefits	26.49	11.96
Others	4.45	4.44
Other Operating Revenue (B)	**271.61**	**208.12**
Total (A+B)	**4,681.59**	**4,415.89**

Sale of Products includes Excise Duty collected from customers of ₹74.57 Cr. (Previous year - ₹282.63 Cr.).

Sale of Products net of Excise Duty is ₹4,335.41 Cr. (Previous year - ₹3,925.14 Cr.)

Sale of Scrap includes Excise Duty collected from customers of ₹8.81 Cr. (Previous year - ₹24.69 Cr.).

Sale of Scrap net of Excise Duty is ₹224.19 Cr. (Previous year - ₹160.46 Cr.)

Revenue from operations for periods up to 30th June 2017 includes excise duty. From 1st July 2017 onwards the excise duty and most indirect taxes in India have been replaced by Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from Operations. In view of the aforesaid change in indirect taxes, Revenue from Operations year ended 31st March 2018 is not comparable to 31st March 2017.

Notes to Financial Statements

Note 21. Other Income

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Dividend income from Investments in Subsidiary carried at Cost	10.03	-
Dividend Income from Investments at FVTOCI	1.35	0.52
Rental Income	0.60	0.65
Royalty Income	0.23	0.24
Gain on Exchange Fluctuation (Net)	5.59	2.85
Profit on Property, Plant and Equipment sold/discarded (Net)	-	1.08
Profit on Sale of Investments at FVTPL	2.03	10.61
Fair value gain on Financial Assets at FVTPL	-	0.08
Liabilities no longer payable written back	1.47	0.32
Claims recovered	6.24	8.57
Bad debts recovery	-	0.15
Interest Income from Financial Assets		
Fixed Deposits with Banks	0.20	1.56
Others	0.30	2.61
Provision no longer required written back	-	0.90
Others	-	0.92
Total	**28.04**	**31.06**

Note 22. Cost of Material Consumed

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Opening Raw Materials	**196.80**	**-**
Adjustment pursuant to Scheme of Arrangement (Refer Note 2)	-	183.32
Purchases	2,725.37	2,487.32
Closing Raw Materials	**(223.85)**	**(196.80)**
	2,698.32	**2,473.84**

Note 23. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Closing stock		
Work-in-Progress	127.91	82.38
Finished Goods	194.33	238.54
Stock-in-Trade	54.12	55.49
	376.36	**376.41**
Opening stock		
Work-in-Progress	82.38	-
Finished Goods	238.54	-
Stock-in-Trade	55.49	-
	376.41	**-**

Notes to Financial Statements

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Adjustment pursuant to Scheme of Arrangement (Refer Note 2)		
Work-in-Progress	-	75.25
Finished Goods	-	156.83
Stock-in-Trade	-	36.39
	-	**268.47**
Changes in Inventories		
Work-in-Progress	(45.53)	(7.13)
Finished Goods	44.21	(81.71)
Stock-in-Trade	1.37	(19.10)
Changes in inventories of Work-In-Progress, Finished Goods and Stock-in-Trade *	**0.05**	**(107.94)**
* Includes Decrease / (Increase) in Excise Duty on Finished Goods	2.79	(0.50)

Note 24. Employee Benefit Expense

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Salaries, Wages and Bonus (Refer Note 35)	355.22	329.73
Gratuity Expenses (Refer Note 36a)	3.14	3.54
Contribution to Provident and Other Funds	19.89	17.78
Staff Welfare Expenses	54.66	47.58
Total	**432.91**	**398.63**

Note 25.Depreciation and Amortization Expense

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Depreciation on Property, Plant and Equipment (Refer Note 5)	128.22	121.17
Depreciation on Investment Properties (Refer Note 6)	0.08	0.08
Total	**128.30**	**121.25**

Note 26. Finance Costs

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Interest Expense on Borrowings	56.31	71.75
Exchange Differences on Foreign Currency Loans	-	0.18
Other Borrowing Costs	0.07	0.12
Total	**56.38**	**72.05**

Note – The Interest Expense on Borrowings includes the interest subvention received, amounting to ₹4.71 Cr. (Previous year - ₹5.27 Cr.) on Packing Credit loans

Notes to Financial Statements

Note 27. Other Expense

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Consumption of Stores and Spares	208.42	200.89
Conversion Charges	111.85	91.43
Power and Fuel *	164.76	147.36
Rent (Net of Recoveries)	18.30	21.37
Repairs and Maintenance - Building	0.39	0.85
Repairs and Maintenance - Machinery	78.44	86.47
Insurance	4.14	3.16
Rates and Taxes	5.60	19.62
Travelling and Conveyance	23.96	23.35
Printing, Stationery and Communication	5.70	6.12
Freight, Delivery and Shipping Charges	203.17	140.38
Discounts / Incentives on Sales	9.21	9.97
Advertisement and Publicity	37.75	29.27
Allowance for Doubtful debts and advances (Net)	1.08	-
Loss on Tangible Assets Sold / Discarded (Net)	3.12	-
Auditor's Remuneration (Refer Note a below)	0.67	0.52
Commission to Non Whole Time Directors (Refer Note b below)	1.50	1.62
Directors' Sitting Fees	0.10	-
Bank Charges	2.20	2.22
Information Technology Expenses	9.51	8.18
Donations to Charitable and other institutions	0.47	-
Expenditure on Corporate Social Responsibility (Refer Note c below)	1.35	-
Other Expenses	61.11	54.05
Total	**952.80**	**846.83**
* Includes Stores Consumed	58.46	47.64

(a) Auditor's Remuneration

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
As Auditor:		
Audit Fee	0.43	0.38
Tax Audit Fee	0.04	0.04
Audit of Consolidated Financial Statements	0.04	0.04
In other capacity:		
Certification Engagements	0.06	0.06
Others	0.10	-
Total	**0.67**	**0.52**

Notes to Financial Statements

(b) Commission and Sitting Fees to Non Whole Time Directors

Pursuant to the Scheme of Arrangement (Refer Note 2), in the previous year, the Commission and sitting fees aggregating to ₹1.62 Cr. has been transferred from the Demerged Company.

(c) Corporate Social Responsibility:

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Gross amount required to be spent by the Company during the year	1.26	-
Amount spent during the year:		
(i) Education	1.35	-
Total	**1.35**	-

Note 28. Exceptional Items

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Provision for Impairment of Investment in Joint Ventures	25.25	-
	25.25	**-**

During the current year, considering the market factors, changes in future project potential and accumulated losses, the company has recognised an impairment loss of ₹25.25 Crores in the Statement of Profit and Loss (Previous Year – Nil), in respect of investment made in Joint Ventures, carried at cost.

Note 29. Income Tax Expense

The major components of income tax expense for the years ended 31st March 2018 and 31st March 2017 are:

Statement of Profit and Loss

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Current Tax:		
Current income tax charge	74.16	58.25
Adjustments in respect of current income tax of previous years	(7.68)	(16.94)
Deferred Tax:		
Relating to the origination and reversal of temporary differences	(10.25)	1.24
Income Tax expense reported in the Statement of Profit and Loss	**56.23**	**42.55**

Other Comprehensive Income(OCI)

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Tax effect on		
(Loss) / Gain on FVTOCI Equity Investments	(0.43)	0.01
Re-measurement Gain / (Loss) on Defined Benefit Obligations	0.51	(1.43)
Movement on cash flow hedges	0.07	0.18
Income Tax charged to OCI	**0.15**	**(1.24)**

Notes to Financial Statements

Reconciliation of Tax Expense and the Accounting Profit multiplied by Corporate Income Tax Rate applicable for 31st March 2017 and 31st March 2018

The tax on the Company's Profit Before Tax differs from the theoretical amount that would arise on using the standard rate of corporation tax in India (34.608%) as follows:

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Accounting Profit before Income Tax	**192.69**	**201.50**
Profit before Income Tax multiplied by Standard Rate of Corporate Tax in India of 34.608% (Previous year: 34.608%)	66.69	69.74
Effects of:		
Benefit u/s 35(2AB) of Income Tax Act, 1961	(6.79)	(6.30)
Dividend Income - Exempt from tax	(3.94)	(0.18)
Benefit u/s 80IC of Income Tax Act, 1961	(1.97)	(1.73)
Capital Allowance u/s 32AC of Income Tax Act, 1961	-	(5.78)
Other Disallowances	0.85	3.74
Reversal of provision with respect to prior years	(7.68)	(16.94)
Provision for Impairment of Investments	8.74	-
Effect of enacted Tax rate on Deferred tax	0.33	-
Net Effective Income Tax	**56.23**	**42.55**

From 1st April 2018, there is an increase in effective income tax rate from 34.608% to 34.944%. As a result, Deferred tax balances have been re-measured accordingly using the future rate.

Note 30. Research and Development expenses

Revenue Expenditure* ₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Employee Benefits Expense	9.53	9.97
Consumption of Stores and Spares	2.08	2.34
Power and Fuel	0.26	0.30
Repairs to Machinery	0.84	0.63
Other Expenses	8.82	4.93
	21.53	**18.17**

Capital Expenditure ₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Building	0.03	-
Plant and Machinery	5.63	0.28
Office Equipment	0.36	0.25
Furniture and Fixtures	0.06	0.01
	6.08	**0.54**

* Recognized in Employee Benefit Expenses and Other Expenses respectively.

Notes to Financial Statements

Note 31. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in Equity is shown below:

During the year ended 31-Mar-2018 ₹ in Crores

	Cash flow hedge reserve	FVTOCI reserve	Retained Earnings	Total
Foreign Exchange Forward Contracts	0.12	-	-	0.12
Loss on FVTOCI Financial Assets	-	(0.64)	-	(0.64)
Re-measurement gains on Defined Benefit Plans	-	-	0.95	0.95
Total	**0.12**	**(0.64)**	**0.95**	**0.43**

During the year ended 31-Mar-2017 ₹ in Crores

	Cash flow hedge reserve	FVTOCI reserve	Retained Earnings	Total
Foreign Exchange Forward Contracts	0.33	-	-	0.33
Gain on FVTOCI Financial Assets	-	0.70	-	0.70
Re-measurement losses on Defined Benefit Plans	-	-	(2.70)	(2.70)
	0.33	**0.70**	**(2.70)**	**(1.67)**

Note 32. Earnings Per Share

The following reflects the Profit and Share data used in the basic and diluted EPS computations:

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Profit After Tax (₹ in Crores)	136.46	158.95
Weighted average number of Shares		
- Basic	18,74,91,054	18,74,47,871
- Diluted	18,76,29,895	18,74,47,871
Earning Per Share of ₹1 each		
- Basic	7.28	8.48
- Diluted	7.27	8.48
Weighted average number of Equity Shares in calculating Basic Earnings Per Share	18,74,91,054	18,74,47,871
Dilution - Stock Options granted under ESOP (Refer Note 35)	1,38,841	-
Weighted average number of Equity Shares in calculating Diluted EPS	18,76,29,895	18,74,47,871

Note 33. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's Standalone Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a. **Judgements**

In the process of applying the Company's accounting policies, management has not made any judgements, which have significant effect on the amounts recognised in the Standalone Financial Statements.

Notes to Financial Statements

b. Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Standalone Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

ii. Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

iii. Employee Benefits

The cost of the defined benefit gratuity plan and other post-employment leave encashment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about defined benefit obligations are given in Note 36.

iv. Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, Credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 42 for further disclosures.

Note 34. Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was notified on 28th March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the

Notes to Financial Statements

consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1st April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

Amendments to Ind AS 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening Equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of Equity, as appropriate), without allocating the change between opening retained earnings and other components of Equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1st April 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

Transfers of Investment Property - Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1st April 2018. The Company will apply amendments when they become effective. However, since Company's current practice is in line with the clarifications issued, the Company does not expect any effect on its Standalone Financial Statements.

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Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.
- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1st April 2018. These amendments are not applicable to the Company.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognizes a non-monetary asset or non-monetary liability relating to advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- The beginning of the reporting period in which the entity first applies the Appendix, or
- The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1st April 2018. A reliable estimate of the quantitative impact of Ind AS 21 on the financial statements will only be possible once the implementation project has been completed.

Note 35. Stock Options pursuant to Scheme of Arrangement (Refer Note 2)

Pursuant to the Scheme of Arrangement (Refer Note 2), during the year, 3,63,763 stock options were granted to eligible employees at the rate of one stock option of the Company for every stock option held and outstanding in the Demerged Company on the date of the Nomination and Remuneration Committee Resolution dated 21st November 2017.

Further, during the year, the Nomination and Remuneration Committee of the Board of Directors of the Company, at its meeting held on 12th February 2018, approved the grant of 10,86,480 Stock Options and 2,62,200 Stock Options to eligible employees of the Company.

In this regard, the Company has recognised expense amounting to ₹5.29 Cr for employees services received during the year, shown under Salaries, Wages and Bonus (Refer Note 24).

Notes to Financial Statements

The movement in Stock Options are given below:

Particulars	Date of Grant	Options Outstanding as at 01-Apr-2017	During the Year 2017-18			Options Outstanding as at 31-Mar-2018	Options vested but not exercised as at 31-Mar-2018
			Options Granted	Options Cancelled / lapsed	Options Exercised and allotted		
Grant 1	21-Nov-17	-	51,516	-	4,672	46,844	46,844
Grant 2	21-Nov-17	-	34,241	-	34,241	-	-
Grant 3	21-Nov-17	-	21,280	-	4,864	16,416	16,416
Grant 4	21-Nov-17	-	15,112	-	-	15,112	15,112
Grant 5	21-Nov-17	-	9,344	-	2,000	7,344	7,344
Grant 6	21-Nov-17	-	2,32,270	9,660	-	2,22,610	2,22,610
Grant 7	12-Feb-18	-	10,86,480	-	-	10,86,480	-
Grant 8	12-Feb-18	-	2,62,200	-	-	2,62,200	-
Total		**-**	**17,12,443**	**9,660**	**45,777**	**16,57,006**	**3,08,326**

The details of Stock Options granted to certain employees are given below:

Particulars	Date of Grant	Weighted Average Exercise Price (₹)	Options Granted	Options Cancelled / lapsed	Options Exercised and allotted	Options vested and Outstanding at the End of the Year	Options unvested and Outstanding at the End of the Year	Vested Date	Weighted Average Remaining Contractual Life (In Years)
Grant 1	21-Nov-17	44.36	51,516	-	4,672	46,844	-	21-Nov-17	2.72
Grant 2	21-Nov-17	17.61	34,241	-	34,241	-	-	21-Nov-17	-
Grant 3	21-Nov-17	43.42	21,280	-	4,864	16,416	-	21-Nov-17	1.96
Grant 4	21-Nov-17	43.42	15,112	-	-	15,112	-	21-Nov-17	1.33
Grant 5	21-Nov-17	13.78	9,344	-	2,000	7,344	-	21-Nov-17	0.33
Grant 6	21-Nov-17	187.29	2,32,270	9,660	-	2,22,610	-	15-Mar-18	4.96
Grant 7	12-Feb-18	270.20	10,86,480	-	-	-	10,86,480	-	5.87
Grant 8	12-Feb-18	270.20	2,62,200	-	-	-	2,62,200	-	6.88
			17,12,443	**9,660**	**45,777**	**3,08,326**	**13,48,680**		

The following tables list the inputs to the Black Scholes model used for the plans for the year ended 31st March 2018:

Particulars	Vesting Date	Risk-free Interest Rate	Expected Life	Expected Volatility of Share Price	Dividend Yield	Price of the Underlying Share in the market at the time of Option grant	Fair Value of the Option
		% (p.a)	(Years)	(%)	(%)	(₹.)	(₹.)
Grant 1	21-Nov-17	8.23	4.64	43.70	1.86	44.36	21.30
Grant 2	21-Nov-17	8.23	2.18	33.90	1.86	17.61	6.51
Grant 3	21-Nov-17	8.22	3.93	42.84	1.86	43.42	21.93
Grant 4	21-Nov-17	8.23	2.88	39.83	1.86	43.42	20.71
Grant 5	21-Nov-17	6.58	2.04	28.69	1.86	13.78	5.18
Grant 6	21-Nov-17	6.75	3.50	31.49	0.25	187.29	60.27
Grant 7	12-Feb-18	7.33	4.63	38.19	0.00	270.20	117.98
Grant 8	12-Feb-18	7.41	5.21	38.19	0.00	270.20	125.66

Notes to Financial Statements

Note 36. Employee Benefits Obligation

Defined Benefit Plan

a. Gratuity

Under the Gratuity plan operated by the Company, every employee who has completed at least five years of service gets a Gratuity on departure at 15 days on last drawn salary for each completed year of service as per Payment of Gratuity Act, 1972. The scheme is funded with an Insurance Company in the form of qualifying insurance policy. The following table summarizes the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet.

₹ in Crores

	Particulars	31-Mar-2018	31-Mar-2017
A.	**Change in defined benefit obligation**		
1.	Defined benefit obligation at beginning of period	51.32	-
	Defined benefit obligation transferred pursuant to scheme of arrangement (Note 2)	-	42.25
2.	Service cost		
	a. Current service cost	3.15	3.99
3.	Interest expenses	3.72	3.30
4.	Cash flows		
	a. Benefit payments from plan	(3.55)	(1.91)
5.	Remeasurements		
	a. Effect of changes in financial assumptions	(3.21)	2.88
	b. Effect of experience adjustments	1.75	0.81
6.	Defined benefit obligation at end of period	53.18	51.32

₹ in Crores

B.	**Change in fair value of plan assets**	**31-Mar-2018**	**31-Mar-2017**
1.	Fair value of plan assets at beginning of period	51.41	-
	Fair value of plan assets transferred pursuant to scheme of arrangement (Note 2)	-	42.41
2.	Interest income	3.72	3.75
3.	Cash flows		
	a. Total employer contributions	1.64	7.60
	b. Benefit payments from plan assets	(2.73)	(1.91)
4.	Remeasurements		
	a. Return on plan assets (excluding interest income)	-	(0.44)
5.	Fair value of plan assets at end of period	54.04	51.41

₹ in Crores

C.	**Amounts recognized in the Balance Sheet**	**31-Mar-2018**	**31-Mar-2017**
1.	Defined benefit obligation	53.18	51.32
2.	Fair value of plan assets	(54.04)	(51.41)
3.	Funded status	(0.86)	(0.09)
4.	Net defined benefit liability (asset)	(0.86)	(0.09)

Notes to Financial Statements

₹ in Crores

D.	Components of defined benefit cost	31-Mar-2018	31-Mar-2017
1.	Service cost		
	a. Current service cost	3.15	3.99
2.	Net interest cost		
	a. Interest expense on DBO	3.72	3.30
	b. Less - Interest (income) on plan assets	3.73	3.75
	c. Total net interest cost	(0.01)	(0.45)
3.	Remeasurements (recognized in OCI)		
	a. Effect of changes in financial assumptions	(3.21)	2.88
	b. Effect of experience adjustments	1.75	0.81
	c. Less - (Return) on plan assets (excluding interest income)	-	(0.44)
	d. Total remeasurements included in OCI	(1.46)	4.13
4.	Total defined benefit cost recognized in P&L and OCI	1.68	7.67

₹ in Crores

E.	Re-measurement	31-Mar-2018	31-Mar-2017
	a. Actuarial Loss / (Gain) on DBO	(1.46)	3.69
	b. Less - Returns above Interest Income	-	(0.44)
	Total Re-measurements (OCI)	(1.46)	4.13

₹ in Crores

F.	Employer Expense (P&L)	31-Mar-2018	31-Mar-2017
	a. Current Service Cost	3.15	3.99
	b. Interest Cost on net DBO	(0.01)	(0.45)
	c. Total P&L Expenses	3.14	3.54

₹ in Crores

G.	Net defined benefit liability (asset) reconciliation	31-Mar-2018	31-Mar-2017
1.	Net defined benefit asset	(0.09)	(0.16)
2.	Defined benefit cost included in P&L	3.14	3.54
3.	Total remeasurements included in OCI	(1.46)	4.13
4.	Employer contributions	(1.64)	(7.60)
5.	Net benefit paid from plan assets	(0.81)	-
6.	Net defined benefit liability (asset) as of end of period	(0.86)	(0.09)

₹ in Crores

H.	Reconciliation of OCI (Re-measurment)	31-Mar-2018	31-Mar-2017
1.	Recognised in OCI during the period	(1.46)	4.13
2.	Recognised in OCI at the end of the period	(1.46)	4.13

Notes to Financial Statements

₹ in Crores

I.	Sensitivity analysis - DBO end of Period	31-Mar-2018	31-Mar-2017
1.	Discount rate +1%	49.29	47.52
2.	Discount rate - 1%	57.56	55.63
3.	Salary Increase Rate +1%	57.47	55.33
4.	Salary Increase Rate -1%	49.28	47.71
5.	Attrition Rate +1%	53.94	51.98
6.	Attrition Rate -1%	52.32	50.59

₹ in Crores

J.	Significant actuarial assumptions	31-Mar-2018	31-Mar-2017
1.	Discount rate Current Year	8.00%	7.25%
2.	Discount rate Previous Year	7.25%	8.00%
3.	Salary increase rate	Uniform 5.0%	Uniform 5.0%
4.	Attrition Rate	3.0% [AGE 0TO30] 1.0% [AGE 31TO40] 2.0% [AGE DEFAULT]	3.0% [AGE 0TO30] 1.0% [AGE 31TO40] 2.0% [AGE DEFAULT]
5.	Retirement Age	58	58
6.	Pre-retirement mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
7.	Disability	Nil	Nil

K.	Data	31-Mar-2018	31-Mar-2017
1.	No.	3,368	3,474
2.	Avg. Age (years)	39	39
3.	Avg. Past Service (years)	14	12
4.	Avg. Sal. Monthly (₹)	23,286	21,131
5.	Future Service (years)	19	19
6.	Weighted average duration of DBO	15	15

₹ in Crores

L.	Expected cash flows for following year	31-Mar-2018	31-Mar-2017
1.	Expected employer contributions / Additional. Provision Next Year	2.14	4.45
2.	Expected total benefit payments		
	Year 1	4.76	4.19
	Year 2 to Year 5	20.24	14.90
	Next 5 years	29.48	21.34

₹ in Crores

M.	Defined benefit obligation at end of period	31-Mar-2018	31-Mar-2017
	Current Obligation	4.76	4.19
	Non-Current Obligation	48.42	47.13
	Total	53.18	51.32

Notes to Financial Statements

SUMMARY ₹ in Crores

	Assets / Liabilities	31-Mar-2018	31-Mar-2017
1.	Defined benefit obligation at end of period	53.18	51.32
2.	Fair value of plan assets at end of period	54.04	51.41
3.	Net defined benefit liability (asset)	(0.86)	(0.09)
4.	Defined benefit cost included in P&L	3.14	3.54
5.	Total remeasurements included in OCI	(1.46)	4.13
6.	Total defined benefit cost recognized in P&L and OCI	1.68	7.67

Notes:

i. The entire Plan Assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC).

ii. The expected/actual return on Plan Assets is as furnished by LIC.

iii. The estimate of future salary increase takes into account inflation, likely increments, promotions and other relevant factors.

b. Provident Fund

The Company's Provident Fund is exempted under Section 17 of the The Employees' Provident Funds and Miscellaneous Provisions Act, 1952. Conditions for the grant of exemption stipulate that the employer shall make good the deficiency, if any, in the interest rate declared by the Trust over the statutory limit. The Actuary has provided a valuation for Provident Fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided below and the Company does not have additional obligation as at 31st March 2018.

The details of fund and plan assets are given below: ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Fair value of plan assets at end of period	140.58	137.44
Defined benefit obligation at end of period	136.56	109.63

The principal assumptions used in determining the present value obligation of interest guarantee under the deterministic approach are as follows:

Assumptions	31-Mar-2018	31-Mar-2017
Discount Rate	8.00%	7.25%
Weighted Average Duration of DBO in years	15	15
Expected Investment Return	7.25%	8.67%
Average Interest Rate expected to be declared	8.55%	8.62%

During the year, the Company contributed ₹6.95 Cr. (Previous year - ₹5.88 Cr.) under Defined Benefit Plans and the same has been recognised in the Statement of Profit and Loss under Employee Benefits Expense.

c. Long Term Compensated Absences ₹ in Crores

The assumption used for computing the long term accumulated compensated absences on actuarial basis are as follows:

Assumptions	31-Mar-2018	31-Mar-2017
Discount Rate	8.00%	7.25%
Future Salary Increase (%)	5.00%	5.00%
Attrition Rate	1 to 3%	1 to 3%

Notes to Financial Statements

d) Contributions to Defined Contribution Plans

During the year, the Company recognised ₹5.19 Cr. (Previous Year - ₹5.52 Cr.) to Provident Fund under Defined Contribution Plan, ₹6.34 Cr. (Previous Year - ₹5.22 Cr.) for Contributions to Superannuation Fund and ₹1.47 Cr. (Previous Year - ₹1.10 Cr.) for Contributions to Employee State Insurance Scheme in the Statement of Profit and Loss.

Note 37. Commitment and Contingencies

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
I. Contingent Liabilities		
a) Disputed Income-Tax demands under appeal / remand pending before various appellate/ assessing authorities against the Demerged Company (Refer Note d below).	39.40	39.36
b) Disputed Service Tax, Excise and Customs duty demand amounting to ₹0.11 Cr. (Previous Year - ₹0.11 Cr.) pertaining to financial years 2001-02 to 2002-03 under appeal pending before the Appellate Tribunal. The Management is of the opinion that the above demands are arbitrary and are not sustainable	0.11	0.11
c) Claims against the Company not acknowledged as debts	1.02	0.83
II. Commitments		
a) Estimated amount of contracts remaining to be executed on capital expenditure and not provided for	58.69	77.44
b) Export obligation under EPCG / Advance License Scheme to be fulfilled. The Company is confident of meeting its obligations under the Schemes within the Stipulated Period.	7.95	10.22

a. Draft Assessment Orders received from Income Tax Authorities and Show Cause Notices received from various other Government Authorities, pending adjudication, have not been considered as Contingent Liabilities.

b. The uncertainties and possible reimbursement in respect of the above mentioned contingent liabilities are dependent on the outcome of various legal proceedings and therefore, cannot be predicted accurately.

c. The Company considers the Cash flow in each of the cases to be uncertain and hence considered as Contingent liabilities.

d. As per the Scheme of Arrangement (Refer Note 2), all taxes, duties, cess payable by the Demerged Company relating to the Manufacturing Business Undertaking including all advance tax payments, tax deducted at source or any refunds / credit / claims relating thereto shall, for all purposes, be treated as advance tax payments, tax deducted at source or refunds / credit / claims, as the case may be, of the Company, provided however that any direct and indirect taxes that cannot specifically be earmarked as the liability or refunds / credit / claims relating to the Manufacturing Business Undertaking shall continue to be borne by the Demerged Company. The Scheme further provides that if the Demerged Company or their successor(s) receives any refunds / credit / claims or incurs any liability in respect of the Manufacturing Business Undertaking, the same shall be on behalf of and as a trustee of the Company and the same shall be refunded to / paid by the Company.

Notes to Financial Statements

Note 38. Disclosure in respect of Related Parties pursuant to Ind AS 24

a) List of Related Parties

I. Subsidiary Companies

a. Shanthi Gears Limited

b. Financiere C10 SAS and its Subsidiaries namely:

i. Sedis SAS

ii. Sedis Company Limited

iii. Sedis Gmbh

c. Great Cycles (Private) Limited (with effect from 9th March 2018)

d. Creative Cycles (Private) Limited (with effect from 9th March 2018)

II. Joint Venture Company

a. TI Tsubamex Private Limited

b. TI Absolute Concepts Private Limited

III. Company having Significant Influence

a. Ambadi Investments Limited (Refer Note 12c)

b. Parry Agro Industries Limited

c. Parry Enterprises India Limited

IV. Key Management Personnel (KMP)

a. Mr. L. Ramkumar – Managing Director

b. Mr. Vellayan Subbiah – Managing Director Designate (with effect from 19th August 2017)

c. Mr. S. Suresh – Company Secretary

d. Mr. K Mahendra Kumar – Chief Financial Officer

V. Non executive Directors

a. Mr. M M Murugappan, Chairman

b. Mr. Hemant M Nerurkar

c. Mr. Pradeep V Bhide

d. Mr. S Sandilya

e. Ms. Madhu Dubhashi

f. Mr. Ramesh K B Menon (with effect from 16th November 2017)

Notes to Financial Statements

During the year the following transactions were carried out with the related parties in the ordinary course of business:

₹ in Crores

Transaction	Related Party	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Services Received	Parry Enterprises India Limited	9.93	11.82
Dividend Paid	Ambadi Investments Limited	22.77	-
	Mr. L. Ramkumar	0.04	-
	Mr. Vellayan Subbaiah	0.14	-
Dividend Received	Shanthi Gears Limited	10.03	-
Subscription to Equity Shares	Great Cycles (Private) Limited	16.98	-
	Creative Cycles (Private) Limited	6.47	-
	TI Tsubamex Private Limited	4.00	-
	TI Absolute Concepts Private Limited	3.75	10.00
Sales and Services rendered	Shanthi Gears Limited	2.25	2.01
	Financiere C10 SAS	5.34	4.29
	Sedis SAS	20.43	17.93
	TI Absolute Concepts Private Limited	1.34	0.58
Purchases and Services received	Shanthi Gears Limited	4.74	0.89
	Sedis SAS	0.36	0.03
	Great Cycles (Private) Limited	0.19	-
	Creative Cycles (Private) Limited	2.80	-
Remuneration (Refer note b below)	Key Management Personnel	10.00	4.84
Fair value Cost of Stock options granted	Key Management Personnel	1.70	-
Sitting Fees and Commission	Non executive directors	1.60	1.62
Reimbursement of Expenses - Received	Shanthi Gears Limited	1.23	1.32
	TI Tsubamex Private Limited	0.74	0.78
Sale of Property, Plant and Equipment	TI Tsubamex Private Limited	-	0.01

₹ in Crores

Transaction	Related Party	As at 31-Mar-2018	As at 31-Mar-2017
Rental Deposit Payable	Shanthi Gears Limited	0.04	0.04
Payable	Parry Enterprises India Limited	0.16	0.13
	Shanthi Gears Limited	0.04	-
	Sedis SAS	0.02	-
	Key Managerial Personnel	2.29	1.12
Receivable	Shanthi Gears Limited	0.03	0.10
	TI Tsubamex Private Limited	0.82	0.57
	TI Absolute Concepts Private Limited	0.84	0.13
	Creative Cycles (Private) Limited	0.23	-
	Sedis SAS	6.72	5.24
Advances Paid	Creative Cycles (Private) Limited	3.31	-
Final Dividend - Proposed	Mr. L. Ramkumar	0.01	-
	Mr. Vellayan Subbaiah	0.02	-

Terms and Conditions of transaction with Related Parties

The sale to and purchases from Related Parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in Cash. For the year ended 31st March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by Related Parties (Refer Note 10b and Note 16b for Trade Receivables and Trade Payables respectively).

Notes to Financial Statements

b) Details of remuneration to Key Managerial Personnel are given below:

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
- Salaries and Allowances	5.66	3.10
- Provident Fund and Super Annuation	0.77	0.40
- Perquisites	1.28	0.22
- Incentive	2.29	1.12
- Fair value Cost of Stock options granted	1.70	-
	11.70	**4.84**

Additional Disclosures

The transactions with the Related Parties of the Demerged Company, carried out in the ordinary course of business during 2016-17, before the effective date of Scheme of Arrangement are given below.

₹ in Crores

Transaction	Related Party	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Debentures redeemed	Cholamandalam MS General Insurance Company Limited	-	10.00
Interest on Debentures	Cholamandalam MS General Insurance Company Limited	-	0.07
Claims Received	Cholamandalam MS General Insurance Company Limited	-	8.57
Premium Paid	Cholamandalam MS General Insurance Company Limited	-	2.77
Rentals Paid	Cholamandalam Investment and Finance Company Limited	-	0.14
Services Received	Cholamandalam Securities Limited	-	0.01
Reimbursement of Expenses - Paid	Cholamandalam MS General Insurance Company Limited	-	0.02

₹ in Crores

Transaction	Related Party	As at 31-Mar-2018	As at 31-Mar-2017
Payable	Cholamandalam MS General Insurance Company Limited	-	0.04
Receivable	Cholamandalam MS General Insurance Company Limited	-	0.02

Note 39. Segment Information

For management purposes, the Company's operations are organised into three major segments – Cycles and Accessories, Engineering and Metal Formed Products.

The Management Committee headed by Managing Director (CODM) consisting of Chief financial officer, Leaders of Strategic Business Units and Human resources have identified the above three reportable operating segments. It reviews and monitors the operating results of the operating segments for the purpose of making decisions about resource allocation and performance assessment using profit or loss and return on capital employed.

The Cycles and Accessories segment comprises of Standard bi-cycles, Special bi-cycles including alloy bikes and Speciality performance bikes and fitness equipments. The Engineering segment comprises of cold rolled steel strips and precision steel tube viz., Cold Drawn Welded tubes (CDW) and Electric Resistance Welded tubes (ERW). The Metal Formed Products segment comprises of Automotive and Industrial chains, fine blanked products, stamped products, roll-formed car doorframes and cold rolled formed sections for railway wagons and passenger coaches.

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocated corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and are not allocable to any segment. Expenses that are directly identifiable to segments are considered for determining the segment results. Expenses which relate to the Company as a whole and are not allocable to segments are included under unallocated corporate expenses.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Notes to Financial Statements

₹ in Crores

PARTICULARS	CYCLES AND ACCESSORIES		ENGINEERING		METAL FORMED PRODUCTS		ELIMINATIONS		TOTAL	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
REVENUE										
External Sales	1,298.83	1,347.52	1,993.16	1,770.14	1,117.99	1,090.11	-	-	4,409.98	4,207.77
Inter-Segment Sales	-	-	189.85	162.25	1.15	0.98	(191.00)	(163.23)	-	-
Other Operating Revenue	8.49	11.17	192.84	144.54	62.69	46.10	-	-	264.02	201.81
Unallocated Corporate Income									7.59	6.31
Total Revenue	**1,307.32**	**1,358.69**	**2,375.85**	**2,076.93**	**1,181.83**	**1,137.19**	**(191.00)**	**(163.23)**	**4,681.59**	**4,415.89**
Unallocated Corporate Expenses net of Income									(16.79)	(7.13)
RESULTS										
Operating Profit	(0.14)	36.03	178.15	144.85	102.55	87.56	-	-	263.77	261.31
Profit / (Loss) on Sale of Property, Plant and Equipment	0.47	(0.30)	(3.23)	0.93	(0.10)	0.40	-	-	(2.86)	1.03
Net Operating Profit	**0.33**	**35.73**	**174.92**	**145.78**	**102.45**	**87.96**			**260.91**	**262.34**
Dividend Income	-	-	-	-	-	-	-	-	11.38	0.52
Finance Costs	-	-	-	-	-	-	-	-	(56.38)	(72.05)
Tax Expense	-	-	-	-	-	-	-	-	(56.23)	(42.55)
Exceptional Items										
- Provision for Impairment of Investment in Joint Ventures	-	-	-	-	-	-		-	(25.25)	-
Profit on Sale of Current Investments (Net)	-	-	-	-	-	-	-	-	2.03	10.69
Net Profit	**0.33**	**35.73**	**174.92**	**145.78**	**102.45**	**87.96**	**-**	**-**	**136.46**	**158.95**
ASSETS										
Segment Assets	554.07	621.93	1,165.81	946.96	594.45	558.04	(39.20)	(29.85)	2,275.13	2,097.08
Unallocated Corporate Assets									658.40	739.25
Total Assets	**554.07**	**621.93**	**1,165.81**	**946.96**	**594.45**	**558.04**	**(39.20)**	**(29.85)**	**2,933.53**	**2,836.33**
LIABILITIES										
Segment Liabilities	320.70	332.00	494.01	317.70	202.70	187.35	(39.20)	(29.85)	978.21	807.20
Unallocated Corporate Liabilities									26.50	84.89
Total Liabilities	**320.70**	**332.00**	**494.01**	**317.70**	**202.70**	**187.35**	**(39.20)**	**(29.85)**	**1,004.71**	**892.09**
OTHER INFORMATION										
Capital Expenditure	7.38	54.27	140.56	48.56	56.38	45.61	-	-	204.32	148.44
Unallocated Corporate Capital Expenditure									11.65	3.80
Depreciation and Amortisation Expense	15.83	15.80	65.66	63.18	43.31	39.38	-	-	124.80	118.36
Unallocated Corporate Depreciation									3.50	2.89
Investment in Joint Ventures (Net of Impairment)	-	-	-	-	-	-	-	-	12.00	29.50

Notes to Financial Statements

Revenue from External Customers ₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
India	4,327.23	4,068.13
Outside India	354.36	347.76
Total Revenue per Statement of Profit or Loss	**4,681.59**	**4,415.89**

There are no sales to external customers more than 10% of Total Revenue.

Non-current operating assets ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
India	1,641.28	1,536.88
Outside India	-	-
Total	**1,641.28**	**1,536.88**

Reconciliation of Segment Assets and Liabilities to amounts reflected in the Standalone Financial Statements ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Segment Assets	2,933.53	2,836.33
Add: Deferred Tax Assets (Note 15)	31.50	38.11
Total Assets	**2,965.03**	**2,874.44**

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Segment Liabilities	1,004.71	892.09
Add: Deferred Tax Liabilities (Note 15)	59.71	64.38
Add: Long term and Short term Borrowings (Note 14 and Note 16a)	437.47	650.97
Add: Current maturities of Long term Borrowings (Note 16d)	250.00	124.99
Total Liabilities	**1,751.89**	**1,732.43**

Note 40. Operating Leases

The Company has operating lease agreements for certain office space and residential accommodation which are generally cancellable in nature. As per the lease terms, an amount of ₹18.30 Cr. (Previous Year - ₹21.37 Cr.) has been recognised in the Statement of Profit and Loss.

Note 41. Hedging activities and derivatives

Cash Flow Hedges

Foreign Exchange Forward Contracts measured at Fair Value through OCI are designated as Hedging Instruments in cash flow hedges of forecast sales in EUR and USD, and also for forecast purchases in USD, EUR and JPY. Currency Swaps measured at Fair Value through Profit and Loss are designated as Hedging Instruments in cash flow hedges of floating rate long term borrowings in USD.

₹ in Crores

Particulars	As at 31-Mar-2018		As at 31-Mar-2017	
	Assets	Liabilities	Assets	Liabilities
Fair Value of Foreign Exchange Forward Contracts	-	0.31	-	0.15

Notes to Financial Statements

Disclosure of effects of Hedge accounting

As at 31-Mar-2018

Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments ₹ in Crores		Maturity Date	Hedge Ratio	Weighted Average Rate	Changes in Fair value of Hedging Instrument ₹ in Crores	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness ₹ in Crores
	Asset	Liability	Asset	Liability					
Foreign Currency Forward Contracts	16	18	10.18	21.25	05-Apr-2018 to 29-Mar-2019	1:1	1 USD - ₹65.74 1 EUR - ₹82.82 1 JPY - ₹0.63	(0.17)	0.17

₹ in Crores

Cash Flow Hedge	Change in the value of Hedging Instrument recognised in Other Comprehensive Income	Hedge Inffectiveness recognised in Profit or Loss	Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss	Line item affected in Statement of Profit and Loss because of the Reclassification
Foreign Exchange Risk	1.15	-	0.96	Other Income

As at 31-Mar-2017

Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments ₹ in Crores		Maturity Date	Hedge Ratio	Weighted Average Rate	Changes in Fair value of Hedging Instrument ₹ in Crores	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness ₹ in Crores
	Asset	Liability	Asset	Liability					
Foreign Currency Forward Contracts	39	9	25.75	6.53	05-Apr-2017 to 29-Mar-2018	1:1	1 USD - ₹65.32 1 EUR - ₹72.39	(0.36)	0.36

₹ in Crores

Cash Flow Hedge	Change in the value of Hedging Instrument recognised in Other Comprehensive Income	Hedge Inffectiveness recognised in Profit or Loss	Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss	Line item affected in Statement of Profit and Loss because of the Reclassification
Foreign Exchange Risk	(0.03)	-	(0.54)	Other Income

Notes to Financial Statements

Note 42.1 Fair Values

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities.

₹ in Crores

Particulars	Carrying value		Fair value	
	31-Mar-2018	31-Mar-2017	31-Mar-2018	31-Mar-2017
Financial assets				
FVTOCI Equity Investments	11.12	12.19	11.12	12.19
Other Financial Assets - Non Current	17.58	17.99	17.58	17.99
Loans	1.45	1.37	1.45	1.37
Trade Receivables	575.44	528.22	575.44	528.22
Current Investments	-	102.08	-	102.08
Cash and Cash Equivalents	19.25	18.76	19.25	18.76
Other Financial Assets - Current	23.55	13.04	23.55	13.04
Total	**648.39**	**693.65**	**648.39**	**693.65**
Financial liabilities				
Non-Current Borrowings	200.00	350.00	207.01	361.86
Current Borrowings	237.47	300.97	237.47	300.97
Trade Payables	876.80	717.00	876.80	717.00
Derivative Instruments	0.31	0.15	0.31	0.15
Other Financial Liabilities - Current	296.23	227.27	296.23	227.27
Total	**1,610.81**	**1,595.39**	**1,617.82**	**1,607.25**

The management assessed that cash and cash equivalents, trade receivables, loans, current investments, other current financial assets, short term borrowings, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

i. The fair values of quoted equity investments are derived from quoted market prices in active markets.

ii. The fair values of certain unquoted equity investments have been estimated using Discounted Cash-flow Model (DCF). The valuation is based on certain assumptions like forecast cash-flows, discount rate, etc.

iii. The fair value of borrowings is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return, adjusted for the Credit spread considered by the lenders for instruments of the similar maturity.

iv. Derivatives are fair valued using market observable rates and published prices.

Notes to Financial Statements

Note 42.2 Fair Values Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement heirachy for assets as at 31st March 2018:

Particulars	Total	Fair Value Measurement using		
		Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value:				
FVTOCI Equity Investments	11.12	2.37	-	8.75
Assets for which fair values are disclosed:				
Investment Properties *	6.74	-	6.74	-

There have been no transfers between the level 1 and level 2 during the period.

* Fair value of investment property is calculated based on valuation given by external independent valuer.

Quantitative disclosures fair value measurement heirachy for liabilties as at 31st March 2018:

Particulars	Total	Fair Value Measurement using		
		Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:				
Foreign Exchange forward Contracts	0.31	-	0.31	-
Liabilities for which fair values are disclosed:				
Borrowings:				
Long term Borrowings	207.01	-	207.01	-

There have been no transfers between the level 1 and level 2 during the period.

Quantitative disclosures fair value measurement heirachy for assets as at 31st March 2017:

Particulars	Total	Fair Value Measurement using		
		Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value:				
FVTOCI Equity Investments	12.19	2.13	-	10.06
FVTPL Investments	102.08	102.08	-	-
Assets for which fair values are disclosed:				
Investment Properties *	6.48	-	6.48	-

There have been no transfers between the level 1 and level 2 during the period

* Fair value of investment property is calculated based on valuation given by external independent valuer.

Quantitative disclosures fair value measurement heirachy for liabilties as at 31st March 2017:

Particulars	Total	Fair Value Measurement using		
		Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:				
Foreign Exchange forward Contracts	0.15	-	0.15	-
Liabilities for which fair values are disclosed:				
Borrowings:				
Long term Borrowings	361.86	-	361.86	-

There have been no transfers between the level 1 and level 2 during the period.

Notes to Financial Statements

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31st March 2018 and 31st March 2017 are given below:

Particulars	Valuation technique	Significant unobservable inputs	Range (Weighted average)	Sensitivity of the input to fair value
Unquoted FVTOCI equity investments As at 31-Mar-2018	DCF Model	Discount Rate	15%	5% sensitivity 2017-18- Discount Rate-20%, ₹(1.71) Cr. Discount Rate-10%, ₹3.45Cr.
Unquoted FVTOCI equity investments As at 31-Mar-2017	DCF Model	Discount Rate	15%	5% sensitivity 2016-17- Discount Rate-20%, ₹(2.00) Cr. Discount Rate-10%, ₹4.09 Cr.

Reconciliation of Fair Value Measurement of Unquoted FVTOCI Equity Investments.

₹ in Crores

Unquoted FVTOCI equity investments	As at 31-Mar-2018	As at 31-Mar-2017
As at the beginning of the period	**10.06**	-
Adjustment pursuant to scheme of arrangement (Note 2)	-	2.48
Adjustment pursuant to transition to Ind AS	-	7.55
Re-measurement recognised in OCI	(1.31)	0.03
Purchases	-	-
Sales	-	-
As at the end of the period	**8.75**	**10.06**

Note 43. Financial Risk Management Objectives and Policies

The Company's principal financial liabilities, other than derivatives, comprise of borrowings and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, cash and short-term deposits, which arise directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Risk Management Committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk Management Committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that the financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

A. Market Risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

i. Foreign Currency Exchange Rate Risk

The fluctuation in foreign currency exchange rates may have potential impact on the Income Statement and Equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

Notes to Financial Statements

The Company, as per its forex policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its forex policy.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 5%.

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to 5% appreciation in USD and EURO exchange rates on foreign currency exposures as at the year end, with all other variables held constant. The impact on the Company's Profit Before Tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

₹ in Crores

As at	Nature	Increase/ (Decrease) in PBT for change in USD rates	Increase/ (Decrease) in PBT for change in EURO rates
31-Mar-2018	Receivables	1.18	1.29
	Payables	(2.40)	(0.48)
31-Mar-2017	Receivables	2.58	0.53
	Payables	(2.00)	(0.27)

Derivative Contracts ₹ in Crores

As at	Nature	Increase/ (Decrease) in PBT for change in USD rates	Increase/ (Decrease) in PBT for change in EURO rates	Increase/ (Decrease) in OCI for change in USD rates	Increase/ (Decrease) in OCI for change in EURO rates	Increase/ (Decrease) in OCI for change in JPY rates
31-Mar-18	Derivative Contracts	(0.54)	(0.79)	(0.04)	(0.66)	0.18
31-Mar-17	Derivative Contracts	(0.43)	(0.17)	0.59	0.34	-

Conversely, 5% depreciation in the USD and Euro rates against the significant foreign currencies as at 31st March 2018 and 31st March 2017 would have had the same but opposite effect, again holding all other variables constant.

ii. Equity Price Risk

Equity Price Risk is related to the change in market reference price of the investments in equity securities.

The majority of the Company's investments are in the shares of group companies, which are carried at cost. The Company has investments in other equity investments, routed through FVTOCI of only ₹11.12 Cr. as at 31st March 2018. (As at 31st March 2017 - ₹12.19 Cr.)

B. Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of credit risks.

Notes to Financial Statements

Exposure to Credit risk - The carrying amount of financial assets represents the maximum Credit exposure. The maximum exposure to Credit risk was ₹637.27 Cr. as at 31st March 2018 and ₹579.38 Cr. as at 31st March 2017, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables and other financial assets excluding equity investments.

At 31st March 2018, the company had 116 customers (as at 31st March 2017 - 108 customers) that owed the Company more than ₹1 Crore each and accounted for approximately 86% of the total trade receivables outstanding. There were 12 customers (as at 31st March 2017 - 8 Customers) with balances greater than ₹10 Crores accounting for around 32% of the trade receivables (Previous year - 25%).

Credit risk from balances with banks and investment of surplus funds in mutual funds is managed by the Company's treasury department. The objective is to minimise the concentration of risks and therefore mitigate financial loss.

Of the above, ₹48.91 Cr. (Previous year – ₹65.55 Cr.) is backed by Export Credit Guarantee Cover / Letter of Credit as at 31st March 2018.

C. Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets through commercial paper, non-convertible debentures, and other debt instruments. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no / low mark to market risks. The Company has also invested 15% of the non-convertible debentures (taken by the Company) falling due for repayment in the next 12 months in bank deposits, to meet the regulatory norms of liquidity requirements.

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

As at 31st March 2018, the Company has undrawn committed lines of ₹287.53 Cr. (As at 31st March 2017 - ₹224.03 Cr.)

The table below provides details regarding the contractual maturities of financial liabilities based on Contractual undiscounted payments:

₹ in Crores

	On demand	Less than 3 months	3 to 12 months	> 1 year	Total
Year ended 31-Mar-2018					
Borrowings	88.55	0.66	438.94	219.95	748.10
Other financial liabilities	0.49	32.05	-	-	32.54
Trade and other payables	145.25	721.09	10.46	-	876.80
Derivatives	-	0.31	-	-	0.31
	234.29	**754.11**	**449.40**	**219.95**	**1,657.75**
Year ended 31-Mar-2017					
Borrowings	9.19	205.59	221.39	416.86	853.03
Other financial liabilities	55.00	29.90	-	-	84.90
Trade and other payables	69.95	638.19	8.86	-	717.00
Derivatives	-	0.15	-	-	0.15
	134.14	**873.83**	**230.25**	**416.86**	**1,655.08**

Notes to Financial Statements

Note 44. Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through internal accruals, nonconvertible debentures, external commercial borrowings and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors capital employed using a Debt Equity ratio, which is total debt divided by total equity and maturity profile of the overall debt portfolio of the Company.

The following table summarizes the capital of the Company: ₹ in Crores

	As at 31-Mar-2018	As at 31-Mar-2017
Borrowings		
- Long term	200.00	350.00
- Short term	237.47	300.97
- Other Current liabilities (Current maturities of Long term Borrowing)	250.00	124.99
Total Debt	**687.47**	**775.96**
Equity Share Capital	18.75	18.74
Other Equity	1,194.39	1,123.27
Equity	**1,213.14**	**1,142.01**
Debt Equity ratio	**0.57**	**0.68**

Note 45. Previous Year's figures

The Company has reclassified / regrouped previous year figures to conform to this year's classification.

Signatures to Notes to Financial Statements

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn. No : 101049W / E300004

On behalf of the Board
For **Tube Investments of India Limited**

per **Subramanian Suresh**
Partner
Membership No : 083673

M M Murugappan
Chairman

Chennai
7th May 2018

S Suresh
Company Secretary

K Mahendra Kumar
Chief Financial Officer

L Ramkumar
Managing Director

Independent Auditor's Report

To the Members of Tube Investments of India Limited (formerly known as TI Financial Holdings Limited)

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of Tube Investments of India Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and joint ventures, comprising of the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including Other Comprehensive Income, Consolidated Cash Flows and Consolidated Statement of Changes in Equity of the Group including its Joint Ventures in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its joint ventures as at 31st March 2018, their consolidated profit including Other Comprehensive Income, their Consolidated Cash Flows and Consolidated Statement of Changes in Equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Ind AS Financial Statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;

(d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint ventures incorporated in India, none of the directors of the Group's companies, its joint ventures incorporated in India is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company, its subsidiary company and joint ventures incorporated in India (other than TI Tsubamex Private Limited and TI Absolute Concepts Private Limited which are exempted from reporting on internal control over financial reporting vide MCA notification no. G.S.R 583 (E) dated June 13, 2017, read with corrigendum dated July 13, 2017), refer to our separate report in "Annexure 1" to this report.

(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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other matter' paragraph:

i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group, and its joint ventures - Refer Note 35 to the Consolidated Ind AS Financial Statements;

ii. The Group and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31st March 2018;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its joint ventures incorporated in India during the year ended 31st March 2018. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Subsidiary incorporated in India.

Other Matter

1. We did not audit the financial statements and other financial information, in respect of 4 subsidiaries, and 2 jointly controlled entities, whose Ind AS Financial Statements include total assets of ₹642.85 Crores and net assets of ₹412.22 Crores as at 31st March 2018, and total revenues of ₹487.40 Crores and net cash outflows of ₹2.05 Crores for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The Consolidated Ind AS Financial Statements also include the Group's share of net loss of ₹13.08 Crores for the year ended 31st March 2018, as considered in the Consolidated Ind AS Financial Statements, in respect of 2 joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of such other auditors.

2. In respect of two subsidiaries located outside India, whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in that

country, have been audited by other auditors under generally accepted auditing standards applicable in their country. The Company's management has converted the financial statements of these subsidiaries from accounting principles generally accepted in their country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of these two subsidiaries are based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

3. Our opinion above on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Subramanian Suresh**
Partner
Membership Number: 083673

Place of Signature: Chennai
Date: 7th May 2018

Annexure to the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of Tube Investments of India Limited (formerly known as TI Financial Holdings Limited)

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

To the Members of Tube Investments of India Limited (formerly known as TI Financial Holdings Limited)

In conjunction with our audit of the Consolidated Ind AS Financial Statements of Tube Investments of India Limited as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting of Tube Investments of India Limited (hereinafter referred to as the "Holding Company") and its subsidiary company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Act.

Auditor's 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary company which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to subsidiary company incorporated in India, and audited by other auditors, is based on the corresponding report of the auditor of such subsidiary company incorporated in India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Subramanian Suresh**
Partner
Membership Number: 083673

Place of Signature: Chennai
Date: 7th May 2018

Consolidated Balance Sheet

₹ in Crores

Particulars	Notes	As at 31-Mar-2018	As at 31-Mar-2017
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	6a	1,026.47	987.91
Capital Work-in-Progress		90.10	33.87
Intangible Assets	6b	10.90	0.21
Investment Property	7	12.12	12.29
Goodwill on Consolidation	6c	308.17	305.79
Investment in Joint Ventures		8.85	17.64
Financial Assets			
(a) Investments	8a	23.29	24.36
(b) Other Financial Assets	8b	22.30	22.16
Deferred Tax Assets	16	42.45	44.39
Non-Current Tax Assets		16.06	6.31
Other Non-Current Assets	9	33.92	32.42
		1,594.63	**1,487.35**
Current Assets			
Inventories	10	760.86	731.27
Financial Assets			
(a) Loans	11a	1.64	1.58
(b) Trade Receivables	11b	697.01	614.99
(c) Investments	11c	101.40	159.68
(d) Cash and Cash Equivalents	11d	32.46	23.94
(e) Other Financial Assets	11e	78.85	81.39
Current Tax Assets		-	1.27
Other Current Assets	12	87.21	77.87
		1,759.43	**1,691.99**
Total Assets		**3,354.06**	**3,179.34**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	18.75	18.74
Other Equity	14	1,253.56	1,168.85
Equity Attributable to Owners of the Company		**1,272.31**	**1,187.59**
Non-Controlling Interests	40	100.48	91.53
Total Equity		**1,372.79**	**1,279.12**
Non-Current Liabilities			
Financial Liabilities			
(a) Long Term Borrowings	15a	228.56	378.26
(b) Long Term Liabilities	15b	0.88	0.66
Deferred Tax Liabilities	16	65.07	66.50
		294.51	**445.42**
Current Liabilities			
Financial Liabilities			
(a) Short Term Borrowings	17a	306.41	347.31
(b) Trade Payables	17b	950.55	775.38
(c) Derivative Instruments	17c	0.31	0.15
(d) Other Financial Liabilities	17d	296.80	227.62
Government Grants	20c	1.08	1.38
Short Term Provisions	18	71.42	49.82
Current Tax Liabilities		0.30	-
Other Current Liabilities	19	59.89	53.14
		1,686.76	**1,454.80**
Total Liabilities		**1,981.27**	**1,900.22**
Total Equity and Liabilities		**3,354.06**	**3,179.34**
Summary of Significant Accounting Policies	5		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn. No : 101049W / E300004

On behalf of the Board
For **Tube Investments of India Limited**

per **Subramanian Suresh**
Partner
Membership No : 083673

M M Murugappan
Chairman

Chennai
7th May 2018

S Suresh
Company Secretary

K Mahendra Kumar
Chief Financial Officer

L Ramkumar
Managing Director

Consolidated Statement of Profit and Loss

₹ in Crores

Particulars	Notes	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Revenue from Operations	21		
Sale of Products		4,840.29	4,604.64
Other Operating Revenues		275.99	215.56
		5,116.28	4,820.20
Other Income	22	34.62	48.41
Total Income		**5,150.90**	**4,868.61**
Expenses			
Cost of Materials Consumed	23a	2,806.79	2,563.06
Purchase of Stock-in-Trade - Cycles / Components and Metal Formed Products		190.51	186.93
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23b	0.89	(115.44)
Excise Duty on Sale of Goods and Scraps		88.81	327.19
Employee Benefits Expense	24	562.68	512.98
Depreciation and Amortisation Expense	25	153.54	148.90
Finance Costs	26	58.49	73.99
Other Expenses	27a	1,059.02	942.45
Total Expenses		**4,920.73**	**4,640.06**
Profit Before Share of Loss from Joint Ventures and Tax		**230.17**	**228.55**
Share of Loss from Joint Ventures (net of tax) (Refer Note 41)		(13.08)	(7.45)
Profit Before Exceptional Items and Tax		**217.09**	**221.10**
Exceptional Items	27b	(3.26)	-
Profit Before Tax		**213.83**	**221.10**
Income Tax Expense	28		
- Current Year		82.84	64.82
- Current Tax - Earlier Years		(10.56)	(16.94)
- Deferred Tax (Net) (Refer Note 16)		(13.96)	(1.13)
		58.32	**46.75**
Profit for the year (I)		**155.51**	**174.35**
Other Comprehensive Income:	29		
Other Comprehensive Income to be reclassified to Statement of Profit and Loss in subsequent periods:			
Movement on Cash Flow Hedges		0.19	0.51
Income Tax Effect		(0.07)	(0.18)
		0.12	**0.33**
Exchange Difference on Translation of Foreign Subsidiaries		6.54	(0.76)
Income Tax Effect		(2.29)	-
		4.25	**(0.76)**
Other Comprehensive Income not to be reclassified to Statement of Profit and Loss in subsequent periods:			
Re-measurement Gains / (Losses) on Defined Benefit Obligations (Net)		1.63	(4.25)
Income Tax Effect		(0.57)	1.47
		1.06	**(2.78)**
Net (Loss) / Gain on FVTOCI Equity Securities		(1.07)	0.71
Income Tax Effect		0.43	(0.01)
		(0.64)	**0.70**

Consolidated Statement of Profit and Loss

₹ in Crores

Particulars	Notes	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Capital Reserve on acquistion of Subsidiaries		0.38	-
Income Tax Effect		-	-
		0.38	**-**
Other Comprehensive Income / (Loss) for the Year, Net of Tax (II)		**5.17**	**(2.51)**
Total Comprehensive Income for the Year, Net of Tax (I + II)		**160.68**	**171.84**
Profit for the year attributable to :			
- Owners of the Company		147.39	167.62
- Non-Controlling Interest		8.12	6.73
Other Comprehensive Income for the year attributable to :			
- Owners of the Company		5.14	(2.49)
- Non-Controlling Interest		0.03	(0.02)
Total Comprehensive Income for the year attributable to :			
- Owners of the Company		152.53	165.13
- Non-Controlling Interest		8.15	6.71
Earnings Per Equity Share of ₹1 each	30		
Basic		7.86	8.94
Diluted		7.86	8.94

The accompanying notes are an integral part of the financial statements
As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn. No : 101049W / E300004

On behalf of the Board
For **Tube Investments of India Limited**

per **Subramanian Suresh**
Partner
Membership No : 083673

M M Murugappan
Chairman

Chennai
7th May 2018

S Suresh
Company Secretary

K Mahendra Kumar
Chief Financial Officer

L Ramkumar
Managing Director

Statement of Changes in Equity

a. Equity Share Capital:

	No. of shares	₹ in Crores
As at 31st March 2016 Equity Shares of ₹1 each issued, subscribed and fully paid	**1,10,000**	**0.11**
Cancellation of Share Capital pursuant to the Scheme of Arrangement (Refer Note 1.2)	(1,10,000)	(0.11)
Equity Shares of ₹1 each issued pursuant to the Scheme of Arrangement (Refer Note 1.2)	18,74,47,871	18.74
As at 31st March 2017 Equity Shares of ₹1 each issued, subscribed and fully paid	**18,74,47,871**	**18.74**
Issue of Share Capital (Refer Note 13)	88,497	0.01
As at 31st March 2018	**18,75,36,368**	**18.75**

b. Other Equity

For the year ended 31st March 2018

Particulars	Reserves and Surplus							Items of OCI			Total Other Equity	Non-Controlling Interest (NCI) (Note 39)	Total Other Equity and NCI
	Securities Premium Reserve (Note 14)	Share option outstanding account (Note 14)	Retained Earnings (Note 14)	Debenture Redemption Reserve (DRR) (Note 14)	Capital Redemption Reserve (Note 14)	Capital Reserve (Note 14)	General Reserve (Note 14)	Cash flow Hedge Reserve (Note 14)	Foreign Currency Translation Reserve (Note 14)	FVTOCI Reserve (Note 14)			
As at 1st April 2017	-	-	687.62	118.75	0.01	0.11	355.46	(0.24)	(0.06)	7.20	1,168.85	91.53	1,260.38
Profit for the Year	-	-	147.39	-	-	-	-	-	-	-	147.39	8.12	155.51
Other comprehensive income for the Year (Note 29)	-	-	-	-	-	-	-	0.12	-	0.77	0.89	0.03	0.92
Gain on bargain purchase of subsidiaries through Business Combination (Refer Note 39)	-	-	-	-	-	0.38	-	-	-	(0.38)	-	5.93	5.93
Exercise of share options	0.10	-	-	-	-	-	-	-	-	-	0.10	-	0.10
Share-based payments	-	5.43	-	-	-	-	-	-	-	-	5.43	-	5.43
DRR transferred to Retained Earnings (Net)	-	-	6.25	(6.25)	-	-	-	-	-	-	-	-	-
Dividend paid during the year	-	-	(60.94)	-	-	-	-	-	-	-	(60.94)	-	(60.94)
Dividend Distribution tax paid during the year	-	-	(10.36)	-	-	-	-	-	-	-	(10.36)	-	(10.36)
Dividend and Dividend Distribution Tax paid by Subsidiary	-	-	(2.05)	-	-	-	-	-	-	-	(2.05)	-	(2.05)
Transfer to General Reserve	-	-	(6.31)	-	-	-	6.31	-	-	-	-	-	-
Foreign Currency Translation Reserve (FCTR)	-	-	-	-	-	-	-	-	4.25	-	4.25	-	4.25
Re-measurement Gain / (Loss) on Defined Benefit Obligations (Net) transferred to Retained Earnings	-	-	0.95	-	-	-	-	-	-	(0.95)	-	-	-
Dividend paid to NCI and its relevant tax	-	-	-	-	-	-	-	-	-	-	-	(5.13)	(5.13)
As at 31st March 2018	0.10	5.43	762.55	112.50	0.01	0.49	361.77	(0.12)	4.19	6.64	1,253.56	100.48	1,354.04

Statement of Changes in Equity

For the year ended 31st March 2017

Particulars	Reserves and Surplus							Items of OCI			Total Other Equity	Non-Controlling Interest (NCI) (Note 39)	Total Other Equity and NCI
	Securities Premium Reserve (Note 14)	Share option outstanding account (Note 14)	Retained Earnings (Note 14)	Debenture Redemption Reserve (Note 14)	Capital Redemption Reserve (Note 14)	Capital Reserve (Note 14)	General Reserve (Note 14)	Cash flow Hedge Reserve (Note 14)	Foreign Currency Translation Reserve (Note 14)	FVTOCI Reserve (Note 14)			
As at 1st April 2016	-	-	(0.06)	-	-	-	-	-	-	-	(0.06)	-	(0.06)
Adjustment pursuant to Scheme of Arrangement (Refer Note 1.2)	-	-	426.27	220.83	0.01	0.11	351.25	(0.57)	0.70	5.18	1,003.78	84.82	1,088.60
Profit for the Year	-	-	167.62	-	-	-	-	-	-	-	167.62	6.73	174.35
Other comprehensive income (Note 29)	-	-	-	-	-	-	-	0.33	-	(2.06)	(1.73)	(0.02)	(1.75)
DRR transferred to Retained Earnings	-	-	102.08	(102.08)	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	(4.21)	-	-	-	4.21	-	-	-	-	-	-
Foreign Currency Translation Reserve	-	-	-	-	-	-	-	-	(0.76)	-	(0.76)	-	(0.76)
Re-measurement Gain/ (Loss) on Defined Benefit Obligations (Net) transferred to Retained Earnings	-	-	(4.08)	-	-	-	-	-	-	4.08	-	-	-
As at 31st March 2017	-	-	687.62	118.75	0.01	0.11	355.46	(0.24)	(0.06)	7.20	1,168.85	91.53	1,260.38

The accompanying notes are an integral part of the financial statements
As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn. No : 101049W / E300004

per **Subramanian Suresh**
Partner
Membership No : 083673

Chennai
7th May 2018

On behalf of the Board
For **Tube Investments of India Limited**

M M Murugappan
Chairman

S Suresh
Company Secretary

K Mahendra Kumar
Chief Financial Officer

L Ramkumar
Managing Director

Consolidated Cash Flow Statement

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
A. Cash Flow from Operating Activities:		
Profit Before Tax	**226.91**	**228.55**
Adjustments to reconcile Profit Before Tax to Net Cash Flows:		
Depreciation on Property, Plant and Equipment	153.37	150.51
Depreciation on Investment Properties	0.17	0.15
Share based payment expenses	5.43	-
Profit on Property, Plant and Equipment sold /discarded (Net)	(1.35)	(1.19)
Profit on Sale of Investments carried at FVTPL	(2.84)	(11.55)
Provision / (Reversal of Provision) for Trade Receivables (Net)	1.60	(4.52)
Bad debts written off	0.88	-
Net Foreign Exchange differences	0.30	(0.54)
Finance Income (including Fair Value changes in Financial Instruments)	(6.44)	(11.85)
Finance Costs	58.49	73.99
Liabilities / Provisions no longer payable written back	(1.47)	(1.22)
Provision for Impairment of Investments	3.26	-
Impact of Foreign Currency Translation	0.68	(0.36)
Dividend Income	(5.17)	(3.55)
Operating Profit before Working Capital / Other Changes	**433.82**	**418.42**
Adjustments for :		
Increase in Provisions and Government Grants	23.42	8.16
Increase in Trade and Other Payables	155.22	117.93
(Decrease) / Increase in Other Financial Liabilities	(55.71)	57.79
Increase / (Decrease) in Other Current Liabilities	(0.04)	(1.41)
Increase in Other Non-Current Assets	(5.88)	(2.23)
Increase in Other Financial and Current Assets	(3.95)	(9.98)
Increase in Trade and Other Receivables	(62.56)	(33.34)
Increase in Inventories	(18.61)	(133.29)
Cash Generated From Operations	**465.71**	**422.05**
Income Tax paid	(69.19)	(39.17)
Net Cash Flow from Operating Activities	**396.52**	**382.88**
B. Cash Flow from Investing Activities:		
Capital Expenditure (Including Capital Work In Progress and Capital Advances)	(230.70)	(164.52)
Proceeds from Sale of Property, Plant and Equipment	7.90	8.17
Sale / (Purchase) of Current Investments (Net)	56.50	(102.40)
Purchase of Non Current Investments	(31.20)	(16.17)
Interest Income received	5.87	8.02
Dividend received	5.17	3.55
Net Cash Used in Investing Activities	**(186.46)**	**(263.35)**

Consolidated Cash Flow Statement

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
C. Cash Flow from Financing Activities:		
Proceeds from issue of shares	0.11	0.01
Proceeds from Long Term Borrowings	100.00	100.00
Repayment of Long Term Borrowings	(126.71)	(734.47)
Proceeds from Short Term Borrowings (Net)	(123.55)	58.24
Finance Costs Paid	(62.18)	(108.35)
Dividends Paid (Including Net Dividend Distribution Tax)	(78.48)	-
Net Cash Used in Financing Activities	**(290.81)**	**(684.57)**
Net Decrease in Cash and Cash Equivalents [A+B+C]	**(80.75)**	**(565.04)**
Cash and Cash Equivalents at the Beginning of the Year	**14.36**	**0.05**
Additions on acquisition of Subsidiaries	**9.31**	**-**
Transferred to the Company pursuant to Scheme of Arrangement (Refer Note 1.2)	**-**	**579.35**
Cash and Cash Equivalents as at End of the Year (Refer Note 11d)	**(57.08)**	**14.36**

The accompanying notes are an integral part of the financial statements
As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn. No : 101049W / E300004

On behalf of the Board
For **Tube Investments of India Limited**

per **Subramanian Suresh**
Partner
Membership No : 083673

M M Murugappan
Chairman

Chennai
7th May 2018

S Suresh
Company Secretary

K Mahendra Kumar
Chief Financial Officer

L Ramkumar
Managing Director

Notes to Consolidated Financial Statements

1. Corporate Information

1.1 General Information

Tube Investments of India Limited ("the Company") with CIN No: L35100TN2008PLC069496, was formerly known as TI Financial Holdings Limited and is a Public Limited Company domiciled in India. The Company is listed on BSE and National Stock Exchange. The Registered Office of the Company is located at 234, NSC Bose Road, Chennai, Tamilnadu. The Company was originally incorporated as TI Financial Holdings Limited on 6th October 2008 under the Companies Act, 1956, as a wholly-owned subsidiary of erstwhile Tube Investments of India Limited ("Demerged Company").

Pursuant to the Scheme of Arrangement ("the Scheme") the details relating to which are more elaborately provided under Note 1.2 below, the Manufacturing Business Undertaking of the Demerged Company was vested in / transferred to the Company and the Name of the Company was changed to "Tube Investments of India Limited".

The Group has manufacturing locations across the Country and has three product segments namely, Cycles and Accessories, Engineering and Metal Formed Products. The Company also has Subsidiaries and Joint Venture Companies, Viz., Shanthi Gears Limited, Financiere C10 SAS, Sedis SAS, Sedis Gmbh, Sedis Co Limited, TI Tsubamex Private Limited and TI Absolute Concepts Private Limited. During the current year, the Company has acquired two Subsidiaries, namely Great Cycles (Private) Limited, Creative Cycles (Private) Limited. (Refer Note 39)

The Consolidated Financial Statements were authorised for issue in accordance with a resolution of the directors on 7th May 2018.

1.2 Scheme of Arrangement

The Scheme of Arrangement ("the Scheme") between the Company ("Resulting Company") and TI Financial Holdings Limited, formerly known as Tube Investments of India Limited ("Demerged Company") and their Shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, was approved by the Board of Directors of both the Companies on 3rd November 2016.

The Demerged Company, interalia, was engaged in manufacturing of tubes, strips, tubular components, bicycles and fitness products, chains for automobile sector and industrial applications, roll-formed sections, other metal formed products, industrial gears, designing and manufacturing of dies ("Manufacturing Business Undertaking"). The Manufacturing Business is also carried out through Subsidiaries and Joint Venture Companies (Shanthi Gears Limited, Financiere C10 SAS, Sedis SAS, Sedis Gmbh, SEDIS Co Limited, TI Tsubamex Private Limited and TI Absolute Concepts Private Limited).

The Scheme provided for the demerger of the Manufacturing Business Undertaking of the Demerged Company into this Company, on a going concern basis, with effect from the appointed date of 1st April 2016.

The salient features of the Demerger are as under:

a. The Demerged Company and the Company has made applications and / or petitions under Section 230 read with Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 to the National Company Law Tribunal, Chennai ("Tribunal" or "NCLT") for sanction of this Scheme and all matters ancillary or incidental thereto.

b. The whole of the undertaking and assets and properties of the Manufacturing Business Undertaking of the Demerged Company, shall stand transferred to and vested in the Company with all the rights, title and interest pertaining to the Manufacturing Business Undertaking.

c. The Scheme of Arrangement has become effective from the Appointed Date i.e. 1st April 2016 but operative from the Effective Date i.e. 1st August 2017 being the date of filing of a certified copy of the Order of NCLT by the Company and the Demerged Company with the Registrar of Companies, Tamil Nadu, Chennai.

d. Equity Share Capital of the Company

   i. Equity Share Capital of ₹0.11 Cr. of the Company as on the Appointed Date stands cancelled and credited to Capital Reserve.

   ii. The Company has issued and alloted 1 (One) fully paid up Equity Share of ₹1 (Rupee One Only) each for every 1 (One) fully paid up Equity Share of ₹2 (Rupees Two) each held in the Demerged Company.

2. Principles of Consolidation

The Consolidated Financial Statements (CFS) relates to Tube Investments of India Limited (the Company), its Subsidiary Companies (together, 'the Group').

The Financial Statements of the Subsidiaries and Joint Ventures used in the Consolidation are drawn

Notes to Consolidated Financial Statements

up to the same reporting date as that of the Company i.e. 31st March except for certain foreign subsidiaries indicated in Paragraph 3 below for which the financial statements as on the reporting date are not available and hence, the same have been consolidated based on the latest available audited financial statements as at 31st December. No significant transactions or events have occurred between this date and the date of consolidation.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Group controls an investee if and only if the Group has:

a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

b. Exposure, or rights, to variable returns from its involvement with the investee, and

c. The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a. The contractual arrangement with the other vote holders of the investee

b. Rights arising from other contractual arrangements

c. The Group's voting rights and potential voting rights

d. The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a Subsidiary begins when the Group obtains control over the Subsidiary and ceases when the Group loses control of the Subsidiary. Assets, liabilities, income and expenses of a Subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the Subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the group's accounting policies.

Consolidation procedures:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its Subsidiaries. For this purpose, income and expenses of the Subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of Equity of each subsidiary.

c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group

Notes to Consolidated Financial Statements

(profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and Property, Plant and Equipment, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

d) The carrying value of Goodwill arising on consolidation is tested for impairment, if there are any indicators for impairment and also tested at the end of each reporting period.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

a) Subsidiary

The Financial Statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the amounts of like items of assets, liabilities, income and expenses, after fully eliminating material intra-group balances, intra-group transactions and the resulting unrealised profits or losses, unless cost cannot be recovered, as per Indian Accounting Standard 110 - Consolidated Financial Statements (Ind AS 110).

Non-Controlling Interest in the Net Assets of the Consolidated Subsidiaries consists of:

i. The amount of Equity attributable to holders of non-controlling interest at the date on which the investment in the Subsidiary is made; and

ii. The Non-Controlling Interests' share of movements in Equity since the date the Parent Subsidiary relationship came into existence.

Non-Controlling Interest (NCI) share in the Net Profit / (Loss) for the year of the Consolidated Subsidiaries is identified and adjusted against the Profit After Tax of the Group even if this results in the NCI having a deficit balance.

b) Joint Venture

A Joint Venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the Joint Venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether joint control are similar to those necessary to determine control over the Subsidiaries.

The Group's investments in its Joint Venture are accounted for using the equity method. Under the equity method, the investment in a Joint Venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the Joint Venture since the acquisition date. Goodwill relating to the Joint Venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of Profit and Loss reflects the Group's share of the results of operations of the Joint Venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the Equity of the joint venture, the Group recognises its share of any changes, when applicable, in the Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the Joint Venture are eliminated to the extent of the interest in the Joint Venture.

If an entity's share of losses of a Joint Venture equals or exceeds its interest in the Joint Venture (which includes any long term interest that, in substance, form part of the Group's net investment in the Joint Venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a Joint Venture is shown on the face of the Statement of Profit and Loss.

The Financial Statements of the Joint Venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its Joint Venture.

Notes to Consolidated Financial Statements

At each reporting date, the Group determines whether there is objective evidence that the investment in the Joint Venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the Joint Venture and its carrying value, and then recognises the loss as 'Share of profit of a Joint Venture' in the Statement of Profit or Loss.

Upon loss of joint control over the Joint Venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the Joint Venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

3. Particulars of Consolidation

The list of Subsidiary Companies, Joint Ventures and the Company's holding therein are as under:

Company	Relationship	Year End	Country of Incorporation	Proportion of ownership
				As at 31st March 2018
Financiere C10 SAS (FC 10)	Subsidiary	31st December		100.00%
Subsidiaries of FC 10			France	
– Sedis SAS				
– Sedis GmbH			Germany	
– Sedis Co. Ltd			United Kingdom	
Shanthi Gears Limited (SGL)	Subsidiary	31st March	India	70.12%
Great Cycles (Private) Limited	Subsidiary	31st March	Sri Lanka	80.00%
Creative Cycles (Private) Limited	Subsidiary	31st March	Sri Lanka	80.00%
TI Tsubamex Private Limited (TTPL)	Joint Venture	31st March	India	78.33%
TI Absolute Concepts Private Limited (TIACPL)	Joint Venture	31st March	India	50.00%

4. Basis of Preparation

The CFS are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The CFS have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments)

The CFS have been prepared using uniform accounting policies for like transactions and other events in similar circumstances with certain exceptions as mentioned in the paragraphs below and are presented to the extent possible, in the same manner as the Company's separate financial statements.

5. Summary of Significant Accounting Policies

5.1 Presentation and disclosure of financial statements

An asset has been classified as current when it satisfies any of the following criteria;

a) It is expected to be realised in, or is interned for sale or consumption in, the normal operating cycle relevant for each of the entities in the Group;

b) It is held primarily for the purpose of being traded;

c) It is expected to be realised within twelve months after the reporting date; 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 date.

A liability has been classified as current when it satisfies any of the following criteria:

a) It is expected to be settled within the normal operating cycle relevant for each of the entities in the Group;

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b) It is held primarily for the purpose of being traded;

c) It is due to be settled within twelve months after the reporting date; or

d) The entities in the Group do not have an unconditional right to defer settlements of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets and liabilities have been classified as non-current.

5.2 Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within Equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in Equity as Capital Reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in Equity as Capital Reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances

Notes to Consolidated Financial Statements

that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

5.3 Fair Value Measurement

The financial instruments, such as, derivatives are measured at fair value at each Balance Sheet date

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

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 best economic 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 valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs are used.

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

a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

b) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement.

External valuers are involved for valuation of assets such as investment properties. Involvement of external valuers is decided upon annually by the Group. At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. Other fair value related disclosures are given in the relevant notes.

For the purpose of fair value disclosures, the Group 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 the fair value hierarchy as explained above.

5.4 Use of Estimates

The preparation of Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, like provision for employee benefits, provision for doubtful trade receivables / advances / contingencies, provision for warranties, allowance for slow / non-moving inventories, useful life of Property, Plant and Equipment, provision for retrospective price revisions, provision for taxation, etc., during and at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

5.5 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

5.6 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents as defined above, net of outstanding bank overdrafts as they are considered an integral part of the cash management of the Group.

Notes to Consolidated Financial Statements

5.7 Property, Plant and Equipment

Property, Plant and Equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Freehold land is measured at cost and not depreciated. Cost includes related taxes, duties, freight, insurance, etc. attributable to the acquisition and installation of the Property, Plant and Equipment but excludes duties and taxes that are recoverable from tax authorities. When significant parts of plant and equipment are required to be replaced at intervals, it is depreciated separately based on their specific useful life.

Machinery Spares including spare parts, stand-by and servicing equipment are capitalised as property, plant and equipment if they meet the definition of Property, Plant and Equipment i.e. if the intention is to use these for more than a period of 12 months. These spare parts capitalized are depreciated as per Ind AS 16.

Subsequent expenditure relating to Property, Plant and Equipment is capitalised only if it is probable that future economic benefits associated with the item will flow and the cost of the item can be measured reliably.

Material replacement cost is capitalized provided it is probable that future economic benefits associated with the item will flow and the cost of the item can be measured reliably. When replacement cost is eligible for capitalization, the carrying amount of those parts that are replaced in derecognized. When significant parts of plant and equipment are required to be replaced at intervals, it is depreciated separately based on their specific useful life.

The Group identifies and determines cost of each component / part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Capital Work-in-Progress:

Projects under which assets are not ready for their intended use and other Capital Work-In-Progress are carried at cost, comprising direct cost and attributable interest. Once it has becomes available for use, their cost is re-classified to appropriate caption and subjected to depreciation.

5.8 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life as given below.

Description of Intangible Assets	Useful life
Software	3 Years - 5 Years
Lease hold rights	19 Years - 71 Years

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

5.9 Investment Properties

Investment property represents property held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, it is depreciated separately based on their specific useful lives. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Depreciation on building classified as investment property has been provided on the straight-line method over a period of 60 years as prescribed in Schedule II to the Companies Act, 2013. These are based on the estimate of their useful lives taking into consideration technical factors.

Though the investment property is measured using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying valuation models.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of derecognition.

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5.10 Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, 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 risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The impairment calculation are based on detailed budgets and forecast calculations which are prepared separately for each of the cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of three years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the third year. To estimate cash flow projections beyond periods covered by the most recent budgets / forecasts cash flow projections in the budget are extrapolated using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment including impairment on inventories, are recognized in the Statement of Profit and Loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the asset's or cash-generating unit's recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

5.11 Inventories

Raw materials, stores and spare parts and stock-in-trade are valued at lower of weighted average cost and estimated net realisable value. Cost includes freight, taxes and duties and is net of Credit under VAT, CENVAT and GST scheme, where applicable.

Work-In-Progress and finished goods are valued at lower of weighted average cost and estimated net realisable value. Cost includes all direct costs and appropriate proportion of overheads to bring the goods to the present location and condition based on the normal operating capacity, but excluding borrowing costs. Cost of finished goods includes Excise Duty.

Food and Beverage inventory purchased are valued at cost on first in and first out basis.

Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

5.12 Revenue and Other Income

Revenue is recognized to the extent that it is probable that the economic benefits will flow and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The Group is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

It is assumed that recovery of Excise Duty flows on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of Excise Duty flows on its own account, revenue includes Excise Duty.

However, sales tax / value added tax (VAT) and Goods and Services tax (GST) is not received on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition Criteria described below must also be met before revenue is recognised.

Notes to Consolidated Financial Statements

Sale of Goods:

Revenue from sale of goods is recognised on transfer of significant risk and rewards of ownership to the buyer which generally coincides with shipment. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Rendering of Services:

Revenue from rendering of services is recognised with reference to the stage of completion determined based on estimate of work performed, and when the outcome of the transaction can be estimated reliably.

Dividends:

Dividend income is accounted for when the right to receive it is established.

Interest Income:

For all debt instruments measured at amortised cost, interest income is recognised on time proportion basis, taking into account the amount outstanding and effective interest rate.

Rental Income:

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of Profit and Loss due to its operating nature.

5.13 Government Grants, Subsidies and Export Incentives

Government grants and subsidies are recognised when there is reasonable assurance that the conditions attached to them are complied with and the grants/ subsidy will be received.

When the grant or subsidy from the Government relates to an expense item, it is recognised as income on a systematic basis in the Statement of Profit and Loss over the period necessary to match them with the related costs, which they are intended to compensate. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

On receipt of grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset, i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value of the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

5.14 Employee Benefits

I. Defined Contribution Plan

a. Superannuation

Contributions at a sum equivalent to 15% of eligible employees salary are made to Superannuation Funds administered by trustees and managed by Life Insurance Corporation of India (LIC). There is no liability for future Superannuation Fund benefits other than the annual contribution and such contributions are recognised as an expense in the year in which the services are rendered.

b. Provident Fund

Contributions towards Employees Provident Fund made to the Regional / Employee Provident Fund are recognised as expense in the year in which in which the services are rendered.

c. Employee State Insurance

Contributions to Employees State Insurance Scheme are recognised as expense in the year in which the services are rendered.

II. Defined Benefit Plan

a. Gratuity

Annual contributions are made to Gratuity Funds administered by trustees and the Contributions are invested in a Scheme with Life Insurance Corporation of India, as permitted by Indian Law. The liability for future gratuity benefits is accounted for based on actuarial valuation, as at the Balance Sheet date, determined every year using the Projected Unit Credit method.

Re-measurements comprising of Actuarial gains / losses the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are immediately recognised in the Balance Sheet with a corresponding debit or Credit in to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to profit or loss in subsequent periods.

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Past service cost is recognised in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date recognised for related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The following changes are recognised in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs and
- Net interest expense or income.

b. Provident Fund

In respect of employees not covered under Point Ib above, contributions to the Group's Employees Provident Fund Trust are made in accordance with the fund rules. The interest rate payable to the beneficiaries every year is being notified by the Government.

In the case of contribution to the Trust, the Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and recognizes such obligation, determined based on an actuarial valuation, as an expense.

III. Long Term Compensated Absences

The accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Group presents the leave as a current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

IV. Short Term Employee Benefits

Short term employee benefits include short term compensated absences which is recognized based on the eligible leave at credit on the Balance Sheet date, and the estimated cost is based on the terms of the employment contract.

V. Voluntary Retirement Scheme

Compensation to employees under Voluntary Retirement Schemes is expensed in the period in which the liability arises. The Group recognizes termination benefit as a liability and an expense when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Employee benefits relating to employees of overseas subsidiaries are covered based on the labour laws prevailing in the country of incorporation of the subsidiaries.

5.15 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

5.16 Foreign Currency Transactions

Initial recognition

Transactions in foreign currencies entered are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate at the date of the transaction.

Measurement as at Balance Sheet Date

Foreign currency monetary items that are outstanding at the Balance Sheet date are restated at year end exchange rates.

Non-monetary items carried at historical cost are translated using the exchange rates at the dates of initial transactions.

Notes to Consolidated Financial Statements

Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities are recognised as income or expense in the Statement of Profit and Loss.

Consolidation of Subsidiaries situated in foreign countries

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their Statements of Profit or Loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition / business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

5.17 Derivative Instruments and Hedge Accounting

The Group uses cash flow hedges (forward contracts and currency swaps) to hedge its risks associated with foreign currency fluctuations relating to firm commitment or highly probable forecast transactions. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge by applying the hedge accounting principles set out in Ind AS 109 – “Financial Instruments”.

The use of Derivative Contracts is governed by the Group’s policies on the use of such financial derivatives consistent with the Group’s risk management strategy. The Group does not use derivative financial instruments for speculative purposes.

Derivative Contracts are measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in the fair value of these Derivative Contracts that are designated and effective as hedges of future cash flows are recognised directly in “Other Comprehensive Income” and the ineffective portion is recognized immediately in the Statement of Profit and Loss.

Changes in the fair value of Derivative Contracts that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

The amounts recognised in the Other Comprehensive Income are transferred to the Statement of Profit and Loss when the hedged transactions crystalizes.

If the forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognised in Other Comprehensive Income is transferred to Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised. If any of these events occur or if a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised under Other Comprehensive Income is transferred to the Statement of Profit and Loss for the year.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group’s risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Group will assess the effectiveness of changes in the hedging instrument’s fair value in offsetting the exposure to changes in the hedged item’s fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

5.18 Depreciation and Amortisation

The Group depreciates Property, Plant and Equipment over their estimated useful lives using the Straight-line method, as per Schedule II of Companies Act, 2013. The estimated useful lives are as follows:

Description of Assets	Useful life
Plant and Machinery	7.5 Years - 15 Years
Electrical Appliances	5 Years - 10 Years
Furniture and Fixtures	10 Years
Factory Buildings	30 Years
Other Buildings	60 Years
Vehicles	4 Years

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The following category of Property, Plant and Equipment are not depreciated as per Schedule II of Companies Act, 2013. These category of Property, Plant and Equipment are depreciated based on the Group's estimate of their useful lives taking into consideration technical advise

Description of Assets	Useful life
Buildings - Roof structure on certain factory areas, where useful life is less	10 Years - 15 Years
Plant and Machinery - Special tools and special purpose machines used in door frame products	4 Years
Plant and Machinery - Electrical Appliances such as Air Conditioner, Fridge, Water Cooler, Camera, TV, Grinder etc.,	5 Years
Plant and Machinery - used in die making process	10 Years
Plant and Machinery - used in cycle production	1 Year - 15 Years
Office Equipment - Data Processing Equipment	3 Years
Vehicles - Motor Vehicles	2 Years - 4 Years
Furniture and Fixtures	1 Year - 5 Years

Finance lease assets are depreciated over the primary lease period of 35 years - 95 years, as the right to use these assets ceases on expiry of the lease period.

Depreciation is provided pro-rata from the month of Capitalisation.

Certain Property, Plant and Equipment are treated as Continuous Process Plants based on technical evaluation done by the Management and are depreciated on the straight-line method based on the useful life as prescribed in Schedule II to the Companies Act, 2013.

5.19 Research and Development

Revenue expenditure on research and development is expensed when incurred. Capital expenditure on research and development is capitalised under Property, Plant and Equipment and depreciated in accordance with Note 5.18 above.

5.20 Taxes on Income

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in Equity, in which case it is recognized in Equity.

Current tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in Other Comprehensive Income or in Equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in Equity.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax for the year. The group recognizes MAT credit only to the extent that it is probable that the group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the group recognizes MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as deferred tax asset. The group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is probable that it will pay normal tax during the specified period.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred Tax Liability is not recognised in respect of taxable temporary differences associated with investments in Subsidiaries and investments in Joint Ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred Tax Liabilities are recognised for all taxable temporary differences, except:

i. When the Deferred Tax Liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii. In respect of taxable temporary differences associated with investments in Subsidiaries, and interests in Joint Ventures, when the timing

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of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred Tax Assets are recognised for all deductible temporary differences, the carry forward of unused tax Credits and any unused tax losses. Deferred Tax Assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax Credits and unused tax losses can be utilised except

i. When the Deferred Tax Asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii. In respect of deductible temporary differences associated with investments in Subsidiaries, associates and interests in Joint Ventures, Deferred Tax Assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised Deferred Tax Assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the Deferred Tax Asset to be recovered.

Deferred Tax Assets and Liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in Other Comprehensive Income or in Equity). Deferred Tax items are recognised in correlation to the underlying transaction either in OCI or directly in Equity.

Deferred Tax Assets and Deferred Tax Liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

In the situations where there is an entitlement to a tax holiday under the Income-tax Act, 1961, no Deferred Tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.

In respect of overseas Subsidiaries, income tax is provided for based on income tax laws prevailing in the country of incorporation of the respective Subsidiaries.

5.21 Provisions and Contingencies

A provision is recognized when there is a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for warranty-related costs are recognized when the product is sold or service provided. Provision is estimated based on historical experience and technical estimates. The estimate of such warranty-related costs is reviewed annually.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The contingent liability is not recognised but its existence is disclosed in the Financial Statements.

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5.22 Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalisation of Borrowing Costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period they occur.

5.23 Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity Shares outstanding during the period.

The weighted average number of Equity Shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential Equity Shares, that have changed the number of Equity Shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential Equity Shares.

5.24 Share Based Payments (Employees Stock Option Scheme)

Stock options are granted to the employees under the stock option scheme. The costs of stock options granted to the employees (equity-settled awards) of the group are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the group and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

This cost is recognised, together with a corresponding increase in Share-Based Payment (SBP) reserves / stock options outstanding account in Equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the group's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or Credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

5.25 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial Assets

i. Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

ii. Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

a. Debt instruments at amortised cost

b. Debt instruments, derivatives and equity instruments at Fair Value Through Profit or Loss (FVTPL)

c. Equity instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)

Debt Instruments at Amortised Cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Notes to Consolidated Financial Statements

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt Instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the Equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt Instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity Investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVTOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within Equity.

iii. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily when:

a. The rights to receive cash flows from the asset have expired, or

b. The group has transferred substantially all the risks and rewards of the asset or has transferred control of the asset.

iv. Impairment of Financial Assets

In accordance with Ind-AS 109, the Group applies Expected Credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and Credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in Credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets, the Group determines that whether there has been a significant increase in the credit risk since initial recognition.

Notes to Consolidated Financial Statements

If Credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if Credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, Credit quality of the instrument improves such that there is no longer a significant increase in Credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected Credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original EIR. When estimating the cash flows, the Group is required to consider:

a. All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Group is required to use the remaining contractual term of the financial instrument

b. Cash flows from the sale of collateral held or other Credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The Balance Sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off Criteria, the group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in Credit risk and impairment loss, the group combines financial instruments on the basis of shared Credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in Credit risk to be identified on a timely basis.

B. Financial Liabilities

i. Initial Recognition and Measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss include derivatives. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the Criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses

Notes to Consolidated Financial Statements

attributable to changes in own Credit risks are recognized in OCI. These gains / loss are not subsequently transferred to P&L. However, the group may transfer the cumulative gain or loss within Equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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Note 6a. Property, Plant and Equipment

₹ in Crores

Particulars	Gross Block at Cost							Depreciation						Net Block	
	As at 31-Mar-2017	Acquisition through Business Combination (Refer Note 39)	Adjustment pursuant to Scheme of Arrangement (Refer Note 1.2)	Exchange Fluctuation pertaining to Foreign Subsidiaries	Additions	Deletions	As at 31-Mar-2018	As at 31-Mar-2017	Adjustment pursuant to Scheme of Arrangement (Refer Note 1.2)	Exchange Fluctuation pertaining to Foreign Subsidiaries	For the Year	On Deletions	As at 31-Mar-2018	As at 31-Mar-2018	As at 31-Mar-2017
Land (Freehold)	**127.47**	**-**	**-**	**0.31**	**1.38**	**-**	**129.16**	**-**	**-**	**-**	**-**	**-**	**-**	**129.16**	**127.47**
	-	-	(128.28)	(0.01)	-	(0.80)	(127.47)	-	-	-	-	-	-	(127.47)	-
Land (Leasehold)	**12.92**	**-**	**-**	**0.88**	**1.14**	**-**	**14.94**	**9.49**	**-**	**0.75**	**1.71**	**-**	**11.95**	**2.99**	**3.43**
	-	-	(12.43)	(0.03)	(0.52)	-	(12.92)	-	(6.80)	(0.12)	(2.81)	-	(9.49)	(3.43)	-
Buildings	**281.40**	**6.21**	**-**	**1.98**	**46.44**	**1.62**	**334.41**	**38.70**	**-**	**1.90**	**12.71**	**0.20**	**53.11**	**281.30**	**242.70**
	-	-	(230.73)	(0.06)	(50.80)	(0.07)	(281.40)	-	(27.44)	(0.06)	(11.32)	-	(38.70)	(242.70)	-
Plant and Machinery	**826.01**	**3.24**	**-**	**10.40**	**126.48**	**14.77**	**951.36**	**236.66**	**-**	**8.16**	**128.81**	**10.39**	**363.24**	**588.12**	**589.35**
	-	-	(701.42)	(0.32)	(137.97)	(13.06)	(826.01)	-	(119.19)	(0.50)	(125.53)	(7.56)	(236.66)	(589.35)	-
Railway Siding	**0.01**	**-**	**-**	**-**	**-**	**-**	**0.01**	**-**	**-**	**-**	**-**	**-**	**-**	**0.01**	**0.01**
	-	-	(0.01)	-	-	-	(0.01)	-	-	-	-	-	-	(0.01)	-
Office Equipment	**17.75**	**0.03**	**-**	**0.50**	**4.15**	**0.19**	**22.24**	**8.66**	**-**	**0.36**	**5.06**	**0.15**	**13.93**	**8.31**	**9.09**
	-	-	(12.37)	(0.01)	(5.84)	(0.45)	(17.75)	-	(4.58)	(0.01)	(4.52)	(0.43)	(8.66)	(9.09)	-
Furniture and Fixtures	**10.08**	**0.03**	**-**	**-**	**1.93**	**0.12**	**11.92**	**2.05**	**-**	**-**	**1.65**	**0.11**	**3.59**	**8.33**	**8.03**
	-	-	(5.37)	-	(4.76)	(0.05)	(10.08)	-	(0.41)	-	(1.69)	(0.05)	(2.05)	(8.03)	-
Vehicles	**10.33**	**-**	**-**	**-**	**4.53**	**1.59**	**13.27**	**2.50**	**-**	**-**	**3.26**	**0.74**	**5.02**	**8.25**	**7.83**
	-	-	(6.45)	-	(4.73)	(0.85)	(10.33)	-	(0.15)	-	(2.61)	(0.26)	(2.50)	(7.83)	-
Total	**1,285.97**	**9.51**	**-**	**14.07**	**186.05**	**18.29**	**1,477.31**	**298.06**	**-**	**11.17**	**153.20**	**11.59**	**450.84**	**1,026.47**	**987.91**
	-	-	(1,097.06)	(0.43)	(204.62)	(15.28)	(1,285.97)	-	(158.57)	(0.69)	(148.48)	(8.30)	(298.06)	(987.91)	-

Notes:

a. All the above assets are owned unless otherwise stated as leased asset.

b. Non Convertible Debentures of the group are secured by first pari-passu charge on certain Land and Buildings.

c. Previous Year Figures are given in brackets.

Note 6b. Intangible Assets

₹ in Crores

Particulars	Gross Block at Cost							Depreciation						Net Block	
	As at 31-Mar-2017	Acquisition through Business Combination (Refer Note 39)	Adjustment pursuant to Scheme of Arrangement (Refer Note 1.2)	Exchange Fluctuation on Opening Block of Foreign Subsidiaries	Additions	Deletions	As at 31-Mar-2018	As at 31-Mar-2017	Adjustment pursuant to Scheme of Arrangement (Refer Note 1.2)	Exchange Fluctuation on Foreign Subsidiaries	For the Year	On Deletions	As at 31-Mar-2018	As at 31-Mar-2018	As at 31-Mar-2017
Software	**1.10**	**-**	**-**	**-**	**0.18**	**-**	**1.28**	**0.89**	**-**	**-**	**0.13**	**-**	**1.02**	**0.26**	**0.21**
	-	-	(0.98)	-	(0.12)	-	(1.10)	-	(0.62)	-	(0.27)	-	(0.89)	(0.21)	-
Lease Hold Right	**-**	**10.71**	**-**	**(0.03)**	**-**	**-**	**10.68**	**-**	**-**	**-**	**0.04**	**-**	**0.04**	**10.64**	**-**
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**1.10**	**10.71**	**-**	**(0.03)**	**0.18**	**-**	**11.96**	**0.89**	**-**	**-**	**0.17**	**-**	**1.06**	**10.90**	**0.21**
	-	-	(0.98)	-	(0.12)	-	(1.10)	-	(0.62)	-	(0.27)	-	(0.89)	(0.21)	-

Notes to Consolidated Financial Statements

Note 6c. Goodwill on Consolidation

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Opening Balance as at beginning of the period	305.79	-
Adjustment pursuant to Scheme of Arrangement (Refer Note 1.2)	-	305.81
Effect of Foreign Currency Translation	2.38	(0.02)
Closing Balance as at end of the period	**308.17**	**305.79**
Impairment		
Opening Balance as at beginning of the period	-	-
Adjustment pursuant to Scheme of Arrangement (Refer Note 1.2)	-	-
Impairment during the year	-	-
Closing Balance as at end of the period	**-**	**-**
Goodwill as at end of the period	**308.17**	**305.79**

Goodwill recognised at the time of acquisition of Shanthi Gears Limited (SGL)

The Goodwill recognised at the time of acquisition of the SGL represents the significant portion of the total Goodwill carried by the Group. The quoted market value of shares of SGL as on 31st March 2018 is higher than the acquisition price and hence there are no indicators of impairment of such Goodwill.

Goodwill recognised at the time of acquisition of other entities

This represents the goodwill recognised on the acquisition of other Subsidiaries viz., Financiere C10 SAS. The aggregate values of the same are not significant. The Group believes that the carrying amount of the Goodwill is recoverable.

Note 7. Investment Property

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Gross Block		
Opening Balance as at beginning of the period	12.54	-
Adjustment pursuant to Scheme of Arrangement (Refer Note 1.2)	-	12.54
Additions during the year	-	-
Closing Balance as at end of the period	**12.54**	**12.54**
Depreciation		
Opening Balance as at beginning of the period	0.25	-
Adjustment pursuant to Scheme of Arrangement (Refer Note 1.2)	-	0.10
Depreciation during the year	0.17	0.15
Closing Balance as at end of the period	**0.42**	**0.25**
Net Block as at the end of the period	**12.12**	**12.29**

Notes to Consolidated Financial Statements

Information regarding Income and Expenditure of Investment property:

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Rental Income derived from Investment Properties	0.79	0.89
Direct Operating Expenses (including repairs and maintenance)	-	-
Profit arising from Investment Properties before Depreciation and Indirect Expenses	**0.79**	**0.89**
Depreciation	(0.17)	(0.15)
Profit arising from Investment Properties before Indirect Expenses	**0.62**	**0.74**

The Group's Investment Property consists of properties in Chennai, Mumbai and Coimbatore.

As at 31st March 2018, the Fair Value of the Properties is ₹14.91 Cr. (31st March 2017 - ₹14.61 Cr.)

The Fair Value of the Investment Properties is determined by professional valuer based on current prices in the market. The resulting Fair Value Estimates are classified under level 2 of the Fair Value Hierarchy. (Refer Note 43.2)

The Group has no restrictions on the disposal of its Investment Property and no contractual obligations to purchase, construct or develop Investment Property or for repairs, maintenance and enhancements.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Opening Balance as at beginning of the period	14.61	-
Adjustment pursuant to Scheme of Arrangement (Refer Note 1.2)	-	12.44
Fair value difference	0.30	2.17
Closing Balance as at end of the period	**14.91**	**14.61**

Notes to Consolidated Financial Statements

Note 8a. Financial assets - Investments

	Nominal Value ₹ per unit	Number of shares		₹ in Crores	
		As at 31-Mar-2018	As at 31-Mar-2017	As at 31-Mar-2018	As at 31-Mar-2017
Investments					
Investments at Fair Value Through Other Comprehensive Income (FVTOCI):					
Investment in non-group companies					
Equity Shares (Fully Paid) - Quoted					
LG Balakrishnan & Bros. Limited	10	5,192	5,192	0.55	0.32
LGB Forge Limited	1	25,960	25,960	0.01	0.02
GIC Housing Finance Limited	10	48,700	48,700	1.81	1.79
Equity Shares (Fully Paid) - Unquoted					
Bombay Mercantile Co-op. Limited (Fair value ₹5,000 only)	10	500	500	-	-
Southern Energy Development Corporation Limited	10	70,000	70,000	6.34	7.65
TI Cycles of India Co-operative Canteen Limited (Fair value - ₹250 only)	5	50	50	-	-
TI Diamond-Miller Co-operative Canteen Limited (Fair value - ₹100 only)	5	20	20	-	-
Cauvery Power Generation Chennai Private Limited	10	24,00,000	24,00,000	2.41	2.41
				11.12	12.19

Investments at FVTOCI (fully paid) reflect investment in quoted and unquoted equity investments. Refer Note 43.1 for determination of this fair value.

Notes to Consolidated Financial Statements

₹ in Crores

	As at 31-Mar-2018	As at 31-Mar-2017
Quoted		
Cost	0.24	0.24
Market value	2.37	2.13
Unquoted		
Cost	2.48	2.48

	Nominal Value ₹ per unit	Number of shares		₹ in Crores	
		As at 31-Mar-2018	As at 31-Mar-2017	As at 31-Mar-2018	As at 31-Mar-2017
Investments at Amortised Cost:					
Investments in Tax Free Bonds - Quoted					
PFC Tax Free Bonds	1,000	2,567	2,567	0.26	0.26
IRFC Tax Free Bonds	1,000	26,783	26,783	2.75	2.75
NHAI Tax Free Bonds	1,000	11,428	11,428	1.14	1.14
IREDA Tax Free Bonds	1,000	23,624	23,624	2.41	2.41
HUDCO Tax Free Bonds	1,000	21,442	21,442	2.19	2.19
NABARD Tax Free Bonds	1,000	4,008	4,008	0.40	0.40
RECL Tax Free Bonds	1,000	8,000	8,000	0.94	0.94
NTPC Tax Free Bonds	1,000	17,735	17,735	1.99	1.99
NHPC Limited Tax Free Bonds	1,000	800	800	0.09	0.09
				12.17	**12.17**
Total				**23.29**	**24.36**

Investments at FVTPL reflect investments in quoted tax free bonds. Refer Note 43.1 for determination of their fair value.

Notes to Consolidated Financial Statements

Note 8b. Other Financial Assets

(At Amortised Cost) ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Electricity and Other deposits	17.73	19.64
Others	4.57	2.52
Total	**22.30**	**22.16**

Note 9. Other Non-Current Assets

(Considered Good, Unsecured unless stated otherwise) ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Capital Advances		
- Secured	3.83	9.54
- Unsecured		
Considered Good	9.30	8.34
Considered Doubtful	0.18	0.18
	13.31	18.06
Less: Provision for Doubtful Advance	(0.18)	(0.18)
	13.13	17.88
Balance with Customs, Excise and Sales Tax Authorities	18.26	11.29
Security Deposits	2.31	3.07
Rental Advance	0.22	0.18
Total	**33.92**	**32.42**

Note 10. Inventories

(Lower of Cost and Net Realisable Value) ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Raw Materials	252.90	221.65
Work-in-Progress	191.34	151.75
Finished Goods	216.91	257.44
Stock-in-Trade	62.00	58.42
Stores and Spare Parts	7.04	7.51
Goods-in-Transit		
- Raw Materials	21.74	24.61
- Stock-in-Trade	8.93	9.89
Total	**760.86**	**731.27**

During the year ended 31st March 2018, ₹12.56 Cr. was recognised as an expense to bring the inventories to record them at Net Realisable Value. (31st March 2017 - ₹8.08 Cr.)

Notes to Consolidated Financial Statements

Note 11a. Loans

(Considered Good, Unsecured unless stated otherwise) ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Loan to Employees	1.64	1.58
Total	**1.64**	**1.58**

Loans to employees are Non-Derivative Financial Assets which generate a fixed or variable interest income for the Group.

Note 11b. Trade Receivables

(Unsecured) ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	18.07	5.03
Doubtful	8.82	8.08
	26.89	13.11
Provision for Doubtful Receivables	(8.82)	(8.08)
	18.07	**5.03**
Other receivables		
Considered Good	681.92	612.14
Doubtful	-	-
	681.92	612.14
Provision for Impairment on Receivables	(2.98)	(2.18)
	678.94	**609.96**
Total Trade receivables		
Considered Good	699.99	617.17
Doubtful	8.82	8.08
	708.81	**625.25**
Provision for Doubtful / Impairment on Receivables	(11.80)	(10.26)
Total	**697.01**	**614.99**

Trade Receivables are non-interest bearing and generally have credit period to a maximum of 120 days. For terms and conditions relating to Related Party receivables, refer Note 36.

Provision for Doubtful debts / Impairment ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Opening Balance as at beginning of the period	10.26	-
Adjustment pursuant to Scheme of Arrangement (Note 1.2)	-	14.97
Created / (Reversed) during the year	1.54	(4.71)
Closing Balance as at end of the period	**11.80**	**10.26**

Notes to Consolidated Financial Statements

Note 11c. Investments

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Quoted Investments - FVTPL		
Investments in Mutual Funds	101.40	159.68
Total	**101.40**	**159.68**

Note 11d. Cash and Cash Equivalents

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balances with Banks in Current Account	25.37	20.78
Fixed Deposits	3.23	-
Cash on Hand	2.87	2.77
	31.47	**23.55**
Other bank balances:		
- Unpaid Dividend accounts	0.99	0.39
	32.46	**23.94**
Cash Credit facility (Secured)	(88.55)	(9.19)
Balances in Unpaid Dividend Accounts	(0.99)	(0.39)
Total Cash and Cash Equivalents as per Statement of Cash Flow	**(57.08)**	**14.36**

As at 31st March 2018, the Group has undrawn committed lines of ₹287.53 Cr. (As at 31st March 2017 - ₹224.03 Cr.).

Pursuant to the Scheme of Arrangement (Refer Note 1.2), in the previous year, the Cash and Cash Equivalents taken over as at 1st April 2016, is ₹609.65 Cr. For the purpose of Cash Flow Statement under Ind AS, the Bank Overdraft / Cash Credit balances of ₹30.30 Cr. as at 1st April 2016 has been reduced from Cash and Cash equivalents.

Note 11e. Other Financial Assets

(At Amortised Cost)

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Interest Accrued	5.24	4.39
Claims Recoverable		
- Goods and Services	4.01	1.58
- Employee Related	0.44	0.18
Balance in Fixed Deposit Accounts	47.61	61.66
Other Deposits	3.58	4.23
Government Grants	15.48	7.01
Others	2.49	2.34
Total	**78.85**	**81.39**

Notes to Consolidated Financial Statements

Note 12. Other Current Assets

(Considered Good, Unsecured unless stated otherwise) ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Advances and Claims Recoverable		
- Goods and Services	15.36	17.02
- Employee Related	15.71	14.11
- Prepaid Expenses	7.54	4.44
- Gratuity Fund (Net of Provision)	1.30	0.58
- Others	0.02	-
	39.93	**36.15**
Balances with Customs, Excise, Sales Tax and GST Authorities	47.28	41.72
Total	**87.21**	**77.87**

Note 13. Equity Share Capital ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Authorised Capital		
25,00,00,000 Equity Shares of ₹1 each	25.00	25.00
Issued, Subscribed and Paid-up Capital		
18,75,36,368 Equity Shares of ₹1 each fully paid up (31-Mar-2017: 18,74,47,871 Equity Shares of ₹1 each fully paid up)	18.75	18.74
	18.75	18.74

Note - Pursuant to the Scheme of Arrangement (Refer Note 1.2), during the year, the Company issued One fully paid up Equity Share of ₹1 each for every one fully paid up Equity Share held in Demerged Company, accumulating to 18,74,90,591 shares as at the record date i.e 28th August 2017.

a) The Reconciliation of shares capital is given below:

Particulars	As at 31-Mar-2018		As at 31-Mar-2017	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	18,74,47,871	18.74	1,10,000	0.11
Cancellation of existing Equity Share Capital pursuant to Scheme of Arrangement (Note 1.2)	-	-	(1,10,000)	(0.11)
Equity Shares of ₹1 each to be issued pursuant to Scheme of Arrangement (Note 1.2)	-	-	18,74,47,871	18.74
Issue of Share Capital *	88,497	0.01	-	-
At the end of the year	**18,75,36,368**	**18.75**	**18,74,47,871**	**18.74**

*The Breakup of shares issued during the year was as follows:

Particulars (Refer Note 33)	No of Shares
Shares issued upon exercise of Employee Stock Options of the Demerged Company prior to the record date	42,720
Shares issued upon exercise of Employee Stock Options of the Resulting Company	45,777
Total	**88,497**

Notes to Consolidated Financial Statements

b) Terms / Rights attached to class of shares

The Company has only one class of shares referred to as Equity Shares having a par value of ₹1 each. The holders of Equity Shares are entitled to one vote per share. Dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. Repayment of capital will be in proportion to the number of Equity Shares held by the shareholders.

c) Details of Shareholder(s) holding more than 5 percent of Equity Shares in the Company

Particulars	As at 31-Mar-2018		As at 31-Mar-2017	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Ambadi Investments Limited (Face Value ₹1 each)	7,00,66,595	37.36%	6,40,54,680	34.17%

Pursuant to the Scheme of Amalgamation of Murugappa Holdings Limited and Pressmet Private Limited with Ambadi Investments Private Limited, Murugappa Holdings Limited and Pressmet Private Limited have been merged with Ambadi Investments Limited. Subsequent to this Amalagamation, Ambadi Investments Private Limited has become a public limited company.

d) Status on Global Depository Receipts (GDRs)

Pursuant to the Scheme of Arrangement (Refer Note 1.2), during the year, the Company issued shares in the ratio of GDRs held by them in the Demerged Company, to a appointed depository. The appointed depository shall hold such shares on behalf of the holders of the Demerged Company GDRs. Consequently, the aggregate number of GDRs deemed to be outstanding as at 31st March 2018 is 42,30,630 (As at 31st March 2017 - 42,30,630) each representing one Equity Share of ₹1 face value. GDR % against total number of shares is 2.26%. The GDRs carry the same terms/rights attached to Equity Shares of the Company.

Note 14. Other Equity ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
General Reserve	361.77	355.46
Securities Premium Reserve	0.10	-
Retained Earnings	762.55	687.62
Other Reserves		
Share Options Outstanding Account	5.43	-
Cash Flow Hedge Reserve	(0.12)	(0.24)
Foreign Currency Translation Reserve	4.19	(0.06)
FVTOCI Reserve	6.64	7.20
Capital Reserve	0.49	0.11
Capital Redemption Reserve	0.01	0.01
Debenture Redemption Reserve	112.50	118.75
Total	**1,253.56**	**1,168.85**

Notes to Consolidated Financial Statements

a. **General Reserve -** The general reserve is a free reserve, retained from Group's profits to meet future obligations.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the beginning of the year	355.46	-
Adjustment pursuant to Scheme of Arrangement (Refer Note 1.2)	-	351.25
Transfer to General Reserve from Retained earnings	6.31	4.21
Balance at the end of the year	**361.77**	**355.46**

b. **Securities Premium Reserve -** The Securities premium received during the year represents the premium received towards allotment of shares. This balance will be utilised in accordance with the provisions of Section 52 of the Companies Act towards issuance of fully paid bonus shares, write-off of preliminary expenses, commission / discount expenses on issue of shares / debentures, premium payable on redemption of redeemable preference shares / debentures and buy back of its own shares / securities under Section 68 of the Companies Act, 2013.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the beginning of the year	-	-
Adjustment pursuant to Scheme of Arrangement (Refer Note 1.2)	-	-
Additions during the year	0.10	-
Balance at the end of the year	**0.10**	**-**

c. **Retained Earnings -** The amount that can be distributed by the Group as dividends to its Equity Shareholders is determined based on the financial statements of the Group and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported below are not distributable in entirety.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the beginning of the year	687.62	(0.06)
Adjustment pursuant to Scheme of Arrangement (Refer Note 1.2)	-	426.27
Profit for the Year	147.39	167.62
DRR transferred to Retained Earnings	6.25	102.08
Transfer to General Reserve	(6.31)	(4.21)
Dividend paid during the year	(60.94)	-
Dividend Distribution tax paid during the year	(10.36)	-
Dividend and Dividend Distribution Tax paid by Subsidiary	(2.05)	-
Re-measurement Gain / (Loss) on Defined Benefit Obligations (Net) transferred to Retained Earnings	0.95	(4.08)
Balance at the end of the year	**762.55**	**687.62**

Notes to Consolidated Financial Statements

d. **Share Option Outstanding Account -** Under Ind AS 102, fair value of the options granted is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service. Stock options granted but not vested as on the transition date were valued for expired period, calculated from the grant date till date of transition were credited to Share options outstanding account.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the beginning of the year	**-**	**-**
Adjustment pursuant to Scheme of Arrangement (Refer Note 1.2)	-	-
Additions during the year	5.43	-
Balance at the end of the year	**5.43**	**-**

e. **Cash Flow Hedge Reserve -** The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the beginning of the year	(0.24)	-
Adjustment pursuant to Scheme of Arrangement (Refer Note 1.2)	-	(0.57)
Other comprehensive income for the Year (Note 29)	0.12	0.33
Balance at the end of the year	**(0.12)**	**(0.24)**

f. **Foreign Currency Translation Reserve -** Exchange differences relating to the translation of the Results and Net Assets of the Foreign Subsidiaries from their functional currencies to the Group's presentation currency (ie., Indian Rupees) are recognised directly in Other Comprehensive Income and accumulated in the Foreign Currency Translation Reserve. At the time of disposal of the foreign operation, it is reclassified to the Statement of Profit and Loss.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the beginning of the year	(0.06)	-
Adjustment pursuant to Scheme of Arrangement (Refer Note 1.2)	-	0.70
Movement during the year (Net of tax)	4.25	(0.76)
Balance at the end of the year	**4.19**	**(0.06)**

Notes to Consolidated Financial Statements

g. **FVTOCI Reserve -** This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through Other Comprehensive Income.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the beginning of the year	7.20	-
Adjustment pursuant to transition to Ind AS	-	5.18
Other comprehensive income for the Year (Note 29)	0.77	(2.06)
Gain on bargain purchase of subsidiaries through Business Combination (Refer Note 39)	(0.38)	-
Re-measurement (Loss) / Gain on Defined Benefit Obligations (Net) transferred to Retained Earnings	(0.95)	4.08
Balance at the end of the year	**6.64**	**7.20**

h. **Capital Reserve -** The share capital of the Company as at 31st March 2016, had been cancelled pursuant to the Scheme of Arrangement (Refer Note 1.2) and the same has been credited to the Capital Reserve. The amount also includes the gain on bargain purchase relating to acquisition of two subsidiaries namely, Great Cycles (Private) Limited and Creative Cycles (Private) Limited.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the beginning of the year	0.11	-
Adjustment pursuant to Scheme of Arrangement (Refer Note 1.2)	-	0.11
Gain on bargain purchase of Subsidiaries through Business Combination (Refer Note 39)	0.38	-
Balance at the end of the year	**0.49**	**0.11**

i. **Debenture Redemption Reserve (DRR) -** The Group has been vested with redeemable non-convertible debentures, pursuant to the Scheme of Arrangement. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the Group to create DRR out of profits of the Group available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures outstanding. According the Group has created DRR equal to 25% of the outstanding debentures.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the beginning of the year	118.75	-
Adjustment pursuant to Scheme of Arrangement (Refer Note 1.2)	-	220.83
Additions during the year	25.00	72.92
Deletions during the year	(31.25)	(175.00)
Balance at the end of the year	**112.50**	**118.75**

Notes to Consolidated Financial Statements

Note 15a. Long Term Borrowings ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Secured		
Secured, Listed and Rated Non-Convertible Debentures (NCD)		
7.56% Privately Placed NCD	100.00	-
7.55% Privately Placed NCD	100.00	100.00
8.79% Privately Placed NCD	-	150.00
8.90% Privately Placed NCD	-	100.00
Term Loan from Banks	28.56	28.26
Total	**228.56**	**378.26**

a. All NCDs are secured by a pari passu first charge on certain immovable properties of the group. (Refer Note 6a.b)

Repayment Schedule:

Secured, Listed and Rated Non-Convertible Debentures (NCD)

Coupon Rate	Effective Interest Rate	Oustanding Amount in ₹ Cr.	Maturity date and Redemption particulars
7.56%	7.55%	100	28-Dec-20
7.55%	7.55%	100	20-Feb-20
* 8.79%	8.78%	150	26-Oct-18
* 8.90%	8.89%	100	25-Sep-18

*Classified as "Other Financial Liabilities" (Refer Note 17d)

b. Term Loans from banks are secured by way of immovable properties of the respective subsidiary and payable over a period of 3 years.

Note 15b. Long Term Liabilities ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Rental Deposits	0.88	0.66
Total	**0.88**	**0.66**

Note 16. Deferred Tax Assets and Liabilities ₹ in Crores

Nature - (Liability) / Asset	Balance Sheet		Statement of Profit and Loss	
	31-Mar-2018	31-Mar-2017	31-Mar-2018	31-Mar-2017
Deferred Tax Liabilities				
Difference between depreciation as per books of accounts and the Income Tax Act, 1961	(57.95)	(63.37)	(5.42)	(2.11)
Deferred Tax on proportionate share in proposed dividend of a subsidiary	-	(0.87)	(0.87)	0.87
Deferred Tax on fair valuation of assets on acqusition of Subsidiaries	(2.18)	-	2.18	-
Deferred Tax on Foreign Currency Translation Reserve	(2.29)	-	2.29	-
Others	(2.65)	(2.26)	0.39	(0.57)
Deferred Tax Liabilities - A	**(65.07)**	**(66.50)**	**(1.43)**	**(1.81)**

Notes to Consolidated Financial Statements

Nature - (Liability) / Asset	Balance Sheet		Statement of Profit and Loss	
	31-Mar-2018	31-Mar-2017	31-Mar-2018	31-Mar-2017
Deferred Tax Assets				
Provision for Doubtful Trade Receivables	4.01	3.55	(0.46)	1.84
Provision for Employee Benefits	9.04	6.34	(2.70)	1.90
On expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	20.67	14.55	(6.12)	(2.20)
Effect of Cash Flow Hedge and Fair Value of Equity Investments through OCI	(2.47)	(2.77)	(0.30)	0.15
MAT Credit Entitlement	6.25	18.80	12.55	3.74
Others	4.95	3.92	(0.96)	(0.86)
Deferred Tax Assets - B	**42.45**	**44.39**	**2.01**	**4.57**
Deferred Tax (Income) / Expense (A+B)			**0.58**	**2.76**
Net Deferred Tax Liabilities (A+B)	**(22.62)**	**(22.11)**		

Reconciliation of Deferred Tax Liabilities (Net)

₹ in Crores

Particulars	31-Mar-18	31-Mar-17
Opening balance	**(22.11)**	**-**
Adjustment pursuant to Scheme of Arrangement (Refer Note 1.2)	-	(17.24)
Adjustment pursuant to transition to Ind AS	-	(2.07)
Tax Expense during the period recognised in Statement of Profit and Loss	15.27	1.13
MAT Credit Utilised	(12.55)	(3.74)
Tax (Income) / Expense during the period recognised in OCI	0.30	(0.19)
Tax on proportionate share in proposed dividend of a Subsidiary	0.87	(0.87)
Tax on Foreign Currency Translation Reserve	(2.29)	-
Tax on fair valuation of assets on acqusition of Subsidiaries	(2.18)	-
Others	0.07	0.87
Closing balance	**(22.62)**	**(22.11)**

At 31st March 2018, there was no recognised Deferred Tax Liability (31st March 2017 - ₹0.87 Cr.) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries or joint venture. The Group has determined that undistributed profits of its subsidiaries and joint venture will not be distributed in the foreseeable future. The Group has an agreement with its associate that the profits of the associate will not be distributed until it obtains the consent of the Group. Furthermore, the Group's joint venture will not distribute its profits until it obtains the consent from all venture partners.

During the year ended 31st March 2018 and 31st March 2017, the parent company has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The group believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to Equity.

Notes to Consolidated Financial Statements

Note 17a. Short term Borrowings

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Secured Borrowings (secured by pari passu first charge on Inventories and Trade Receivables)		
From Banks		
Packing Credit Rupee Loans	148.92	142.62
Other Borrowings	68.94	37.08
Cash Credit	88.55	9.19
	306.41	**188.89**
Unsecured Borrowings		
From Banks		
Other Borrowings	-	9.26
Commercial Papers	-	149.16
	-	**158.42**
Total	**306.41**	**347.31**

Note - Short term Borrowings have a maturity of up to 6 months with an interest rate range of 7% - 10%.

During the current year, the Group has borrowed fresh short term loans amounting to ₹1,381.86 Cr. and repaid loans to the tune of ₹1,501.12 Cr. relating to Packing Credit, Commercial Paper and Other Borrowings.

Note 17b. Trade Payables

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Trade Payables		
- Dues to Micro, Small and Medium Enterprises	0.40	1.36
- Others	950.15	774.02
Total	**950.55**	**775.38**

Terms and conditions of the above financial liabilities:

Trade Payables are non-interest bearing and are normally settled within a period of 90 to 180 days. For terms and conditions relating to Related Party receivables, refer Note 36.

Note 17c. Derivative Instruments

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Derivative instruments at FVTOCI		
Cash Flow Hedges (Refer Note 42)		
Foreign Exchange Forward Contracts	0.31	0.15
Total	**0.31**	**0.15**

Notes to Consolidated Financial Statements

Note 17d. Other Financial Liabilities

(At Amortised Cost) ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Current maturities of Long Term Borrowings		
Secured, Listed and rated Non-Convertible Debentures (NCD)		
8.79% Privately Placed NCD *	150.00	-
8.90% Privately Placed NCD *	100.00	-
9.81% Privately Placed NCD*	-	75.00
9.99% Privately Placed NCD*	-	49.99
Payable to TIFHL (Demerged Company)	-	55.00
Interest Accrued but Not Due	13.69	17.38
Unpaid Dividends#	0.99	0.39
Advances and Deposits from Customers / Others	8.65	9.27
Dues to Directors	1.35	-
Other liabilities		
- Recoveries from Employees	3.54	3.24
- Capital Creditors	18.00	15.08
- Others	0.58	2.27
Total	**296.80**	**227.62**

* Refer Note 15a for security and repayment terms

Amount to be credited to Investor Education and Protection Fund towards Unpaid Dividends ₹0.05 Cr. (Previous Year - ₹0.06 Cr.)

Note 18. Short Term Provisions ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Provision for Compensated Absences (Refer Note a below)	19.01	16.76
Provision for Warranties (Refer Note b below)	1.67	1.82
Provision for Contingency / Others (Refer Note c below)	38.57	31.24
Others	12.17	-
Total	**71.42**	**49.82**

(a) Provision for Compensated absences

This refers to the amount provided for accumulated Earned Leave and Sick Leave, which can be encashed at the time of resignation / retirement of employee. The assumptions used to compute the provision are provided in Note 34.

(b) Provision for Warranties ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
At the Beginning of the Year	1.82	-
Adjustment pursuant to the Scheme of Arrangement (Refer Note 1.2)	-	1.84
Created during the Year	1.20	1.43
Utilized during the Year	(1.35)	(1.45)
At the End of the Year	**1.67**	**1.82**

Notes to Consolidated Financial Statements

A provision is recognised for expected warranty claims on products sold during the last one year (2 years in respect of certain components), based on past experience of the level of returns. It is expected that most of these costs will be incurred within one year after the reporting date. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the applicable warranty period for all products sold.

(c) Provision for Contingencies / Others

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
At the Beginning of the Year	31.24	-
Adjustment pursuant to the Scheme of Arrangement (Refer Note 1.2)	-	23.02
Created during the Year	7.33	8.22
At the End of the Year	**38.57**	**31.24**

The above Provision represents expected future outflows relating to various tax related matters, timing of which cannot be ascertained. The assumptions used to calculate the provisions are based on past experience of similar matters and professional consultations.

Note 19. Other Current Liabilities

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Statutory Liabilities	37.35	36.37
Advances from Customers	22.54	16.77
Total	**59.89**	**53.14**

Note 20a. Financial Assets

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Financial Assets - Non Current		
At Fair Value		
Investments at FVTOCI	23.29	24.36
At Amortised Cost		
Other Financial Assets	22.30	22.16
Total Non Current Financial Assets (A)	**45.59**	**46.52**
Financial Assets - Current		
At Fair Value		
Investments at FVTPL	101.40	159.68
At Amortised Cost		
(a) Loans	1.64	1.58
(b) Trade receivables	697.01	614.99
(c) Cash and Cash Equivalents	32.46	23.94
(d) Other financial assets	78.85	81.39
Total Current Financial Assets (B)	**911.36**	**881.58**
Total Financial Assets (A + B)	**956.95**	**928.10**

Notes to Consolidated Financial Statements

Note 20b. Financial Liabilities

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Financial Liabilities - Non Current		
At Amortised Cost		
Long Term Borrowings	228.56	378.26
At Fair Value through Profit and Loss		
Other Long Term Liabilities	0.88	0.66
Total Non Current Financial Liabilities (A)	**229.44**	**378.92**
Financial Liabilities - Current		
At Fair Value		
Derivative Instruments	0.31	0.15
At Amortised Cost		
(a) Short Term Borrowings	306.41	347.31
(b) Trade Payables	950.55	775.38
(c) Other Financial Liabilities	296.80	227.62
Total Current Financial Liabilities (B)	**1,554.07**	**1,350.46**
Total Financial Liabilities (A + B)	**1,783.51**	**1,729.38**

Note 20c. Government Grants

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Opening balance at the beginning of the period	1.38	-
Received during the Year	4.41	6.65
Released to the Statement of Profit and Loss	(4.71)	(5.27)
Closing balance at the end of the period	**1.08**	**1.38**
Current	1.08	1.38
Non Current	-	-
	1.08	**1.38**

Government grants are Interest Subvention given by RBI on Packing Credit Rupee Export Loan towards Exports of Certain Goods.

Note 20d. Proposed Dividend

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Proposed Dividends on Equity Shares:		
Dividend for FY 2017-18 - ₹0.50 per share (Dividend for FY 2016-17 - ₹2 per share)	9.38	37.49
Dividend Distribution Tax (DDT) on Proposed Dividend	1.93	7.63
	11.31	**45.12**

Proposed dividend on Equity Shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at year end.

Notes to Consolidated Financial Statements

Note 21. Revenue from Operations

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Sale of Products		
Finished Goods	4,563.97	4,386.33
Traded Goods	276.32	218.31
Sale of Products (A)	**4,840.29**	**4,604.64**
Other Operating Revenue		
Scrap Sales (Gross)	238.56	189.55
Service Income	4.53	4.07
Conversion Income	0.08	0.27
Export Benefits (Duty Drawback and Export Incentive)	27.21	12.31
Others	5.61	9.36
Other Operating Revenue (B)	**275.99**	**215.56**
Total (A+B)	**5,116.28**	**4,820.20**

Sale of Products includes Excise Duty collected from customers of ₹79.88 (Previous Year - ₹302.12 Cr.). Sale of Products net of Excise Duty is ₹4,760.41 Cr. (Previous Year - ₹4,302.52 Cr.)

Sale of Scrap includes Excise Duty collected from customers of ₹8.93 Cr. (Previous Year - ₹25.07 Cr.). Sale of Scrap net of Excise Duty is ₹229.63 Cr. (Previous Year - ₹164.48 Cr.)

Revenue from operations for periods up to 30th June 2017 includes Excise Duty. From 1st July 2017 onwards the Excise Duty and most indirect taxes in India have been subsumed by Goods and Service Tax (GST). The Group collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year ended 31st March 2018 and 31st March 2017 are not comparable.

Note 22. Other Income

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Dividend Income from Investments at FVTOCI	1.35	0.52
Dividend income from Investments at FVTPL	3.82	3.03
Rental Income	0.99	1.00
Royalty Income	0.23	0.24
Gain on Exchange Fluctuation (Net)	6.28	3.85
Profit on Property, Plant and Equipment sold / discarded (Net)	4.61	4.69
Profit on sale of Investments at FVTPL	2.17	12.61
Fair Value Gain on Financial Instruments at FVTPL	0.67	1.02
Liabilities no longer payable written back	1.47	0.32
Claims recovered	6.24	8.57
Bad debts recovery	-	0.15
Interest Income from Financial Assets		
Fixed Deposits with Banks	5.47	7.04
Others	1.32	3.55
Provision no longer required written back	-	0.90
Others	-	0.92
Total	**34.62**	**48.41**

Notes to Consolidated Financial Statements

Note 23 (a). Cost of Material Consumed

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Opening Raw Material	246.26	-
Adjustment pursuant to Scheme of Arrangement (Refer Note 1.2)	-	234.40
Addition on acquisition of Subsidiaries	3.05	-
Purchases	2,832.12	2,574.92
Closing Raw Material	(274.64)	(246.26)
Cost of Raw Material and Components Consumed	**2,806.79**	**2,563.06**

Note 23 (b). Changes in Inventories of Work-in-Progress, Finished Goods and Stock - in - Trade

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Closing Stock		
Work-in-Progress	191.34	151.75
Finished Goods	217.75	257.45
Stock-in-Trade	70.10	68.31
	479.19	**477.51**
Opening Stock		
Work-in-Progress	151.75	-
Finished Goods	257.45	-
Stock-in-Trade	68.31	-
	477.51	**-**
Adjustment pursuant to Scheme of Arrangement (Refer Note 1.2)		
Work-in-Progress	-	134.77
Finished Goods	**-**	**176.01**
Stock-in-Trade	-	51.29
	-	362.07
Addition on acquisition of Subsidiaries		
Work-in-Progress	0.33	-
Finished Goods	2.24	-
Stock-in-Trade	-	-
	2.57	**-**
Changes in Inventories		
Work-in-Progress	(39.26)	(16.98)
Finished Goods	41.94	(81.44)
Stock-in-Trade	(1.79)	(17.02)
Total	**0.89**	**(115.44)**

Notes to Consolidated Financial Statements

Note 24. Employee Benefits Expense

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Salaries, Wages and Bonus (Refer Note 33)	462.32	418.58
Gratuity Expenses (Refer Note 34)	3.38	4.50
Contribution to Provident and Other Funds	38.14	38.87
Staff Welfare Expenses	58.84	51.03
Total	**562.68**	**512.98**

Note 25. Depreciation and Amortization Expense

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Depreciation of Property, Plant and Equipment (Refer Note 6a)	153.20	148.48
Depreciation of Intangible Assets (Refer Note 6b)	0.17	0.27
Depreciation on Investment Properties (Refer Note 7)	0.17	0.15
Total	**153.54**	**148.90**

Note 26. Finance Costs

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Interest Expense on Borrowings	57.65	73.09
Exchange Differences on Foreign Currency Loans	0.77	0.78
Other Borrowing Costs	0.07	0.12
Total	**58.49**	**73.99**

Note - The Interest Expense on Borrowings includes the interest subvention received, amounting to ₹4.71 Cr. (Previous Year - ₹5.27 Cr.) on Packing Credit loans

Note 27a. Other Expenses

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Consumption of Stores and Spares	221.06	210.79
Conversion Charges	121.58	100.56
Power and Fuel	176.39	157.51
Rent (Net of recoveries)	22.82	24.19
Repairs and Maintenance - Building	1.65	2.65
Repairs and Maintenance - Machinery	88.19	94.91
Insurance	5.91	4.68
Rates and Taxes	6.41	25.16
Travelling and Conveyance	30.27	30.87
Printing, Stationery and Communication	7.51	8.01

Notes to Consolidated Financial Statements

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Freight, Delivery and Shipping Charges	214.89	149.89
Discounts / Incentives on Sales	12.17	13.59
Advertisement and Publicity	39.51	30.68
Provision for Doubtful Trade Receivables (Net)	1.60	0.71
Trade Receivables written off	0.88	-
Loss on Tangible Assets Sold / Discarded (Net)	3.26	-
Auditor's Remuneration	1.96	1.73
Commission to Non Whole Time Directors (Refer Note a below)	1.70	1.62
Directors' Sitting Fees	0.17	-
Bank Charges	3.25	3.06
Information Technology Expenses	10.81	10.84
Donations to Charitable and Other Institutions	0.73	0.39
Expenditure on Corporate Social Responsibility	2.15	0.87
Other Expenses	84.15	69.74
	1,059.02	**942.45**

Note a: Commission to Non Whole Time Directors

Pursuant to the Scheme of Arrangement (Refer Note 1.2), in the Previous Year the Commission and Sitting Fees aggregating to ₹1.62 Cr. has been transferred from the Demerged Company

Note 27b. Exceptional Items

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Provision for Impairment of Investment in Joint Ventures	3.26	-
	3.26	**-**

During the current year, considering the market factors, changes in future project potential and accumulated losses, the Group has recognised an impairment loss of ₹3.26 Crores in the Statement of Profit and Loss (Previous Year - Nil), in respect of investment in Joint Ventures.

Note 28. Income Tax Expense

The major components of Income Tax Expense for the years ended 31st March 2018 and 31st March 2017 are:

Statement of Profit and Loss

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Current Tax:		
Current Income Tax charge	82.84	64.82
Adjustments in respect of Current Income Tax of Prior Years	(10.56)	(16.94)
Deferred Tax:		
Relating to the origination and reversal of Temporary Differences	(13.96)	(1.13)
Income Tax Expense reported in the Statement of Profit and Loss	**58.32**	**46.75**

Notes to Consolidated Financial Statements

Other Comprehensive Income (OCI) section

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
(Loss) / Gain on FVTOCI Equity Investments	(0.43)	0.01
Re-measurement Gain / (Loss) on Defined Benefit Obligations	0.57	(1.47)
Foreign Currency Translation Reserve	2.29	-
Movement on cash flow hedges	0.07	0.18
Income Tax charged to OCI	**2.50**	**(1.28)**

Reconciliation of tax expense and the accounting profit multiplied by Corporate income tax rate applicable for 31st March 2018 and 31st March 2017

The tax on the Group's profit before tax differs from the theoretical amount that would arise on using the standard rate of corporation tax

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Accounting Profit Before Tax	**213.83**	**221.10**
Profit before income tax multiplied by standard rate of corporate tax in India of 34.608% (Previous year: 34.608%)	74.00	76.52
Effects of:		
Benefit u/s 35(2AB) of Income Tax Act, 1961	(7.57)	(6.30)
Income - Exempt from tax	(5.26)	(1.01)
Benefit u/s 80IC of Income Tax Act, 1961	(1.97)	(1.73)
Benefit u/s 80IA of Income Tax Act, 1961	(1.43)	(1.63)
Capital Allowance u/s 32AC of Income Tax Act, 1961	-	(5.78)
Other disallowances	0.37	3.90
Dividend Distribution Tax on proposed dividend of subsidiary	(0.87)	0.87
Tax on fair valuation of assets on acqusition of Subsidiaries	(1.23)	-
Reversal of provision with respect to prior years	(10.56)	(18.51)
Others	12.84	0.42
Net effective Income Tax	**58.32**	**46.75**

Note 29. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in Equity is shown below:

During the year ended 31st March 2018

₹ in Crores

	Cash flow hedge reserve	FVTOCI reserve	Retained Earnings	Foreign Currency Transalation Reserve	Total
Currency forward contracts	0.12	-	-	-	0.12
Loss on FVTOCI financial assets	-	(0.26)	-	-	(0.26)
Re-measurement gains on defined benefit plans	-	-	1.06	-	1.06
Exchange Difference on Translation of Foreign Subsidiaries	-	-	-	4.25	4.25
	0.12	**(0.26)**	**1.06**	**4.25**	**5.17**

Notes to Consolidated Financial Statements

During the year ended 31st March 2017 ₹ in Crores

	Cash flow hedge reserve	FVTOCI reserve	Retained Earnings	Foreign Currency Transalation Reserve	Total
Currency forward contracts	0.33	-	-	-	0.33
Gain on FVTOCI financial assets	-	0.70	-	-	0.70
Re-measurement loss on defined benefit plans	-	-	(2.78)	-	(2.78)
Exchange Difference on Translation of Foreign Subsidiary	-	-	-	(0.76)	(0.76)
	0.33	**0.70**	**(2.78)**	**(0.76)**	**(2.51)**

Note 30.Earnings Per Share

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Profit After Tax - attributable to Owners of the Company (₹ in crores)	147.39	167.62
Weighted average number of Equity Shares		
- Basic	18,74,91,054	18,74,47,871
- Diluted	18,76,29,895	18,74,47,871
Earnings Per Share of ₹1 each		
- Basic	7.86	8.94
- Diluted	7.86	8.94

Note 31.Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a. Judgements

In the process of applying the Group's accounting policies, management has not made judgements, which have significant effect on the amounts recognised in the Consolidated Financial Statements.

b. Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur.

i. Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

Notes to Consolidated Financial Statements

ii. Taxes

Deferred Tax Assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of Deferred Tax Assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

iii. Employee Benefits

The cost of the defined benefit gratuity plan and other post-employment leave encashment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a Defined Benefit Obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about Defined Benefit Obligations are given in Note 34.

iv. Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 42 for further disclosures.

Note 32.Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's Financial Statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was notified on 28th March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Group expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Group. Ind AS 115 is effective for the Group in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1st April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Group continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Group's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Group has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate

Notes to Consolidated Financial Statements

the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

Amendments to Ind AS 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10-B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening Equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of Equity, as appropriate), without allocating the change between opening retained earnings and other components of Equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1st April 2018. These amendments are not expected to have any impact on the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

Transfers of Investment Property - Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1st April 2018. The Group will apply amendments when they become effective. However, since Group's current practice is in line with the clarifications issued, the Group does not expect any effect on its consolidated financial statements.

Ind AS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at Fair Value through Profit or Loss is an investment-by-investment choice

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.
- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

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The amendments should be applied retrospectively and are effective from 1st April 2018. These amendments are not applicable to the Group.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognizes a non-monetary asset or non-monetary liability relating to advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- The beginning of the reporting period in which the entity first applies the Appendix, or
- The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1st April 2018. A reliable estimate of the quantitative impact of Ind AS 21 on the financial statements will only be possible once the implementation project has been completed.

The Group will adopt these amendments from their applicability date.

Note 33.Stock Options pursuant to Scheme of Arrangement (Refer Note 1.2)

Pursuant to the Scheme of Arrangement (Refer Note 1.2), during the year, 3,63,763 stock options were granted to eligible employees at the rate of one stock option of the Group for every stock option held and outstanding in the Demerged Company on the date of the Nomination and Remuneration Committee Resolution dated 21st November 2017.

Further, during the year, the Nomination and Remuneration Committee of the Board of Directors of the Company, at its meeting held on 12th February 2018, approved the grant of 10,86,480 Stock Options and 2,62,200 Stock Options to eligible employees of the Group.

In this regard, the Group has recognised expense amounting to ₹5.43 Cr. for employees services received during the year, shown under Salaries, Wages and Bonus (Refer Note 24).

The movement in Stock Options are given below:

Particulars	Date of Grant	Options Outstanding as at 01-Apr-2017	During the Year 2017-18			Options Outstanding as at 31-Mar-2018	Options vested but not exercised as at 31-Mar-2018
			Options Granted	Options Cancelled / Lapsed	Options Exercised and Allotted		
Grant 1	21-Nov-17	-	51,516	-	4,672	46,844	46,844
Grant 2	21-Nov-17	-	34,241	-	34,241	-	-
Grant 3	21-Nov-17	-	21,280	-	4,864	16,416	16,416
Grant 4	21-Nov-17	-	15,112	-	-	15,112	15,112
Grant 5	21-Nov-17	-	9,344	-	2,000	7,344	7,344
Grant 6	21-Nov-17	-	2,32,270	9,660	-	2,22,610	2,22,610
Grant 7	12-Feb-18	-	10,86,480	-	-	10,86,480	-
Grant 8	12-Feb-18	-	2,62,200	-	-	2,62,200	-
Total		**-**	**17,12,443**	**9,660**	**45,777**	**16,57,006**	**3,08,326**

Notes to Consolidated Financial Statements

The details of Stock Options granted to certain employees are given below:

Particulars	Date of Grant	Weighted Average Exercise Price (₹)	Options Granted	Options Cancelled / Lapsed	Options Exercised and Allotted	Options vested and Outstanding at the End of the Year	Options unvested and Outstanding at the End of the Year	Vested Date	Weighted Average Remaining Contractual Life (In Years)
Grant 1	21-Nov-17	44.36	51,516	-	4,672	46,844	-	21-Nov-17	2.72
Grant 2	21-Nov-17	17.61	34,241	-	34,241	-	-	21-Nov-17	-
Grant 3	21-Nov-17	43.42	21,280	-	4,864	16,416	-	21-Nov-17	1.96
Grant 4	21-Nov-17	43.42	15,112	-	-	15,112	-	21-Nov-17	1.33
Grant 5	21-Nov-17	13.78	9,344	-	2,000	7,344	-	21-Nov-17	0.33
Grant 6	21-Nov-17	187.29	2,32,270	9,660	-	2,22,610	-	15-Mar-18	4.96
Grant 7	12-Feb-18	270.20	10,86,480	-	-	-	10,86,480	-	5.87
Grant 8	12-Feb-18	270.20	2,62,200	-	-	-	2,62,200	-	6.88
			17,12,443	**9,660**	**45,777**	**3,08,326**	**13,48,680**		

The following tables list the inputs to the Black Scholes model used for the plans for the year ended 31st March 2018:

Particulars	Vesting Date	Risk-free Interest Rate	Expected Life	Expected Volatility of Share Price	Dividend Yield	Price of the Underlying Share in the market at the time of Option grant	Fair Value of the Option
		% (p.a)	**(Years)**	**(%)**	**(%)**	**(₹)**	**(₹)**
Grant 1	21-Nov-17	8.23	4.64	43.70	1.86	44.36	21.30
Grant 2	21-Nov-17	8.23	2.18	33.90	1.86	17.61	6.51
Grant 3	21-Nov-17	8.22	3.93	42.84	1.86	43.42	21.93
Grant 4	21-Nov-17	8.23	2.88	39.83	1.86	43.42	20.71
Grant 5	21-Nov-17	6.58	2.04	28.69	1.86	13.78	5.18
Grant 6	21-Nov-17	6.75	3.50	31.49	0.25	187.29	60.27
Grant 7	12-Feb-18	7.33	4.63	38.19	0.00	270.20	117.98
Grant 8	12-Feb-18	7.41	5.21	38.19	0.00	270.20	125.66

Notes to Consolidated Financial Statements

Note 34.Employee Benefits Obligation

Defined Benefit Plan

a. Gratuity

Under the Gratuity plan operated by the Group, every employee who has completed atleast five years of service gets a Gratuity on departure at 15 days on last drawn salary for each completed year of service as per Payment of Gratuity Act, 1972. The scheme is funded with an Insurance Company in the form of qualifying insurance policy. The following table summarizes the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet.

₹ in Crores

	Particulars	31-Mar-2018	31-Mar-2017
A.	**Change in defined benefit obligation**		
1.	Defined benefit obligation at beginning of period	55.29	-
	Defined benefit obligation transferred pursuant to Scheme of Arrangement (Note 1.2)	-	45.76
2.	Service cost		
	a. Current service cost	3.43	4.26
	b. Past service cost	-	-
	c. (Gain) / loss on settlements	-	0.12
3.	Interest expenses	4.01	3.57
4.	Cash flows		
	Benefit payments from plan	(3.75)	(2.11)
5.	Remeasurements		
	a. Effect of changes in financial assumptions	(3.30)	2.88
	b. Effect of experience adjustments	1.65	0.81
6	Defined benefit obligation at end of period	57.33	55.29

₹ in Crores

B.	**Change in fair value of plan assets**	**31-Mar-2018**	**31-Mar-2017**
1.	Fair value of plan assets at beginning of period	55.87	-
	Fair value of plan assets transferred pursuant to Scheme of Arrangement (Note 1.2)	-	46.77
2.	Interest income	4.05	3.75
3.	Cash flows		
	a. Total employer contributions	1.66	7.60
	b. Benefit payments from plan assets	(2.93)	(2.11)
4.	Remeasurements		
	a. Return on plan assets (excluding interest income)	(0.02)	(0.44)
	b. Expected return on plan assets	-	0.30
5.	Fair value of plan assets at end of period	58.63	55.87

Notes to Consolidated Financial Statements

₹ in Crores

C.	Amounts recognized in the Balance Sheet	31-Mar-2018	31-Mar-2017
1.	Defined benefit obligation	57.33	55.29
2.	Fair value of plan assets	(58.63)	(55.87)
3.	Funded status	(1.30)	(0.58)
4.	Net defined benefit asset	(1.30)	(0.58)

₹ in Crores

D.	Components of defined benefit cost	31-Mar-2018	31-Mar-2017
1.	Service cost		
	a. Current service cost	3.43	4.26
	b. (Gain) / Loss on settlements	-	0.12
	c. Total service cost	3.43	4.38
2.	Net interest cost		
	a. Interest expense on DBO	4.01	3.57
	b. Less - Interest income / expected return on plan assets	4.06	3.45
	c. Total net interest cost	(0.05)	0.12
3.	Remeasurements (recognized in OCI)		
	a. Effect of changes in financial assumptions	(3.30)	2.88
	b. Effect of experience adjustments	1.65	0.93
	c. Less - (Return) on plan assets (excluding interest income)	(0.02)	(0.44)
	d. Total remeasurements included in OCI	(1.63)	4.25
4.	Total defined benefit cost recognized in P&L and OCI	1.75	8.75

₹ in Crores

E.	Re-measurement	31-Mar-2018	31-Mar-2017
	a. Actuarial Loss / (Gain) on DBO	(1.65)	3.81
	b. Less - Returns above Interest Income	(0.02)	(0.44)
	Total Re-measurements (OCI)	(1.63)	4.25

₹ in Crores

F.	Employer Expense (P&L)	31-Mar-2018	31-Mar-2017
	a. Current Service Cost	3.43	4.38
	b. Interest Cost on net DBO	(0.05)	0.12
	c. Total P&L Expenses	3.38	4.50

₹ in Crores

G.	Net defined benefit liability (asset) / reconciliation	31-Mar-2018	31-Mar-2017
1.	Net defined benefit asset	(0.58)	(1.73)
2.	Defined benefit cost included in P&L	3.38	4.50
3.	Total remeasurements included in OCI	(1.63)	4.25
4.	Employer contributions	(1.66)	(7.60)
5.	Net benefit paid from plan assets	(0.81)	-
6.	Net defined benefit liability (asset) as of end of period	(1.30)	(0.58)

Notes to Consolidated Financial Statements

₹ in Crores

H.	Reconciliation of OCI (Re-measurment)	31-Mar-2018	31-Mar-2017
1.	Recognised in OCI during the period	(1.63)	4.25
2.	Recognised in OCI at the end of the period	(1.63)	4.25

₹ in Crores

I.	Sensitivity analysis - DBO end of Period	31-Mar-2018	31-Mar-2017
1.	Discount rate +1%	48.98	51.13
2.	Discount rate - 1%	57.90	59.91
3.	Salary Increase Rate +1%	57.82	59.61
4.	Salary Increase Rate -1%	48.97	51.32
5.	Attrition Rate +1%	53.97	55.94
6.	Attrition Rate -1%	52.28	54.48

J.	Significant actuarial assumptions	31-Mar-2018	31-Mar-2017
1.	Discount rate Current Year	7.5% - 8%	7% - 7.25%
2.	Discount rate Previous Year	7% - 7.25%	8.00%
3.	Salary increase rate	Uniform 5.0%	Uniform 5.0%
4.	Attrition Rate	3.0% [AGE 0-30] 1.0% [AGE 31-40] 2.0% [AGE 41-58]	3.0% [AGE 0-30] 1.0% [AGE 31-40] 2.0% [AGE 41-58]
5.	Retirement Age	58	58
6.	Pre-retirement mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
7.	Disability	Nil	Nil

₹ in Crores

K.	Data	31-Mar-2018	31-Mar-2017
1.	No.	3,902	4,030
2.	Avg. Age (yrs.)	40	39
3.	Avg. Past Service (yrs.)	14	12
4.	Avg. Sal. Mly (₹)	21,857	19,831
5.	Future Service (yrs.)	18	19
6.	Weighted average duration of DBO	14	15

₹ in Crores

L.	Expected cash flows for following year	31-Mar-2018	31-Mar-2017
1.	Expected employer contributions / Additional. Provision Next Year	2.38	4.68
2.	Expected total benefit payments		
	Year 1	5.01	4.40
	Year 2 to Year 5	21.31	15.66
	Next 5 years	31.93	22.51

Notes to Consolidated Financial Statements

₹ in Crores

M.	Defined benefit obligation at end of period	31-Mar-2018	31-Mar-2017
	Current Obligation	5.00	4.51
	Non-Current Obligation	52.33	50.77
	Total	57.33	55.29

SUMMARY ₹ in Crores

	Assets / Liabilities	31-Mar-2018	31-Mar-2017
1.	Defined benefit obligation at end of period	57.33	55.29
2.	Fair value of plan assets at end of period	58.63	55.87
3.	Net defined benefit asset	(1.30)	(0.58)
4.	Defined benefit cost included in P&L	3.38	4.50
5.	Total remeasurements included in OCI	(1.63)	4.25
6.	Total defined benefit cost recognized in P&L and OCI	1.75	8.75

Notes:

i. The entire Plan Assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC).

ii. The expected / actual return on Plan Assets is as furnished by LIC.

iii. The estimate of future salary increase takes into account inflation, likely increments, promotions and other relevant factors.

b. Provident Fund

The Group's Provident Fund is exempted under Section 17 of the Employees' Provident Fund Act, 1952. Conditions for the grant of exemption stipulate that the employer shall make good the deficiency, if any, in the interest rate declared by the Trust over the statutory limit. The Actuary has provided a valuation for Provident Fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided below, the Group does not have additional obligation as at 31st March 2018 and 31st March 2017.

The details of fund and plan assets are given below:

₹ in Crores

Particulars	31-Mar-2018	31-Mar-2017
Fair value of plan assets at end of period	140.58	137.44
Defined Benefit Obligation at end of period	136.56	109.63

The principal assumptions used in determining the present value obligation of interest guarantee under the deterministic approach are as follows:

Assumption	31-Mar-2018	31-Mar-2017
Discount Rate	8.00%	7.25%
Weighted Average Duration of DBO in years	15	15
Expected Investment Return	7.25%	8.67%
Average Interest Rate expected to be declared	8.55%	8.62%

During the year, the Group contributed ₹6.95 Cr. (Previous year - ₹5.88 Cr.) under Defined Benefit Plans and the same has been recognised in the Statement of Profit and Loss under Employee Benefits expense.

Notes to Consolidated Financial Statements

c. Long Term Compensated Absences

The assumption used for computing the long term accumulated compensated absences on actuarial basis are as follows:

Assumptions	31-Mar-2018	31-Mar-2017
Discount Rate	7.25% - 8%	7% - 7.25%
Future Salary Increase (%)	5%	5%
Attrition Rate	1% to 3%	1% to 3%

d. Contributions to Defined Contribution Plans

During the year, the Group recognised ₹6.68 Cr. (Previous Year - ₹6.88 Cr.) to Provident Fund under Defined Contribution Plan, ₹6.34 Cr. (Previous Year - ₹5.22 Cr.) for Contributions to Superannuation Fund and ₹1.66 Cr. (Previous Year - ₹1.20 Cr.) for Contributions to Employee State Insurance Scheme in the Statement of Profit and Loss.

Note 35.Commitment and Contingencies

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
I. Contingent Liabilities		
a) Disputed Income-Tax demands under appeal / remand pending before various appellate / assessing authorities against the Demerged Company (Refer Note d)	39.40	39.36
b) Disputed Service Tax, Excise and Customs duty demand pertaining to financial years 1999-2000 to 2012-13 pending before the Appellate Tribunal. The Management of the Group is of the opinion that the above demands are arbitrary and are not sustainable	0.11	0.11
c) Claims against the Group not acknowledged as debts	1.57	1.44
d) Disputed demand for additional sales tax on CST	0.02	0.02
e) Disputed Excise Duty on interunit transfer of machinery	1.52	1.52
f) Dispute pending in court on a legal case	0.02	-
II. Commitments		
a) Estimated amount of contracts remaining to be executed on capital expenditure and not provided for	64.63	78.08
b) Export obligation under EPCG / Advance License Scheme to be fulfilled. The Group is confident of meeting its obligations under the Schemes within the Stipulated Period.	7.95	7.16

Notes:

a. Draft Assessment Orders received from Income Tax Authorities and Show Cause Notices received from various other Government Authorities, pending adjudication, have not been considered as Contingent Liabilities.

b. The uncertainties and possible reimbursement in respect of the above mentioned contingent liabilities are dependent on the outcome of various legal proceedings and therefore, cannot be predicted accurately.

c. The Group considers the Cash flow in each of the cases to be uncertain and hence considered as Contingent liabilities.

d. As per the Scheme of Arrangement, all taxes, duties, cess payable by the Demerged Company relating to the Manufacturing Business Undertaking including all advance tax payments, tax deducted at source or any refunds / credit / claims relating thereto shall, for all purposes, be treated as advance tax payments, Tax Deducted at Source or refunds / credit / claims, as the case may be, of the Company, provided however that any direct and indirect taxes that cannot specifically be earmarked as the liability or refunds / credit / claims relating to the Manufacturing Business Undertaking shall continue to be borne by the Demerged Company. The Scheme further provides that if the Demerged Company or their successor(s) receive any refunds / credit / claims or incurs any liability in respect of the Manufacturing Business Undertaking, the same shall be on behalf of and as a trustee of the Company and the same shall be refunded to / paid by the Company.

Notes to Consolidated Financial Statements

Note 36.Disclosure in respect of Related Parties pursuant to Ind AS 24

a) List of Related Parties

I. Substantial Interest in Voting power in Joint Venture

a. Tsubamex Company Limited

b. Absolute Speciality Foods Chennai Private Limited

II. Company having Significant Influence and related companies

a. Ambadi Investments Limited (Refer Note 13)

b. Parry Agro Industries Limited

c. Parry Enterprises India Limited

III. Key Management Personnel (KMP)

a. Mr. L. Ramkumar - Managing Director

b. Mr. Vellayan Subbiah - Managing Director Designate (with effect from 19th August 2017)

c. Mr. S. Suresh - Company Secretary

d. Mr. K Mahendra Kumar - Chief Financial Officer

IV. Non-Executive Directors

a. Mr. M M Murugappan, Chairman

b. Mr. Hemant M Nerurkar

c. Mr. Pradeep V Bhide

d. Mr. S Sandilya

e. Ms. Madhu Dubhashi

f. Mr. Ramesh K B Menon (with effect from 16th November 2017)

b) During the year the following transactions were carried out with the related parties in the ordinary course of business:

₹ in Crores

Transaction	Related Party	2017-18	2016-17
Services Received	Parry Enterprises India Limited	9.93	11.82
Remuneration (Refer note (i) below)	Key Managerial Personnel	10.00	4.84
Sitting Fees and Commission	Non-Executive Directors	1.60	1.62
Balance at Year End			
Payable	Key Managerial Personnel	2.29	1.12
	Parry Enterprises India Limited	0.16	0.13

(i) Details of remuneration to Key Managerial Personnel are given below

₹ in Crores

	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
- Salaries and Allowances	5.66	3.10
- Provident Fund and Super Annuation	0.77	0.40
- Perquisites	1.28	0.22
- Incentive	2.29	1.12
- Fair value Cost of Stock options granted	1.70	-
	11.70	**4.84**

Notes to Consolidated Financial Statements

Terms and Conditions of transaction with Related Parties

The sale to and purchases from Related Parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in Cash. For the year ended 31st March 2018 and 31st March 2017, the Group has not recorded any impairment of receivables relating to amounts owed by Related Parties (Refer Note 11b and Note 17b for Trade Receivables and Trade Payables respectively).

Additional Disclosures

The transactions with the Related Parties of the Demerged Company, carried out in the ordinary course of business during 2016-17, before the effective date of Scheme of Arrangement are given below.

₹ in Crores

Transaction	Related Party	2017-18	2016-17
Rentals Paid / Recovered	Cholamandalam MS General Insurance Company Limited	-	0.06
	Cholamandalam Investment Finance Company Limited	-	0.14
Premium Paid	Cholamandalam MS General Insurance Company Limited	-	3.21
Claims Received	Cholamandalam MS General Insurance Company Limited	-	8.57
Management expenses Paid	Cholamandalam MS General Insurance Company Limited	-	0.07
Interest Paid	Cholamandalam MS General Insurance Company Limited	-	0.07
Debentures Redeemed	Cholamandalam MS General Insurance Company Limited	-	10.00
Reimbursement of Expenses	Cholamandalam MS General Insurance Company Limited	-	0.02
Services Rendered	Cholamandalam Securities Limited	-	0.01
Balance at Year End			
Payable (Net) - Management expenses and rent	Cholamandalam MS General Insurance Company Limited	-	0.04
Receivable	Cholamandalam MS General Insurance Company Limited	-	0.02

Note 37.Segment Information

For management purposes, the Group's operations are organised into major segments - Cycles and Accessories, Engineering, Metal Formed Products, Gear and Gear products which comprise the primary basis of segmental information.

The Management Committee headed by Managing Director (CODM) consisting of Chief Financial Officer, Leaders of Strategic Business Units and Human resources have identified the above three reportable business segments. It reviews and monitors the operating results of the business segments for the purpose of making decisions about resource allocation and performance assessment using profit or loss and return on capital employed.

The Cycles and Accessories segment comprises bicycles of the Standard and Special variety including alloy bikes and Speciality performance bikes and fitness equipment. The Engineering segment consists of cold rolled steel strips and precision steel tube viz., Cold Drawn Welded tubes (CDW) and Electric Resistance Welded tubes (ERW). The Metal Formed Products segment comprises of Automotive and Industrial chains, fine blanked products, stamped products, roll-formed car doorframes and cold rolled formed sections for railway wagons and passenger coaches. Gear and Gear Products segment consists of gears, gear boxes, gear motors and gear assemblies.

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocated corporate assets and liabilities represent the assets and liabilities that relate to the Group as a whole and are not allocable to any segment. Expenses that are directly identifiable to segments are considered for determining the segment results. Expenses which relate to the Group as a whole and are not allocable to segments are included under unallocated corporate expenses.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The current year revenue, profit, assets and liabilities of Cycles and Accessories segment includes the current year acquisition relating to Great Cycles (Private) Limited and Creative Cycles (Private) Limited (Refer Note 39).

Notes to Consolidated Financial Statements

₹ in Crores

Particulars	Cycles and Accessories		Engineering		Metal Formed Products		Gears and Gear Products		Eliminations		Consolidated Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
REVENUE												
External Sales	1,302.65	1,347.52	1,993.16	1,770.14	1,339.26	1,296.11	205.22	190.87			4,840.29	4,604.64
Inter-Segment Sales	-	-	189.85	162.25	1.15	0.98	4.74	0.89	(195.74)	(164.12)	-	-
Other Operating Income	8.49	11.17	192.84	144.54	65.07	47.78	9.59	12.06	(7.59)	(6.30)	268.40	209.25
Unallocated Corporate Income	-	-	-	-	-	-	-	-	-	-	7.59	6.31
Total Revenue	**1,311.14**	**1,358.69**	**2,375.85**	**2,076.93**	**1,405.48**	**1,344.87**	**219.55**	**203.82**	**(203.33)**	**(170.42)**	**5,116.28**	**4,820.20**
Unallocated Corporate Expenses											(16.79)	(7.13)
RESULT												
Operating Profit	0.09	36.03	178.15	144.85	89.47	82.55	27.98	24.42	-	-	278.90	280.72
Profit / (Loss) on Sale of Property, Plant and Equipment	0.47	(0.30)	(3.23)	0.93	3.81	3.90	0.70	0.11	-	-	1.75	4.64
Net Operating Profit	**0.56**	**35.73**	**174.92**	**145.78**	**93.28**	**86.45**	**28.68**	**24.53**	**-**	**-**	**280.65**	**285.36**
Dividend Income	-	-	-	-	-	-	3.82	3.03	-	-	5.17	3.55
Finance Costs	-	-	-	-	(2.11)	(1.94)	-	-	-	-	(58.49)	(73.99)
Tax Expense	(2.30)	-	-	-	3.93	2.66	(4.59)	(5.99)	-	-	(58.32)	(46.75)
Exceptional Items												
- Provision for Impairment of Investment in Joint Ventures	-	-	-	-	-	-	-	-	-	-	(3.26)	-
- Profit on Sale of Current Investments (Net)	-	-	-	-	0.14	2.00	0.67	0.94	-	-	2.84	13.63
- Share of Loss from Joint Ventures							-	-	-	-	(13.08)	(7.45)
Net Profit	**(1.74)**	**35.73**	**174.92**	**145.78**	**95.24**	**89.17**	**28.58**	**22.51**	**-**	**-**	**155.51**	**174.35**

Notes to Consolidated Financial Statements

Particulars	Cycles and Accessories		Engineering		Metal Formed Products		Gears and Gear Products		Eliminations		Consolidated Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Other Information												
Segment Assets	591.03	621.93	1,165.81	946.96	825.70	744.79	353.66	343.33	(39.31)	(29.99)	2,896.89	2,627.02
Unallocated Corporate Assets											106.55	202.14
Total Assets	**591.03**	**621.93**	**1,165.81**	**946.96**	**825.70**	**744.79**	**353.66**	**343.33**	**(39.31)**	**(29.99)**	**3,003.44**	**2,829.16**
Segment Liabilities	327.88	332.00	494.01	317.70	280.33	237.95	41.82	40.61	(39.31)	(29.99)	1,104.73	898.27
Unallocated Corporate Liabilities											26.50	84.89
Total Liabilities	**327.88**	**332.00**	**494.01**	**317.70**	**280.33**	**237.95**	**41.82**	**40.61**	**(39.31)**	**(29.99)**	**1,131.23**	**983.16**
Capital Expenditure	7.80	54.27	140.56	48.56	68.46	57.37	6.32	6.11	-	-	223.14	166.31
Unallocated Corporate Capital Expenditure											11.65	3.80
Depreciation	15.95	15.80	65.66	63.18	52.87	49.20	15.56	17.83	-	-	150.04	146.01
Unallocated Corporate Depreciation											3.50	2.89
Investment in Joint Venture (Net of Impairment)											8.85	17.64

Notes to Consolidated Financial Statements

Revenue from External Customers ₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
India	4,525.51	4,257.30
Outside India	590.77	562.90
Total Revenue as per Statement of Profit and Loss	**5,116.28**	**4,820.20**

There are no sales to external customers more than 10% of Total Revenue.

Non-Current Operating Assets ₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
India	1,472.89	1,256.21
Outside India	79.29	186.75
Total	**1,552.18**	**1,442.96**

Reconciliation of Segment Assets and Liabilities to amounts reflected in the Financial Statements ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Segment Assets	3,003.44	2,829.16
Add: Deferred Tax Assets (Note 16)	42.45	44.39
Add: Goodwill on Consolidation (Note 6c)	308.17	305.79
Total Assets	**3,354.06**	**3,179.34**

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Segment Liabilities	1,131.23	983.16
Add: Deferred Tax Liabilities (Note 16)	65.07	66.50
Add: Long Term and Short Term Borrowings (Note 15a and Note 17a)	534.97	725.57
Add: Current maturities of Long term Borrowings (Note 17d)	250.00	124.99
Total Liabilities	**1,981.27**	**1,900.22**

Note 38.Operating Leases

The Group has operating lease agreements for certain office space and residential accommodation which are generally cancellable in nature. As per the lease terms, an amount of ₹22.82 Cr. (Previous Year - ₹24.19 Cr.) has been recognised in the Statement of Profit and Loss.

Note 39.Business Combination and acquisition of Non-Controlling Interests

On 9th March 2018, the Group acquired 80% shares in Great Cycles (Private) Limited and Creative Cycles (Private) Limited, bicycle and component manufacturing companies based out of Sri Lanka for a consideration of ₹16.98 Cr. (USD 2.61 Million) and ₹6.47 Cr. (USD 0.99 Million) and accounted a capital reserve of ₹0.38 Cr. in the Consolidated Financial Statements.

The acquisition is part of the Group strategy for securing the backend supply chain in the mass premium and super premium segments of its bicycles business.

The Group has elected to measure the Non-Controlling Interest in the acquiree(s) at proportionate share of its interest in the acquiree's identifiable asset.

The Group, based on external expert valuation report determined the fair values of all the Assets and Liabilities taken over / assumed, in both these companies on acquisition date. Valuation of leasehold land and buildings are made using investment method taking into account the potential market value of the assets.

Notes to Consolidated Financial Statements

The fair value of the identifiable assets and liabilities of the acquirees as at the date of acquisition are given below

₹ in Crores

Particulars	Great Cycles (Private) Limited	Creative Cycles (Private) Limited
Assets		
Property, Plant and Equipment	6.45	3.06
Intangible Assets	5.82	4.89
Other Non Current Financial Assets	0.28	0.82
Inventories	1.42	4.22
Trade Receivables	4.76	5.19
Cash and Cash Equivalents	4.30	5.01
Other Current Assets	0.07	0.06
	23.10	**23.25**
Liabilities		
Trade Payables	1.35	9.41
Other Current Financial Liabilities	0.13	0.09
Other Current Liabilities	0.11	5.47
	1.59	**14.97**
Net Assets at Fair Value	**21.51**	**8.28**
Non Controlling Interest at Fair Value	4.30	1.66
Purchase Consideration	**16.98**	**6.47**
Gain on Bargain Purchase (Refer Note 14)	**0.23**	**0.15**

There is no contingent consideration to be paid to the previous owner as per the purchase agreement, and transactions to be recognised separately from acquisition of assets and assumption of liabilities.

The acquisition is a bargain purchase and also completed in one tranche.

From the date of acquisition, Great Cycles (Private) Limited and Creative Cycles (Private) Limited have contributed ₹2.56 Cr. of Revenue from Operations and ₹0.28 Cr. of Profit before tax of the continuing operations of the Group. If the Business Combination had taken place at the beginning of the year, revenue from operations to the group would have been ₹15.45 Cr. and profit before tax would have been ₹0.20 Cr. respectively.

Note 40. Non-Controlling Interest

Financial information of Subsidiaries having Non-Controlling Interest is given below

As at 31st March 2018

Name of the Subsidiary	Country of Incorporation	As on 31st March 2018	Profit allocated to Non-Controlling Interest (₹ in Crores)	Other Comprehensive Income allocated to Non-Controlling Interest (₹ in Crores)	Accumulated Non-Controlling Interest (₹ in Crores)
Shanthi Gears Limited	India	29.88%	8.54	0.03	94.97
Great Cycles (Private) Limited	Sri Lanka	20.00%	0.03	-	4.05
Creative Cycles (Private) Limited	Sri Lanka	20.00%	-	-	1.46

Notes to Consolidated Financial Statements

As at 31st March 2017

Name of the Subsidiary	Country of Incorporation	As on 31st March 2017	Profit allocated to Non-Controlling Interest (₹ in Crores)	Other Comprehensive Income allocated to Non-Controlling Interest (₹ in Crores)	Accumulated Non-Controlling Interest (₹ in Crores)
Shanthi Gears Limited	India	29.88%	6.73	(0..02)	91.53

The summarised financial information of the Subsidiariesis provided below. This information is based on amounts before inter-company eliminations

As at 31st March 2018

Summarised Statement of Profit and Loss

₹ in Crores

Particulars	Shanthi Gears Limited	Great Cycles (Private) Limited	Creative Cycles (Private) Limited
Income	231.47	1.30	5.58
Expenses	198.3	1.15	5.45
Profit Before Tax	33.17	0.15	0.13
Tax Expense	4.59	-	0.12
Profit for the Year	28.58	0.15	0.01
- attributable to the owners of the Company	20.04	0.12	0.01
- attributable to the non-controlling interest	8.54	0.03	-
Other Comprehensive Income	0.11	-	-
- attributable to the owners of the Company	0.08	-	-
- attributable to the non-controlling interest	0.03	-	-
Total Comprehensive Income	28.69	0.15	0.01
- attributable to the owners of the Company	20.12	0.12	0.01
- attributable to the non-controlling interest	8.57	0.03	-

Summarised Balance Sheet

₹ in Crores

Particulars	Shanthi Gears Limited	Great Cycles (Private) Limited	Creative Cycles (Private) Limited
Non-Current Asset	81.24	12.46	8.42
Current Asset	278.82	10.23	14.68
Non-Current Liabilities	0.88	1.22	0.98
Current Liabilities	41.39	1.22	14.84
Total Equity	317.79	20.25	7.28
- attributable to the owners of the company	222.82	16.20	5.82
- attributable to the non-controlling interest	94.97	4.05	1.46

Notes to Consolidated Financial Statements

Summarised Cash Flow Statement

₹ in Crores

Particulars	Shanthi Gears Limited	Great Cycles (Private) Limited	Creative Cycles (Private) Limited
Net cash inflow in operating activities	56.30	(0.04)	0.08
Net cash outflow from investing activities	(40.20)	-	(0.41)
Net cash inflow in financing activities	(17.21)	-	-
Net Increase in Cash and Cash equivalent	(1.11)	(0.04)	(0.33)

As at 31st Mar 2017

Summarised Statement of Profit and Loss

₹ in Crores

Particulars	Shanthi Gears Limited
Income	214.55
Expenses	186.05
Profit Before Tax	28.50
Tax Expense	5.99
Profit for the Year	22.51
- attributable to the owners of the Company	15.78
- attributable to the non-controlling interest	6.73
Other Comprehensive Income	(0.08)
- attributable to the owners of the Company	(0.06)
- attributable to the non-controlling interest	(0.02)
Total Comprehensive Income	22.43
- attributable to the owners of the Company	15.72
- attributable to the non-controlling interest	6.71

Summarised Balance Sheet

₹ in Crores

Particulars	Shanthi Gears Limited
Non-Current Asset	88.38
Current Asset	259.17
Non-Current Liabilities	0.76
Current Liabilities	40.47
Total Equity	306.32
- attributable to the owners of the Company	214.79
- attributable to the non-controlling interest	91.53

Summarised Cash Flow Statement

₹ in Crores

Particulars	Shanthi Gears Limited
Net cash inflow in operating activities	13.81
Net cash outflow from investing activities	(12.92)
Net cash inflow in financing activities	-
Net Increase in Cash and Cash equivalent	0.89

Notes to Consolidated Financial Statements

Note 41.Interest in Joint Venture

The Group has interest in Joint Ventures namely TI Tsubamex Private Limited (TTPL) and TI Absolute Concepts Private Limited (TIACPL) at 78.33% and 50% respectively as at 31st March 2018 (Previous Year 75% and 50% respectively).

The Group's interest is accounted using the Equity method in the Consolidated Financial Statements. Summarised financial information of the Joint Ventures based on their Ind AS Financial Statements is given below

As at 31st March 2018

Summarised Statement of Profit and Loss ₹ in Crores

Particulars	TTPL	TIACPL
Income	26.76	10.68
Expenses	33.74	26.20
Profit Before Tax	(6.98)	(15.52)
Tax Expense	-	-
Profit for the Year	(6.98)	(15.52)
Other Comprehensive Income	-	-
Total Comprehensive Income	(6.98)	(15.52)
Proportion of Group's ownership	78%	50%
Group's share in Total Comprehensive Income	(5.32)	(7.76)

Summarised Balance Sheet ₹ in Crores

Particulars	TTPL	TIACPL
Non-Current Asset	16.92	10.02
Current Asset	10.51	1.81
Non-Current Liabilities	6.06	0.03
Current Liabilities	11.68	5.29
Total Equity	9.69	6.51
Proportion of Group's ownership	78%	50%
Group's share in Total Equity	7.59	3.26

As at 31st March 2017

Summarised Statement of Profit and Loss ₹ in Crores

Particulars	TTPL	TIACPL
Income	5.19	2.70
Expenses	11.00	8.15
Profit Before Tax	(5.81)	(5.45)
Tax Expense	0.48	-
Profit for the Year	(6.29)	(5.45)
Other Comprehensive Income	(0.01)	-
Total Comprehensive Income	(6.30)	(5.45)
Proportion of Group's ownership	75%	50%
Group's share in Total Comprehensive Income	(4.73)	(2.72)

Notes to Consolidated Financial Statements

Summarised Balance Sheet

₹ in Crores

Particulars	TTPL	TIACPL
Non-Current Asset	18.86	12.47
Current Asset	22.53	4.60
Non-Current Liabilities	0.05	-
Current Liabilities	28.68	2.53
Total Equity	12.66	14.54
Proportion of Group's ownership	75%	50%
Group's share in Total Equity	9.50	7.27

Note 42. Hedging Activities and Derivatives

Cash Flow Hedges

Foreign Exchange Forward Contracts measured at Fair Value through OCI are designated as Hedging Instruments in cash flow hedges of forecast sales in EUR and USD, and also for forecast purchases in USD, EUR and JPY. Currency Swaps measured at Fair Value through Profit and Loss are designated as Hedging Instruments in cash flow hedges of floating rate long term borrowings in USD.

₹ in Crores

Particulars	As at 31-Mar-2018		As at 31-Mar-2017	
	Assets	Liabilities	Assets	Liabilities
Fair Value of Foreign Exchange Forward Contracts	-	0.31	-	0.15

Disclosure of effects of Hedge accounting

As at 31st March 2018

Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments (₹ in Crores)		Maturity Date	Hedge Ratio	Weighted Average Rate	Changes in Fair value of Hedging Instrument	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness
	Asset	Liability	Asset	Liability					
Foreign Currency Forward Contracts	16	18	10.18	21.25	05-Apr-2018 to 29-Mar-2019	1:1	1 USD - ₹65.74 1 EUR - ₹82.82 1 JPY - ₹0.63	(0.17)	0.17

₹ in Crores

Cash Flow Hedge	Change in the value of Hedging Instrument recognised in Other Comprohensive Income	Hedge Inffectiveness recognised in Profit or Loss	Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss	Line item affected in Statement of Profit and Loss because of the Reclassification
Foreign Exchange Risk	1.15	-	0.96	Other Income

Notes to Consolidated Financial Statements

As at 31st March 2017

Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments (₹ in Crores)		Maturity Date	Hedge Ratio	Weighted Average Rate	Changes in Fair value of Hedging Instrument	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness
	Asset	Liability	Asset	Liability					
Foreign Currency Forward Contracts	39	9	25.75	6.53	05-Apr-2017 to 29-Mar-2018	1:1	1 USD - ₹65.32 1 EUR - ₹72.39	(0.36)	0.36

₹ in Crores

Cash Flow Hedge	Change in the value of Hedging Instrument recognised in Other Comprehensive Income	Hedge Infectiveness recognised in Profit or Loss	Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss	Line item affected in Statement of Profit and Loss because of the Reclassification
Foreign Exchange Risk	(0.03)	-	(0.54)	Other Income

Note 43.1 Fair Values

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities.

₹ in Crores

Particulars	Carrying value		Fair value	
	31-Mar-2018	31-Mar-2017	31-Mar-2018	31-Mar-2017
Financial assets				
FVTOCI Equity Investments	11.12	12.19	11.12	12.19
Other Non-current Investments	12.17	12.17	12.17	12.17
Other Financial Assets - Non Current	22.30	22.16	22.30	22.16
Loans	1.64	1.58	1.64	1.58
Trade Receivables	697.01	614.99	697.01	614.99
FVTPL Investments in Mutual Funds	101.40	159.68	101.40	159.68
Cash and Cash Equivalents	32.46	23.94	32.46	23.94
Other Financial Assets - Current	78.85	81.39	78.85	81.39
Total	**956.95**	**928.10**	**956.95**	**928.10**
Financial liabilities				
Non-current Borrowings	228.56	378.26	235.57	390.12
Other Non-current Liabilities	0.88	0.66	0.88	0.66
Current Borrowings	306.41	347.31	306.41	347.31
Trade Payables	950.55	775.38	950.55	775.38
Derivative Instruments	0.31	0.15	0.31	0.15
Other Financial Liabilities - Current	296.80	227.62	296.80	227.62
Total	**1,783.51**	**1,729.38**	**1,790.52**	**1,741.24**

Notes to Consolidated Financial Statements

The management assessed that derivatives, cash and cash equivalents, trade receivables, loans, current investments, other financial assets, borrowings, trade payables, bank overdrafts and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

i. The fair values of quoted equity investments are derived from quoted market prices in active markets.

ii. The fair values of certain unquoted equity investments have been estimated using Discounted Cash-flow Model (DCF). The valuation is based on certain assumptions like forecast cash-flows, discount rate, etc.

iii. The fair values of quoted investments routed through FVTPL are derived from quoted market prices in active markets.

iv. The fair value of borrowings is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return, adjusted for the credit spread considered by the lenders for instruments of the similar maturity.

v. Derivatives are fair valued using market observable rates and published prices.

Note 43.2 Fair Values Hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2018: ₹ in Crores

Particulars	Fair Value Measurement using			
	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value:				
FVTOCI Equity investments	11.12	2.37	-	8.75
FVTPL Investments	113.57	113.57	-	-
Assets for which fair values are disclosed:				
Investment Properties	14.91	-	14.91	-

There have been no transfers between the level 1 and level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31st March 2018:

Particulars	Fair Value Measurement using			
	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:				
Derivative Financial Liabilities:				
Foreign Exchange forward Contracts	0.31	-	0.31	-
Liabilities for which fair values are disclosed:				
Borrowings:				
Long term Borrowings	235.57	-	235.57	-

There have been no transfers between the level 1 and level 2 during the period.

Notes to Consolidated Financial Statements

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2017: ₹ in Crores

Particulars	Fair Value Measurement using			
	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value:				
FVTOCI Equity investments	12.19	2.13	-	10.06
FVTPL Investments	171.85	171.85	-	-
Assets for which fair values are disclosed:				
Investment Properties	14.61	-	14.61	-

There have been no transfers between the level 1 and level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31st March 2017:

Particulars	Fair Value Measurement using			
	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:				
Derivative Financial Liabilities:				
Foreign Exchange forward Contracts	0.15	-	0.15	-
Liabilities for which fair values are disclosed:				
Borrowings:				
Long term Borrowings	390.12	-	390.12	-

There have been no transfers between the level 1 and level 2 during the period.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31st March 2018 and 31st March 2017 are as shown below:

Particulars	Valuation technique	Significant unobservable inputs	Range (Weighted average)	Sensitivity of the input to fair value
Unquoted FVTOCI equity investments as at 31st March 2018	DCF Model	Discount Rate	15%	5% sensitivity 2017-18- Discount Rate-20%, ₹(1.71) Cr. Discount Rate-10%, ₹3.45 Cr.
Unquoted FVTOCI equity investments as at 31st March 2017	DCF Model	Discount Rate	15%	5% sensitivity 2016-17- Discount Rate-20%, ₹(2.00) Cr. Discount Rate-10%, ₹4.09 Cr.

Reconciliation of Fair Value Measurement of Unquoted FVTOCI Equity Investments ₹ in Crores

Unquoted FVTOCI equity investments	As at 31-Mar-2018	As at 31-Mar-2017
As at the beginning of the period	**10.06**	**-**
Adjustment pursuant to Scheme of Arrangement (Note 1.2)	-	2.48
Adjustment pursuant to transition to Ind AS	-	7.55
Re-measurement recognised in OCI	(1.31)	0.03
As at the end of the period	**8.75**	**10.06**

Notes to Consolidated Financial Statements

Note 44.Financial Risk Management Objectives and Policies

The Group's principal financial liabilities, other than derivatives, comprise of bank loans and trade payables. The main purpose of these financial liabilities is to raise finance for the operations. The Group has various financial assets such as trade receivables, cash and short-term deposits, which arise directly from its operations. There are FVTOCI investments and derivative transactions.

There is exposure to market risk, credit risk and liquidity risk. The senior management oversees the management of these risks. The senior management is supported by a Risk Management Committee that advises on financial risks and the appropriate financial risk governance framework. The Risk Management Committee provides assurance to the senior management that the financial risk activities are governed by appropriate policies and procedures and that the financial risks are identified, measured and managed in accordance with the policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the policy that no trading in derivatives for speculative purposes may be undertaken.

A. Market Risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

i. Foreign Currency Exchange Rate Risk

The fluctuation in foreign currency exchange rates may have potential impact on the Income Statement and Equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

As per the forex policy, foreign exchange and other derivative instruments are primarily used to hedge foreign exchange and interest rate exposure.

The impact of foreign exchange rate fluctuations is evaluated by assessing its exposure to exchange rate risks. A part of these risks are hedged by using derivative financial instruments in accordance with the forex policy.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 5%.

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to 5% appreciation in USD and EURO exchange rates on foreign currency exposures as at the year end, with all other variables held constant. The impact on the profit before tax is due to changes in the fair value of monetary assets and liabilities. The exposure to foreign currency changes for all other currencies is not material.

₹ in Crores

As at	Nature	Increase/ (Decrease) in PBT for change in USD rates	Increase/ (Decrease) in PBT for change in EURO rates
31st March 2018	Receivables	1.18	1.29
	Payables	(2.40)	(0.48)
31st March 2017	Receivables	2.58	0.53
	Payables	(2.00)	(0.27)

Notes to Consolidated Financial Statements

Derivative Contracts ₹ in Crores

As at	Nature	Increase/ (Decrease) in PBT for change in USD rates	Increase/ (Decrease) in PBT for change in EURO rates	Increase/ (Decrease) in OCI for change in USD rates	Increase/ (Decrease) in OCI for change in EURO rates	Increase/ (Decrease) in OCI for change in JPY rates
31st March 2018	Derivative Contracts	(0.54)	(0.79)	(0.04)	(0.66)	0.18
31st March 2017	Derivative Contracts	(0.43)	(0.17)	0.59	0.34	-

Conversely, 5% depreciation in the USD and Euro rates against the significant foreign currencies as at 31-Mar-18 and 31-Mar-2017 would have had the same but opposite effect, again holding all other variables constant.

ii. Equity Price Risk

Equity Price Risk is related to the change in market reference price of the investments in equity securities.

The majority of the Group's investments are in the shares of group companies, which are carried at cost. The Group has investments in other equity investments, routed through FVTOCI of only ₹11.12 Cr. as at 31st March 2018. (As at 31st March 2017 - ₹12.19 Cr.)

B. Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Group result in material concentrations of credit risks.

Exposure to credit risk - The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹832.26 Cr. as at 31st March 2018, ₹744.06 Cr. as at 31st March 2017, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables and other financial assets excluding equity investments.

At 31st March 2018, the group had 119 customers (as at 31st March 2017 - 112 customers) that owed the Group more than ₹1 Cr. each and accounted for approximately 72% (as at 31st March 2017 - 67%) of the total trade receivables outstanding. There were 12 customers (as at 31st March 2017 - 8 customers) with balances greater than ₹10 Cr. accounting for around 26% (as at 31st March 2017 - 21%) of the total trade receivables.

Credit risk from balances with banks and investment of surplus funds in mutual funds is managed by the Group’s treasury department. The objective is to minimise the concentration of risks and therefore mitigate financial loss.

Of the above, ₹48.91 Cr. is backed by Letter of Credit / Export Credit Guarantee Cover as at 31st March 2018 (as at 31st March 2017 - ₹65.55 Cr.).

C. Liquidity Risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Group has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Group has access to funds from debt markets through commercial paper, non-convertible debentures, and other debt instruments. The Group invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which Carry no / low mark to market risks. The Group has also invested 15% of the non-convertible debentures (taken by the group) falling due for repayment in the next 12 months in bank deposits, to meet the regulatory norms of liquidity requirements.

Notes to Consolidated Financial Statements

The Group also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

As at 31st March 2018, the Group has undrawn committed lines of ₹287.53 Cr. (As at 31st March 2017 - ₹224.03 Cr).

The table below provides details regarding the contractual maturities of financial liabilities based on contractual undiscounted payments:

₹ in Crores

Particulars	On demand	Less than 3 months	3 to 12 months	> 1 year	Total
Year ended 31st March 2018					
Borrowings	157.49	0.66	438.94	248.51	845.60
Other Financial Liabilities	1.10	32.01	-	0.88	33.99
Trade and Other Payables	145.25	794.84	10.46	-	950.55
Derivatives	-	0.31	-	-	0.31
	303.84	**827.82**	**449.40**	**249.39**	**1,830.45**
Year ended 31st March 2017					
Borrowings	55.53	204.75	221.39	445.12	926.79
Other Financial Liabilities	55.39	29.86	-	0.66	85.91
Trade and Other Payables	-	775.38	-	-	775.38
Derivatives	-	0.15	-	-	0.15
	110.92	**1,010.14**	**221.39**	**445.78**	**1,788.23**

Note 45.Capital Management

The Group's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals.

The amount of capital required is determined based on annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through internal accruals, nonconvertible debentures, external commercial borrowings and other long - term / short - term borrowings. The Group's policy is aimed at combination of short - term and long - term borrowings.

The Group monitors capital employed using a Debt Equity ratio, which is total debt divided by total equity and maturity profile of the overall debt portfolio of the Group.

The following table summarizes the Capital of the Group:

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Borrowings		
- Long Term	228.56	378.26
- Short Term	306.41	347.31
- Other Current liabilities (Current maturities of Long Term Borrowings)	250.00	124.99
Total Debt	**784.97**	**850.56**
Equity Share Capital	18.75	18.74
Other Equity	1,253.56	1,168.85
Equity	**1,272.31**	**1,187.59**
Debt Equity ratio	0.62	0.72

Notes to Consolidated Financial Statements

Note 46. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 as at and for the year ended 31st March 2017 and 31st March 2018

Name of the Entities	Net Assets		Share in Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹ in Crores)	As % of Consolidated Profit and Loss	Amount (₹ in Crores)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Crores)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Crores)
I. Parent								
Tube Investments of India Limited	68%	937.05	91%	141.70	98%	5.06	91%	146.76
II. Subsidiaries								
a) Indian								
Shanthi Gears Limited	16%	220.13	14%	22.29	2%	0.08	14%	22.37
b) Foreign								
Financiere C10 SAS (Refer Note)	6%	78.01	-1%	(1.87)	0%	-	-1%	(1.87)
Great Cycles Private Limited	1%	17.71	-1%	(0.89)	0%	-	-1%	(0.89)
Creative Cycles Private Limited	1%	10.56	0%	(0.76)	0%	-	0%	(0.76)
III. Non Controlling Interest								
Subsidiaries								
a) Indian								
Shanthi Gears Limited	7%	97.61	5%	8.54	1%	0.03	5%	8.57
b) Foreign								
Great Cycles Private Limited	0%	2.60	0%	(0.21)	0%	-	0%	(0.21)
Creative Cycles Private Limited	0%	0.27	0%	(0.21)	0%	-	0%	(0.21)
IV. Joint Ventures								
Indian								
TI Tsubamex Private Limited	1%	8.85	-3%	(5.32)			-3%	(5.32)
TI Absolute Concepts Private Limited	0%	-	-5%	(7.76)			-5%	(7.76)
Total		**1,372.79**		**155.51**		**5.17**		**160.68**

Notes to Consolidated Financial Statements

Year Ended 31st March 2017

Name of the Entities	Net Assets		Share in Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹ in Crores)	As % of Consolidated Profit and Loss	Amount (₹ in Crores)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Crores)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Crores)
I. Parent								
Tube Investments of India Limited	69%	876.50	87%	151.78	97%	(2.43)	87%	149.35
II. Subsidiaries								
a) Indian								
Shanthi Gears Limited	17%	214.89	10%	17.79	2%	(0.06)	10%	17.73
b) Foreign								
Financiere C10 SAS (Refer Note)	6%	78.56	3%	5.50	0%	-	3%	5.50
III. Non Controlling Interest								
Subsidiaries								
a) Indian								
Shanthi Gears Limited	7%	91.53	4%	6.73	1%	(0.02)	4%	6.71
IV. Joint Ventures								
Indian								
TI Tsubamex Private Limited	1%	10.37	-3%	(4.72)			-3%	(4.72)
TI Absolute Concepts Private Limited	1%	7.27	-2%	(2.73)			-2%	(2.73)
Total		**1,279.12**		**174.35**		**(2.51)**		**171.84**

Note: Represents details as per Consolidated Financial Statements of Financiere C10 SAS (FC10). Consolidated Financial Statements of FC10 includes the Financial Statements of its three wholly owned subsidiaries namely Sedis SAS, Sedis GmbH and Sedis Co. Limited.

Notes to Consolidated Financial Statements

Note 47. Previous Year's figures

The Group has reclassified / regrouped previous year figures to Conform to this year's classification.

Signatures to Notes to Financial Statements

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn. No : 101049W / E300004

On behalf of the Board
For **Tube Investments of India Limited**

per **Subramanian Suresh**
Partner
Membership No : 083673

M M Murugappan
Chairman

Chennai
7th May 2018

S Suresh
Company Secretary

K Mahendra Kumar
Chief Financial Officer

L Ramkumar
Managing Director

Proxy Form

TUBE INVESTMENTS OF INDIA LIMITED

(formerly, TI Financial Holdings Limited)
CIN: L35100TN2008PLC069496
Regd. Office: 'Dare House', 234, N S C Bose Road, Chennai - 600 001
Tel: 91.44.42177770-5 Fax: 91.44.42110404 Website: www.tiindia.com;
E-mail id: investorservices@tii.murugappa.com

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the Member(s)	:
Registered Address	:
E-mail ID	:
Folio/DP ID-Client ID No.	:

I/We, being the member(s) of ....shares of the above named Company, hereby appoint:

1. Name : ....
   Address : ....
   E-Mail ID : ....
   Signature : ....or failing him/her;
2. Name : ....
   Address : ....
   E-Mail ID : ....
   Signature : ....or failing him/her;
3. Name : ....
   Address : ....
   E-Mail ID : ....
   Signature : ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 10th Annual General Meeting of the Company, to be held on Monday, the 13th day of August, 2018 at 3.30 P.M. at T T K Auditorium, The Music Academy, 168 T T K Road, Chennai - 600 014 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional)*		
		For	Against	Abstain
Ordinary Business				
1.	Adoption of Audited Financial Statements of the Company for FY 2017-18, Reports of the Board of Directors and Auditors thereon.			
2.	Adoption of Audited Consolidated Financial Statements of the Company for FY 2017-18 and Reports of the Auditors thereon.			
3.	Declaration of Dividend.			
4.	Re-appointment of Mr. M M Murugappan, Director retiring by rotation.			
5.	Ratification of appointment M/s. S.R.Batliboi & Associates LLP, Chartered Accountants as statutory auditors for FY2018-19 and fixing their remuneration in respect thereof.			

Resolution No.	Resolution	Vote (Optional)*		
		For	Against	Abstain
Special Business				
6.	Appointment of Mr. Ramesh K B Menon as Director.			
7.	Alteration of sub-clause 10 under III(B) of the Memorandum of Association of the Company.			
8.	Issue of Non-Convertible Debentures for an aggregate sum of ₹500 Crores on private placement basis.			
9.	Ratification of remuneration payable to M/s. Mahadevan & Co., Cost Auditor, for FY 2018-19.			

Signed this .... day of ...., 2018
Member's Folio/DP ID-Client ID No. ....
Signature of Shareholder(s)...
Signature of Proxyholder(s)...

Affix
Revenue
Stamp
₹1/-

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before commencement of the meeting.
2. In the case of a Corporation, this Proxy shall be either given under the Common Seal or signed on behalf by an Attorney or Officer of the Corporation.
3. *This is only optional. Please fill up the Item Nos. as appearing in the Notice of the Annual General Meeting. If you leave the Item Nos. blank, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Shareholders/Proxies are requested to desist from using mobile phones during the proceedings of the Annual General Meeting.

The five lights

The light of
INTEGRITY
that gives us the courage to always do the right thing

The light of
RESPONSIBILITY
that gives us the humility to think about the world around us

The light of
PASSION
that provides us with the desire to win

The light of
RESPECT
that inspires people around us to perform

The light of
QUALITY
which makes us dream of excellence

The Spirit of the Murugappa Group

These **five lights** guide us
as we navigate through professional
and personal decisions.

murugappa

Group Corporate Communications

murugappa

Tube Investments of India Limited

CIN: L35100TN2008PLC069496
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Tel: 044-42177770-5 Fax: 044-42110404
Email: investorservices@tii.murugappa.com
Website: www.tiindia.com

TUBE INVESTMENTS OF INDIA LIMITED

Attendance Slip

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PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING.

I hereby record my presence at the **10th ANNUAL GENERAL MEETING** held at T T K Auditorium, The Music Academy, 168 T T K Road, Chennai – 600 014 at 3.30 P.M. on Monday, the **13th August, 2018**.

NAME OF PROXY IN BLOCK LETTERS	SIGNATURE OF THE SHAREHOLDER/PROXY*

* Strike out whichever is not applicable

Note:

1. Members/Proxy holders are hereby requested to produce duly filled in and signed attendance slip at the venue for admission to the 10th Annual General Meeting (AGM).
2. PROXY FORM IS ATTACHED AT THE END OF THE ANNUAL REPORT FOR MEMBERS' USE.
3. Only Members/Representatives of the Corporate Members or Proxies are allowed to attend the AGM. Bodies Corporate, whether a company or not, who are members, may attend through their authorised representatives appointed under Section 113 of the Companies Act, 2013. A copy of authorization should be deposited with the Company.
4. Members/Proxies are requested to desist from using mobile phones during the proceedings of the AGM.

ELECTRONIC VOTING PARTICULARS

Folio / DP ID / Client ID	Electronic Voting Sequence Number	User ID	Password

Commencement of Electronic voting	End of Electronic voting
8th August, 2018 (9.00 a.m)	12th August, 2018 (5.00 p.m)

Proxy Form

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   Signature : ....or failing him/her;
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Member's Folio/DP ID-Client ID No. ....
Signature of Shareholder(s)...
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