INDIA

Tube Investments of India 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

27th June 2020

The Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No. C/1, Block G,
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400 051

BSE Limited
1st Floor, New Trading Ring
Rotunda Building
P J Towers
Dalal Street, Fort
Mumbai – 500 820

Dear Sirs,

Annual General Meeting Updates – ISIN INE974X01010

We write to inform that in connection with the Company's 12th Annual General Meeting (12th AGM) convened to be held on Thursday, 23rd July 2020 at 3.30 P.M. IST as an Electronic AGM (e-AGM) through Video Conferencing (VC), in compliance with the various General Circulars issued by the Ministry of Corporate Affairs, the applicable provisions of the Companies Act 2013 (the Act) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI Listing Regulations), the Company has today (27th June 2020) submitted through the NSE NEAPS/BSE Welcome Listing portals, soft copies of the Notice of the 12th AGM and the Annual Report of the Company for FY 2019-20, simultaneously along with sending of the soft copies of the same today viz., 27th June 2020 to all the shareholders whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes including to those who have requested for hard copies.

The Company is also facilitating shareholders who have not registered their address to register their e-mail address with the Registrar & Transfer Agent, KFin Technologies Private Limited (RTA) by writing to the e-mail address of the RTA providing the details or to log in directly to the RTA website link and register their e-mail address. Details with regard to the registration facility available to shareholders who have not registered their e-mail address to register the same are furnished in the Notice of the 12th AGM.

As indicated in the Notice of the 12th AGM, pursuant to the requirements of the Act and the Rules thereunder and the SEBI Listing Regulations, the Company will be offering electronic voting ("e-voting") facility to its shareholders through the remote e-voting platform of M/s. KFin Technologies Private Ltd. to enable the shareholders to cast their votes electronically on all the resolutions forming part of the Notice of the 12th AGM. The remote e-voting period will commence on Sunday, 19th July 2020 (9.00 a.m. IST) and end on Wednesday, 22nd July 2020 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 17th July 2020, may cast their vote by remote e-voting. Other details with regard to e-voting are provided in the Notice of the 12th AGM.

Further, the Company has appointed M/s KFin Technologies Private Limited to provide Video Conferencing facility for conduct of the 12th AGM as an e-AGM. Members can attend the e-AGM through the same login/user id and password credentials provided to them for e-voting to connect to the Video Conferencing facility and also to do electronic voting in the e-AGM in case they have not voting through remote e-voting. Details with regard to the conduct of the 12th AGM as an e-AGM are provided in the Notice of the 12th AGM.

The detailed instructions with regard to remote e-voting, participating through Video Conferencing in the 12th AGM and the process of e-voting at the 12th AGM by the Members including the manner in which Members holding shares in physical form or who have not registered their e-mail address can cast their votes through e-voting at the 12th AGM are provided as part of the Notice of the 12th AGM.

We request you to kindly take the above on your records.

Yours faithfully,
For TUBE INVESTMENTS OF INDIA LIMITED

S SURESH
COMPANY SECRETARY

Encl: Notice of the 12th AGM &
Annual Report for FY 2019-20 (thro' NSE NEAPS/BSE Welcome Listing)

TUBE INVESTMENTS OF INDIA 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 TWELFTH ANNUAL GENERAL MEETING of the Members of Tube Investments of India Limited will be held on **Thursday, the 23rd July 2020 at 3.30 P.M**. Indian Standard Time through Video Conferencing (VC) or through other permitted audio-visual means (OAVM) 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 2020, 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 2020 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 the interim dividend of ₹3.50 per equity share declared by the Board of Directors on 28th February 2020 for the financial year 2019-20 and paid to those Members whose names appeared on the Register of Members as on 12th March 2020, being the record date fixed for the purpose, be and is hereby confirmed.

4. 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 152 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), Mr. M M Murugappan (holding DIN 00170478), Director, who retires by rotation, be and is hereby appointed as a non-executive 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), approval be and is hereby accorded for payment to Messrs. S R Batliboi & Associates LLP, Chartered Accountants (Firm registration no.101049W/E300004), Statutory Auditors of the Company, a remuneration of ₹41.25 lakhs in respect of each of the financial years 2020-21 and 2021-22 plus applicable taxes and reimbursement of out-of-pocket expenses incurred by them in connection with carrying out statutory audit of the Financial Statements of the Company for each of the said financial years.

   RESOLVED FURTHER that approval be and is also hereby accorded for the payment of a remuneration of ₹6.25 lakhs in respect of each of the financial years 2020-21 and 2021-22 inclusive of expenses, if any, as may be incurred, to Messrs. S R Batliboi & Associates LLP, Chartered Accountants and the Statutory Auditors in connection with carrying out audit of the Consolidated Financial Statements of the Company for each of the said financial years.

SPECIAL BUSINESS

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

   RESOLVED that pursuant to Sections 197, 198 and other applicable provisions, if any, of the Companies Act 2013 ("the Act") and/or other applicable Rules [including any statutory modification(s) or re-enactment thereof for the time being in force], Regulation 17(6)(ca) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, consent of the Company be and is hereby accorded, on the basis of the recommendations of the Nomination & Remuneration Committee and the Board of Directors of the Company, for payment of a commission of ₹100 lakhs to Mr. M M Murugappan (holding DIN 00170478), Chairman (non-executive, promoter) for the financial year 2019-20.

   RESOLVED FURTHER that the Board of Directors of the Company (which includes a duly constituted Committee thereof) 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.

7. 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 2021-22 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 2020-21, 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

Chennai
27th May 2020

S Suresh
Company Secretary

NOTES:

1. **MEMBERS MAY NOTE THAT TO PROTECT THE HEALTH AND SAFETY OF ALL THE STAKEHOLDERS INCLUDING THE SHAREHOLDERS IN VIEW OF THE CONTINUING COVID-19 PANDEMIC, THE TWELFTH ANNUAL GENERAL MEETING ("12TH AGM") OF THE MEMBERS OF THE COMPANY WILL BE HELD AS AN ELECTRONIC AGM ("e-AGM") IN VIRTUAL MODE, THROUGH VIDEO CONFERENCING ("VC")/OTHER PERMITTED AUDIO VISUAL MEANS ("OAVM"), AS PERMITTED BY THE MINISTRY OF CORPORATE AFFAIRS, GOVERNMENT OF INDIA ("MCA") VIDE ITS CIRCULAR DATED 5TH MAY 2020 READ WITH CIRCULARS DATED 8TH APRIL 2020 AND 13TH APRIL 2020, AND BY THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") VIDE ITS CIRCULAR DATED 12TH MAY 2020. ACCORDINGLY, THERE WILL BE NO PHYSICAL MEETING OF THE SHAREHOLDERS TAKING PLACE AT A COMMON VENUE IN RESPECT OF THE TWELFTH ANNUAL GENERAL MEETING.**

2. **AS THE 12TH AGM IS BEING HELD PURSUANT TO THE MCA AND SEBI CIRCULARS THROUGH VC/OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE 12TH AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.**

3. **MEMBERS HOLDING SHARES IN PHYSICAL FORM OR THOSE WHO HAVE NOT REGISTERED THEIR E-MAIL IDs WILL BE ALLOWED TO TAKE PART IN THE REMOTE VOTING OR THROUGH THE E-VOTING SYSTEM DURING THE e-AGM.**

4. Statement of material facts in respect of the Special Business under Item nos. 6 & 7 (pursuant to Section 102 of the Companies Act 2013) is annexed hereto.

5. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 17th July 2020 to Thursday, 23rd July 2020 (both days inclusive) for the purpose of the 12th AGM.

6. Members are requested to intimate the Registrar and Transfer Agent viz., **KFin Technologies Private Ltd, (formerly, Karvy Fintech Private Ltd), "Selenium Tower-B", Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telengana** (RTA) 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 send letters, remit dividend electronically or alternatively, for incorporating in the dividend warrants in future. For shares held in dematerialised form, change in address/Bank account particulars may be intimated directly to the Member's Depository Participant(s).

7. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA.

8. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, securities of listed companies can be transferred only in dematerialised form effective 1st April 2019. In view of the same, Members are advised to dematerialize the shares held by them in physical form immediately.

9. 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.

10. Electronic (soft) copy of the Notice of the 12th AGM of the Company *inter alia* indicating the process and manner of e-voting along with the Annual Report for 2019-20 only is being sent to all the Members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes including to those who have requested for hard copies. A copy of the Notice of the 12th AGM and the Annual Report is also being made available on the website of the Company, www.tiindia.com, the website of the Stock Exchanges viz., BSE Ltd – www.bseindia.com and National Stock Exchange of India Limited – www.nseindia.com besides on such other websites as may be prescribed under law or as required by the statutory authorities. OTHER THAN THE ABOVE, NO PHYSICAL/HARD COPIES OF THE NOTICE AND THE ANNUAL REPORT WILL BE SENT TO THOSE SHAREHOLDERS WHO ARE HOLDING THEIR SHARES IN PHYSICAL FORM OR ON REQUEST BY ANY OTHER SHAREHOLDER. Please note the above is in accordance with the various exemptions provided by the MCA and SEBI in connection with conduct of Shareholders' meetings during 2020.

ANNEXURE TO THE NOTICE

Details of the Director seeking re-appointment at the 12th Annual General Meeting vide Item no.4 of the Notice dated 27th May 2020

[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 master's degree in chemical engineering from the University of Michigan. He is a Director and also the Chairman of the Company from 1st August 2017.

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

Chairman	**Director**
Carborundum Universal Ltd *(listed company)* Coromandel International Ltd *(listed company)* Cholamandalam Investment and Finance Company Ltd *(listed company)* Cholamandalam Financial Holdings Ltd *(listed company)* Cholamandalam MS General Insurance Co. Ltd Volzhsky Abrasive Works, Russia	Mahindra & Mahindra Ltd *(listed company)* Cyient Ltd *(listed company)* Ambadi Investments Ltd Murugappa Organo Water Solutions Private Ltd M M Muthiah Research Foundation Idea Lab (India) Private Ltd I I T Madras Research Park Chennai Willingdon Corporate Foundation

Committee Memberships / Chairmanships

Audit Committee **Member** Cyient Ltd Mahindra & Mahindra Ltd **Stakeholders Relationship Committee** **Chairman** Tube Investments of India Ltd Cholamandalam Financial Holdings Ltd Carborundum Universal Ltd Cholamandalam Investment and Finance Co Ltd **Nomination and Remuneration Committee** **Chairman** Mahindra & Mahindra Ltd **Member** Tube Investments of India Ltd Cyient Ltd Cholamandalam MS General Insurance Co. Ltd Cholamandalam Financial Holdings Ltd Cholamandalam Investment and Finance Co Ltd **Risk Management Committee** **Chairman** Cholamandalam Financial Holdings Ltd **Member** Cyient Ltd Mahindra & Mahindra Ltd Cholamandalam MS General Insurance Co. Ltd **Loans Committee** **Chairman** Tube Investments of India Ltd	**Investment Committee** **Chairman** Cholamandalam MS General Insurance Co. Ltd **Shares & Debentures Committee** **Chairman** Tube Investments of India Ltd **Share Transfer Committee** **Member** Ambadi Investments Ltd Cholamandalam Financial Holdings Ltd **Corporate Social Responsibility Committee** **Chairman** Cholamandalam Investment and Finance Co Ltd Cholamandalam Financial Holdings Ltd Cholamandalam MS General Insurance Co. Ltd **Member** Ambadi Investments Ltd **Borrowing Committee** **Member** Ambadi Investments Ltd **Management Committee** **Chairman** Cholamandalam MS General Insurance Co. Ltd **Business Committee** **Chairman** Cholamandalam Investment and Finance Co Ltd Cholamandalam MS General Insurance Co. Ltd **Research & Development Committee** **Member** Mahindra & Mahindra Ltd

Mr. M M Murugappan holds 8,42,405 equity shares of the Company.

Mr. M M Murugappan has a rich experience of over four decades in diverse fields including strategy & business development, technology, research & development and human resources. He has contributed immensely in developing a strong engineering focused business in the Company to address opportunities in the transportation sector as a critical component supplier. He has further facilitated relationships with global leaders and has encouraged research, innovation and strong customer partnerships.

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 considers that his continued association would be beneficial to the Company and 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 appointment as Director of the Company.

Statement in respect of the Special Business under Item nos. 6 and 7 (pursuant to Section 102 of the Companies Act 2013) of the Notice dated 27th May 2020

Item no.6

As per Section 197 of the Companies Act 2013 ("the Act"), the Company can pay a remuneration to its Non-Executive Directors (NEDs) in the form of Commission on profits up to 1% of the net profits calculated in accordance with Section 198 of the Act. This is in addition to payment of Sitting Fees for attending meetings of the Board/Board Committees.

Remunerating the NEDs by way of Commission not exceeding 1% of the net profits of the Company for a period of 5 years from FYs 2016-17 to 2020-21 has been approved by the Shareholders of the Company at their Extraordinary General Meeting held on 29th May 2017.

The Company's policy on remuneration provides for the Commission to be distributed based on the attendance and contribution of the NEDs at the Board and certain Committee meetings as well as the time spent on operational matters other than at the meetings.

In view of the considerable time and efforts put in by Mr. M M Murugappan, Chairman (non-executive, promoter) towards the affairs of the Company during FY 2019-20, on the recommendations of the Nomination & Remuneration Committee, the Board has proposed that a higher remuneration by way of Commission be paid to him.

Further, as already stated above, under the Act, the NEDs are permitted to be paid up to a maximum of ₹4.23 Crores for the FY 2019-20, being 1% of the profits of the Company as calculated under the Act, by way of remuneration, whereas the proposed payment of Commission is limited to ₹1.65 Crores for all the NEDs together including Mr. M M Murugappan.

In view of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI Listing Regulations"), whereby if the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, the approval of shareholders by special resolution is to be obtained. The proposal as aforesaid hence requires the approval of the Members by means of a Special Resolution as the proposed payment of remuneration to Mr. M M Murugappan by way of Commission for FY 2019-20 will be in excess of the prescribed threshold under the SEBI Listing Regulations.

Approval of the Members is sought for the Special Resolution under the applicable provisions of the Act and the Rules thereunder and the SEBI Listing Regulations for the proposed payment of remuneration by way of Commission to the Chairman, which is within the overall limits of the Act and the Rules thereunder. The same is also in accordance with the Remuneration Policy of the Company and is wholly justified considering the size of the Company, its creditable performance during the year, the time spent by Mr. M M Murugappan on the Company's affairs and his contribution to the growth of the Company. The said payment is also reasonable compared to the prevailing practices in India for payment of remuneration to non-executive Chairmen.

The Board recommends the Special Resolution for approval by the Members of the Company.

Except Mr. M M Murugappan, Chairman, none of the Directors of the Company and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the aforesaid Special Resolution.

Item no.7

In terms of the Companies (Cost Records and Audit) Rules 2014, 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 (Firm no.000007) 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 products of the Company covered under cost audit for the financial year 2020-21 on the remuneration payable to them as per details furnished under Item no.7 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, the remuneration payable to the Cost Auditor is required to be ratified by the Shareholders of the Company. The Board recommends both 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

Chennai **S Suresh**
27th May 2020 Company Secretary

INSTRUCTIONS TO MEMBERS WITH REGARD TO REMOTE E-VOTING, ATTENDING AND E-VOTING AT THE TWELFTH ANNUAL GENERAL MEETING OF THE COMPANY HELD THROUGH VIDEO CONFERENCING ("VC")/OTHER PERMITTED AUDIO VISUAL MEANS ("OAVM") AS AN e-AGM

A. ELECTRONIC VOTING – REMOTE E-VOTING INSTRUCTIONS

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 12th Annual General Meeting ("12th 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. KFin Technologies Private Ltd [formerly, Karvy Fintech Private Ltd] ("KFintech").

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 Sunday, 19th July 2020 (9.00 a.m. Indian Standard Time) and ends on Wednesday, 22nd July 2020 (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 17th July 2020, may cast their vote electronically. The remote e-voting module shall be disabled by KFintech 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:

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 KFintech 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 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 of representative(s), to the Scrutiniser at e-mail rsaevoting@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above mentioned documents should be in the naming format "TII - 12th AGM".

Other instructions related to remote e-voting:

i) In case of any queries, you may refer Help & FAQ section of https://evoting.kfintech.com (KFintech website) or call KFintech 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., 17th July 2020. 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 KFintech 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 serving of the Notice to the shareholders and holding shares as on the cut-off date of 17th July 2020, may obtain the login ID and password by sending a request at einward.ris@kfintech.com However, if you are already registered with KFintech 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 who have not cast their votes by remote e-voting, may cast their votes during the e-AGM. Facility will be available during the e-AGM (please see details in Section C below).

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

vii) A Member can opt for only one mode of voting i.e. either through remote e-voting or voting at the e-AGM. Thus, voting facility at the e-AGM shall be used only by those who have not exercised their right to vote through remote e-voting.

viii) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer'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.

ix) The results of voting declared along with the Scrutinizer's Report shall be placed on the Company's website www.tiindia.com and on the website of KFintech 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).

B. INSTRUCTIONS FOR THE MEMBERS ATTENDING THE 12TH AGM THROUGH VC/OAVM

I. The Company has appointed M/s KFin Technologies Private Limited to provide Video Conferencing facility for conduct of the 12th AGM as an e-AGM (referred herein as "e-AGM") and the attendant enablers for conduct of the e-AGM.

II. Pursuant to the provisions of the circulars of AMC on the VC/OAVM:

(a) Members can attend the e-AGM through log in credentials provided to them to connect to the Video Conference. Physical attendance of the Members at a common Meeting venue is not required nor available for the e-AGM.

(b) Appointment of proxy to attend and cast vote on behalf of the Member is not available for the e-AGM.

(c) Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

III. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the e-AGM by logging into https://emeetings.kfintech.com and clicking on the "**Video Conference**" icon. MEMBERS CAN USE THE SAME CREDENTIALS VIZ., USER ID AND PASSWORD FOR ACCESSING THE E-VOTING WEBSITE (https://evoting.karvy.com) AS WELL AS THE E-AGM VC WEBSITE (https://emeetings.kfintech.com). The link for e-AGM will be available in Shareholders/Members login where the EVENT and the name of the Company can be selected.

IV. Members are encouraged to participate in the e-AGM through laptops or desktops with Google Chrome for better experience. Members are also required to allow camera, if any, and use internet with good speed to avoid any disturbance during the meeting. Members may further note that connecting from mobile devices or tablets or through laptops connecting via mobile hotspot may face audio/video loss due to fluctuations in their respective networks. It is therefore recommended to use a stable wi-fi or LAN connection to avoid such issues.

V. Please note:

(a) Up to 1,000 Members of the Company will be able to join on a "first in first out" basis to the e-AGM through VC/OAVM.

(b) No restrictions on account of "first in first out" entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

(c) The attendance of the Members (Members logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act 2013.

VI. **AGM queries to be sent in prior to the e-AGM**

Shareholders who would like to express their views/raise queries on the official business before the e-AGM during the e-AGM, may please log into https://emeetings.kfintech.com and click on the '**Post Your Queries**' icon and post their queries/views/questions in the window provided therein by mentioning their name, demat account number/folio number, e-mail id and mobile number. Members may note that their queries will be answered only if they continue to hold shares of the Company as of the cut-off date (17th July 2020). The posting of queries/questions/views will commence on 17th July 2020 at 9 a.m. and close on 21st July 2020 at 5 p.m.

VII. **Registration as speaker at the e-AGM**

Members who wish to speak at the e-AGM may log into https://emeetings.kfintech.com and click on the '**Speaker Registration**" icon by mentioning their name, demat account number/folio number, city, e-mail id and mobile number. The speaker registration will commence on 17th July 2020 at 9 a.m. and close on 21st July 2020 at 5 p.m.

VIII. **Speaker registration during e-AGM**

Please note that due to transmission and coordination related limitations during the Q&A session, the Company may dispense with speaker registration during the e-AGM. In case of decision to allow speaker registration in the e-AGM, interested Members may log into https://emeetings.kfintech.com and click on "Speaker Registration" by mentioning their demat account number/folio number, city, email id, mobile number and submit.

C. INSTRUCTIONS FOR THE MEMBERS WHO WISH TO DO E-VOTING AT THE 12TH AGM

(i) Please note that only Members, participating in the e-AGM, who have not cast their votes through the remote e-voting facility already, will be eligible to vote through e-voting at the e-AGM.

(ii) Members who have already voted through remote e-voting are eligible to attend the e-AGM. They cannot vote again.

(iii) **E-voting during e-AGM:**

(a) The e-voting "Thumb" sign on the left hand corner of the video conferencing screen shall become activated on the instructions of the Chairman of the e-AGM during the e-AGM proceedings. Members can then click on the same and they will be taken to the "Instapoll" page for casting their votes.

(b) On clicking the "Instapoll" icon, Members will reach the Resolutions page. Please follow the instructions given and vote on the Resolutions.

REGISTRATION OF E-MAIL ADDRESS BY SHAREHOLDERS WITH THE RTA & DETAILS FOR OBTAINING/ DOWNLOADING ELECTRONIC COPY OF ANNUAL REPORT AND AGM NOTICE

On account of the continuing threat posed by COVID-19 pandemic and in terms of the MCA and SEBI Circulars, the Company has sent the Annual Report, Notice of e-AGM and e-Voting instructions only in electronic form to the registered e-mail addresses of the Shareholders. Therefore, those Shareholders who have not yet registered their e-mail address are requested to get their e-mail address registered by following the procedure given below:

(a) Those Shareholders who have registered/not registered their e-mail address and mobile number including address and bank details may please contact and validate/update their details with their Depository Participant in case of shares held in electronic form and with the Company's Registrar and Transfer Agent, KFin Technologies Private Ltd. in case the shares are held in physical form.

(b) Shareholders who have not registered their e-mail address and in consequence thereof, the Annual Report, Notice of e-AGM and e-voting instructions could not be served, may temporarily provide their e-mail address and mobile number to the Company's Registrar and Transfer Agent, KFin Technologies Private Ltd. by writing to the e-mail id einward.ris@kfintech.com for sending the soft copy of the Annual Report, Notice of e-AGM and e-voting instructions along with the User ID and password. In case of any queries, Shareholders may write to einward.ris@kfintech.com

(c) Shareholders may also visit the website of the Registrar and Transfer Agent https://evoting.karvy.com/public/Downloads.aspx for downloading the Annual Report and Notice of the e-AGM.

(d) Alternatively, Shareholders may send an e-mail request at the e-mail id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the e-mail address, mobile number, self-attested PAN copy and Client Master copy, in case of electronic folio and copy of share certificate, in case of physical folio for sending electronically the Annual Report, Notice of e-AGM and the e-voting instructions. Shareholders may also access the link https://https://ris.kfintech.com/email_registration/ and directly register their e-mail address and mobile number for receiving a soft copy of the said documents relating to the e-AGM.

Building the Resilient Edge

INDIA

TUBE INVESTMENTS OF INDIA LIMITED

ANNUAL REPORT 2019-20

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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.

Building the Resilient Edge

2019-20 TII navigated the stormy course of market turbulence with strict financial discipline, value-led product development, customer partnering and cutting edge engineering expertise.

Pursuing its strategic roadmap with an empowered, future - driven people force, the Company augmented capacities, optimised efficiencies, adopted the highest benchmark standards in quality and forayed into new geographies, new adjacencies.

Focusing on long term growth, the Company worked on consolidating its market leadership, strengthening its Balance Sheet, expanding its customer roster and maximising stakeholder worth.

To be future-ready, TII continued building the resilient edge.

TII-OVERVIEW

OUR LEGACY

Tube Investments of India Limited (TII) is a flagship Company of the renowned Murugappa Group, India's leading business conglomerate. Established in 1900, with its Headquarters in Chennai, the Group has 28 businesses, with nine listed companies traded in NSE & BSE. Major companies of the Group include Carborundum Universal Ltd, Cholamandalam Investment and Finance Company Limited, Cholamandalam MS General Insurance Company Limited, Coromandel International Limited, Coromandel Engineering Company Limited, E.I.D. Parry (India) Limited, Parry Agro Industries Limited, Shanthi Gears Limited, Tube Investments of India Limited and Wendt (India) Limited. With a total turnover of ₹381 Billion and a people strength of more than 51,000, the Group's geographical footprint is spread across India and the globe.

ABOUT US

Tube Investments of India Limited (TII) is one of India's leading manufacturers of a wide range of products for major industries such as Automotive, Railway, Construction, Mining, Agriculture, etc. The Company's 3 main verticals are Engineering, Metal Formed Products and Bicycles. In line with its growth strategies, the Company has forayed into TMT bars and Truck Body Building business and is additionally exploring opportunities in optic lens and other vision systems for the Auto industry.

VISION

Build a globally admired Indian Engineering Company, creating stakeholder delight.

To be the preferred Global Supplier (across markets) - 'Global Clientele'.

To attain Global Quality Leadership in whatever products and services we provide.

To align with emerging global trends in the Engineering space.

PERFORMANCE FY 2019-20

FY 2019-2020 was a year when TII continued its journey of consolidating capabilities, building resilience and readying its strength for resurgence. Across the Company, teams worked in tandem to benchmark standards in quality, on-time deliveries, efficiency improvement, cost reduction and productivity improvement.

The strategic focus of the business was driven by an aggressive push for building a resilient edge underpinned with a relentless focus on the 4 cardinal metrics of revenue growth, profitability, return on capital employed and free cash flow.

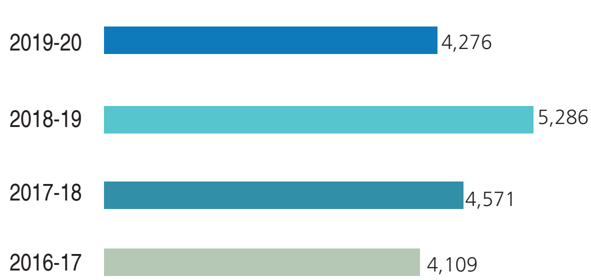
REVENUE
-19%
4,276
(₹ in Crore)

PBT %
10%
421
(₹ in Crore)

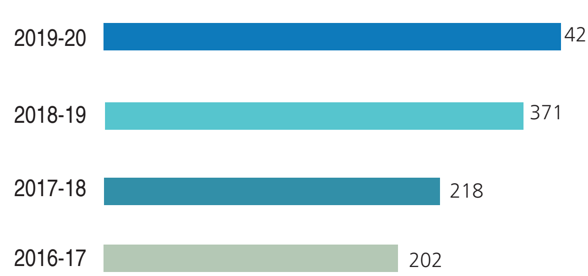
ROCE
23%

FCF TO PAT %
97%
FCF - 320
(₹ in Crore)

NET REVENUE (₹ in Crore)

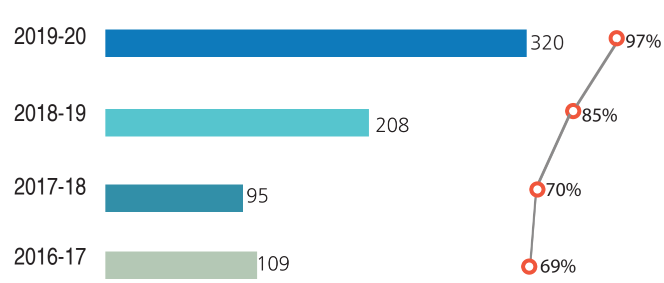


PBT (₹ in Crore)



ROCE %

FCF (₹ in Crore) **FCF / PAT %**



OUR BUSINESS

ENGINEERING

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

Products

- Cold Drawn Welded (CDW) Precision Tubes
- Electric Resistance Welded (ERW) Tubes
- Tubular Components
- Cold Rolled Steel Strips (CRSS)

Key Strengths

- Market leader and preferred Indian supplier in CDW Tubes.
- Major manufacturer with the engineering expertise to offer customised, application-specific CRSS and tubular products.
- State-of-the-art manufacturing facilities proximately located to customers in key geographies.

BICYCLES

Manufacture and marketing of wide range of Bicycles and accessories from Standard to Premium bicycles, including Performance bicycles for the fitness and adventure space.

Products

- Special bicycles catering to all ages and customer profiles: kids, adolescent boys & girls, urban adults and performance cyclists.
- Standard bicycles for rural and semi-urban commuters.
- Premium Cycling Group caters to the performance cyclists through an array of prestigious home grown and international brands.

Key Strengths

- Pioneer in Retail format of experiential stores - Track & Trail Urban, Track & Trail Sport and BSA Hercules Rural outlets.
- Omni-channel presence with unified online and in-store experience through www.trackandtrail.in and renowned online market places.
- BSA Workouts cater to the fitness needs through a range of offerings.

METAL FORMED PRODUCTS

Manufacture and supply of Sheet Metal Formed Products, Industrial Chains, Fine Blanked Components, Motor Casings and Agri-Blades for the Automotive, Industrial, Railway and Agriculture segments.

Products

Automotive Segment

- Two wheeler drive and timing chains, sprockets for Auto OEMs and for the Replacement market.
- Roll-formed car doorframes and fine blanked components..

Non-Automotive Segment

- Industrial Chains engineered for a wide range of applications both for the domestic and global markets.
- Sub-assemblies for Railway passenger coaches and parts for Metro coaches.

Key Strengths

- Market leader in automotive drive and cam chains and industrial chains.
- Preferred supplier for roll formed car doorframes in India.
- 11 Manufacturing Plants and 25 Warehouses strategically spread across automotive and industrial hubs with the capability to offer just-in-time service and last mile connectivity to customers.
- World class high speed presses and process capabilities for manufacturing high quality, fine blanked products of very close tolerance.
- Global manufacturer of repute for safety critical components for the Automotive industry.
- Robotic automation and high precision fabrication capabilities for the Railway sector.

Chairman's Message

An agility to adapt to a changing environment and embrace new technologies has always been TII's main forte. The Company is focusing on its inherent strength and strong business fundamentals to build a resilient edge.

Dear Shareholders,

The year began with trends of a positive change in the world economy with signs of stabilisation from the accommodative monetary policies rolled out by Governments of many countries to boost business. However, geo-political posturing, protectionist trade policies and stress in key emerging market economies weighed down global economic growth, particularly manufacturing and trade in the second half of 2019. The Covid-19 pandemic impacted this further in great measure and hence, global growth which was estimated to reach 3.3% in 2020 plunged to an all time low of -3% registering a sharp decline in the fortunes of almost all countries across the world.

The Indian Economy began the year with a slowdown in core sectors such as automotive, construction, mining, iron and steel, etc. It was further accentuated with muted market growth, credit stress and deferred discretionary spends dictating customer sentiment. Signs of a revival were evident in the second half of the year with manufacturing activity showing a moderate increase based on supportive Government policies to accelerate growth. However, the pandemic and the resultant lockdown in March brought all business activity to a standstill with the GDP plunging to 1.9% for the fiscal 2019 -20.

The Indian automotive sector witnessed a weak market response. The Government mandated transition from BS IV to BS VI emission standards, a halt in the launch of new technology products, inventory accumulation and finally the lock-down, all of which, had a huge overall impact on the sector. Sales in the last month of FY20 plummeted to the lowest in four years, registering a drop of nearly 40-80% across segments.

TII with a large presence in the Auto sector was impacted by the industry slowdown due to reduced offtake from OEMs recalibrating their capacity utilisation. Despite the fall in the order book, the Company increased its customer engagement, partnering with auto majors and leveraging its engineering expertise to develop new products for the BS VI migration in Passenger Vehicles, tubular front fork products for the two wheeler segment, and safety critical parts in seating solutions for both the Indian and global market. To counter balance the slowdown in the OEM business, the Company's strategic sectoral shift to mine the opportunity in the Aftermarket, with innovative products and an expanded channel, proved a game changer in a challenging year.

An agility to adapt to a changing environment and embrace new technologies has always been TII's main forte. The Company is focusing on its inherent strength and strong business fundamentals to build a resilient edge.

The Railway sector proved a major growth engine for the Company. With the Government of India's focus on the expansion and modernization of the Railway network and its 'Make in India' drive, the sector is poised for accelerated growth. TII, as a trusted supplier of quality assemblies and components for the Railways, is well positioned to mine the burgeoning growth potential of the sector.

The Bicycles Business has reinvented itself and despite its strategic exit from the institutional segment, has managed to emerge stronger and more resilient with a roadmap for growth going forward.

At TII, we focused on building resilience for long term growth in each of the business with strategic capacity expansions and creating new process capabilities. A manufacturing facility at Rajpura for high strength tubes and telescopic front fork products, expansions of the manufacturing facilities at Thiruninravur, Sanand and Bawal for auto components, a new greenfield facility for conveyor chains and expansions at Kakkalur and Uttarakhand for railway parts and sub assemblies were established during the year.

The Company continued its efforts in expanding its global footprint with new market and customer development in Europe, South East Asia and China in the Engineering business and building new distributors and channel partners in Central America and SAARC in Metal Formed Products. The focus during the year was on internal capability development to sustain and grow in the export market.

Our subsidiary Shanthi Gears, while focusing on its financial priorities, strengthened its presence in the Servicing and Replacement segment of gears. Service centres in strategic locations across the country helped sustain the competitive advantage. The business continued to build relationships through high level of customer engagement during the year.

To build resilience and growth, Sedis focused on a strategic deepening of its end-user engagement, expanding the distribution channel outside of France and ramping up presence in new, high potential areas, in addition to improving margins with various cost management initiatives and better working capital management.

Our people are our greatest asset and they have demonstrated great commitment and resilience in these challenging times. The TQM (Total Quality Management) and TPS (Toyota Production System) work culture has embedded a transformational, future-ready ecosystem of goal driven teams working in tandem to take TII forward.

A relentless focus on cost management and fiscal prudence, value engineering and customer partnering has enabled the Company to record a creditable performance demonstrating its resilience despite being in a challenging year.

As we brace ourselves to face the headwinds of an economic slowdown of a mammoth scale, we need to reinvent new methods, build new competencies to stay resilient. I am sure, TII under the able leadership of Mr. Vellayan Subbiah and the Senior Management team would rise to the occasion, as they have always done and take the Company forward on the growth path while facing many a challenge.

Mr. Pradeep V Bhide, Independent Director on our Board retires in July 2020. Mr. Bhide's association with TII spans well over a decade, both before and after its demerger. He has contributed immensely to TII's growth, as a senior Member of the Board and as Chairman of the Audit and Risk Management Committees. We at the Board, thank him for his outstanding contribution and wish him the very best.

The members of the Board continue to be a great source of support and encouragement to the Company's management team and to me in particular. I thank them for their insight and involvement in building the business.

I also take this opportunity to express my gratitude to all of you, our esteemed and valued shareholders for your continued support and the trust you have reposed in the Company.

Yours sincerely,

M M Murugappan

M M Murugappan

MD's Message

Dear Shareholders,

2019-20 could be termed as a great testing year for both the economy and for businesses across the world. Markets in a mayhem, it was a year which demanded a rethink of traditional methods of doing business, challenged companies to reset priorities and necessitated the ability to reinvent, to remain resilient. At TII, we did just that. We focused on building the resilient edge.

A strong Balance Sheet, we believe, is built on strict fiscal discipline, which serves as a strong buffer during downturns. Our continued focus on the four cardinal metrics of Revenue Growth, Profitability, Return on Capital Employed and Free Cash Flow, for the past two years, has stood us in good stead. However, the economic slowdown during the year in core sectors, particularly the degrowth of the Auto industry, impacted our Revenue metrics. In a challenging year, each of our businesses have managed their fiscal space with great frugality and care. This has enabled us to improve our cost efficiencies, reduce debt vulnerabilities and fine hone our discipline to manage 'more with less.'

Here's how the year played out, quarter by quarter, in terms of Revenue and Profit Before Tax:

Growth	Q1	Q2	Q3	Q4	FY 19-20
Revenue	-8%	-18%	-27%	-24%	-19%
PBT	36%	31%	2%*	26%	13%

**excluding special dividend received from Shanthi Gears in Q3 of FY 18-19.*

Earlier this year, the slowdown in both the Indian and Global Economy, led to sluggish market demand and muted customer sentiment. The core sectors such as Auto, Construction, Infrastructure, Steel, Mining, etc, bore the brunt of the downslide, with the domino effect cascading to all related industries. Finally, the pandemic and the resultant lock-down in March, in the last month of the FY 2019-20, brought everything to a grinding halt.

Engineering

Despite challenging market conditions, the Engineering Business comprising standard tubular products and specialized, large diameter tubes registered a Revenue of ₹2,258 Cr. and PBIT of ₹264 Cr. with a 4% growth in ROCE from 37% to 41%.

Building a Resilient Edge

Strong Balance Sheet built on fiscal prudence, calibrated asset utilisation and 'more with less' work discipline.

Agile manufacturing with digitally driven new age technologies, market leadership through value-engineering, product innovation & customer co-partnering.

High performance work culture, project - centric, goal defined, cohesive teams with a passion to challenge limits.

In the Engineering business, demand for large diameter pipes was subdued both in the domestic and global market. With extensive applications in the manufacture of hydraulic cylinders for commercial vehicles, tippers and earth moving equipment, the sector was greatly impacted by the slowdown in auto, construction and material handling segments. domestic offtake saw a major dip reflecting the sectoral slump.

The focus on internal efficiency initiatives, cost management and co-partnering with OEMs and global majors in the development of new products both for the domestic and global markets, enabled the Business to build a resilient edge.

We foresee a major opportunity in the two wheeler segment, with the country transitioning from BS IV to BS VI emission norms, from the next financial year. Some of the new motorcycles and scooters will have to mandatorily move to telescopic front fork systems. This will provide the business a major opportunity for growth in the tubular front fork segment.

As part of our strategy for future growth, we expanded capacity at our Rajpura plant to address demand density, enable customer proximity and provide better geographical balance. A significant part of our market demand from the North was catered to by our Rajpura Plant this year, which optimised our logistics efficiencies and reduced our transportation cost. This debottlenecking provides us with additional headroom in our plant in the South, to cater to the Export markets for large diameter tubular products, being strategically positioned on the Coast, besides addressing the needs of the South, North and Western regions. Expansion of CRSS - Phase 2 was also completed with the commissioning of the new Mill for High Strength Material Rolling products at Chennai.

Going forward, in the Engineering segment, in addition to industry revival, we would be focusing on three streams of opportunities - growth in existing product portfolio driven by new opportunities in scooters and the migration to BS VI norms, growth from innovative product lines for new markets and growth from large diameter tubular products.

Metal Formed Products

Metal Formed Business posted an overall growth of 3% driven largely by the demand uptick in the railways sector. Revenue for the year was at ₹1,399 Cr. versus ₹1,360 Cr.

in the previous year while PBIT was flat at ₹123 Cr. compared with the previous year.

In the Metal Formed Products, we have a sizeable business coming from doorframes for Passenger Vehicles of major Auto manufacturers. Our OE customer roster has seen a steady increase which signals great promise for the growth and resilience of the Business. We built new production lines at each of our 3 manufacturing facilities, to cater to the demands of customers, we are currently servicing. Despite the fall in the order book due to the slowdown, the future augurs well.

Railways proved a major growth engine for our Metal Formed Business earning a 49% growth during the year. Engineering expertise, focus on quality and value added service has earned us a trusted supplier ranking and robust order inflow from the sector.

We continued to add capacity for various new products at our manufacturing facilities at Kakkalur and Uttarakhand to address the growing demand from the coach factories at ICF and also at MCF and RCF for large assembly parts for the metro rail, both for the domestic and global market, customised LHB coaches for the deemed export segment and accessory additions. We foresee greater opportunities for long term growth in this sector, with the Government of India's expansion and modernization thrust.

To counter the downward slide in the Auto OEM offtake and margin erosion, the Business made a strategic decision to realign the sectoral mix and expand its presence in the Aftermarket. Value-add new products, catering both to the high-end spectrum of the market for higher CC bikes and innovative types of new chains for the standard segment were launched. Leveraging our multi-layered distribution infrastructure to significantly expand geographic spread and deepening channel presence proved a game changer in bolstering Aftermarket volumes.

In Fine Blanking, we unleashed additional capacity with line balancing and productivity improvement measures. Additionally, a significant portion of our business was from a range of new products in safety critical parts and seating solutions that were introduced in the last 2 years. A revival of the auto industry offers great possibilities for growth of this segment.

In Industrial Chains, in the domestic market, we expanded market share notably in conveyor chains and agri-chains. Additionally, Industrial Chains for vertical, multi-layer parking structures also gained traction. In the export market, the Business expanded customer base with innovative new products and multi-functional, adaptive chains for complex applications.

Bicycles

In Bicycles, we made a strategic exit from the institutional business leading to a drop in sales volumes and Revenue at ₹781 Cr. compared to ₹1,238 Cr. for the previous year. While the PBIT improved to ₹26 Cr. as against ₹11 Cr. the previous year, ROCE improved to 17% as against 6% for the last year, driven predominantly by reduction in working capital and the overall capital employed.

To build resilience, the Bicycles Business restructured itself in three phases - with focused cost management and efficiency initiatives, lean and flexible manufacturing schedules and revamping the entire logistics infrastructure across locations. Recalibrating the working capital and bringing down inventories has enabled the Business to improve its cash flow and PBT despite a major dip in sales volumes due to the exit from the institutional segment and the industry slowdown.

The Business launched 70 new models across the Kids, Standards and MTB segments with aggressive market penetration and branding strategies. In line with its ambitious roadmap for growth and resurgence, the Business is exploring opportunities in exports and in the fitness, spares and accessory space.

Subsidiary

Shanthi Gears, our subsidiary, maintained the Revenue at ₹242 Cr. despite the difficult market environment.

We are confident that we would be able to deliver a stronger performance in the coming years, than we have delivered this year, despite the weak market growth predicted for the next fiscal.

Step-outs & Adjacencies

The TMT bars and the Truck Body Building businesses, are more like venture capital investments at the incubatory stage, which need time to grow and will therefore not have any significant impact either on our topline or bottomline in the near term.

We have made a small foray into the optic lens space. The initial infrastructure has been created and the production is likely to be ramped up in the coming year.

One of our advantages in a challenging year is a strong Balance Sheet. We have reduced our net debt vulnerabilities to ₹149 Cr. this year, which is less than our net working capital. We will continue to pare down net debt to be potentially debt free in the long term.

I think the biggest growth drivers of the year, which served to build a resilient edge, are some of the efficiency initiatives that we have been working on for the past couple of years. The free cash generation for the year was about ₹320 Cr. with a large part of it driven by working capital release and profitability.

Corporate Technology Centre

The Centre continued to serve as an incubation hub for developing new technologies, process improvements and exploring opportunities in new generation product lines.

Information Technology

To accelerate the migration to futuristic, IoT enabled, data managed production systems, the Company focused on automation, process digitization, OEE management, data analytics and E-learning modules. At TII, the focus was clear and defined - to build a resilient edge to meet new age market and customer needs.

People

Implementing a High Performance Work Culture, with guided mentoring, capability building and leadership development programmes, served to accelerate the progress in the TQM and TPM journey. Project centred, cross-business teams worked in tandem the 'TI Way' to build a resilient and result oriented people force, winning awards and accolades in various competitions and customer forum.

Outlook for TII

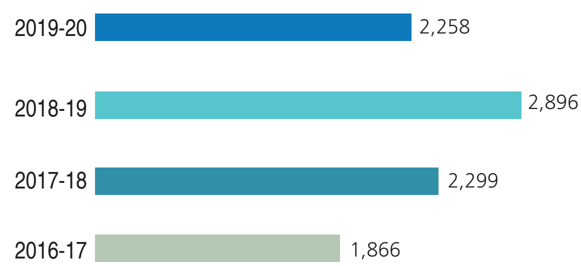
Broadly speaking, we feel fairly confident that over a three to five year time frame, there is a lot of opportunity for TII in the present mix of business it is in and some of the businesses that we intend to get TII into in the future as well. Growth will have to come from both organic and potentially inorganic means over that time period. We are focusing on the set of businesses that should hopefully reduce our dependence on the auto sector and its cyclicality affecting performance year-to-year in terms of topline growth.

Going forward, we are committed to articulate a clear path and build a resilient edge that will transform TII into a globally admired, Indian Engineering Company.

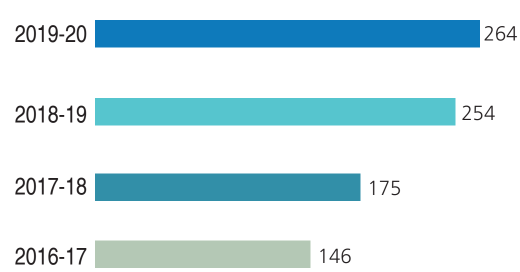
Best wishes,

Vellayan Subbiah

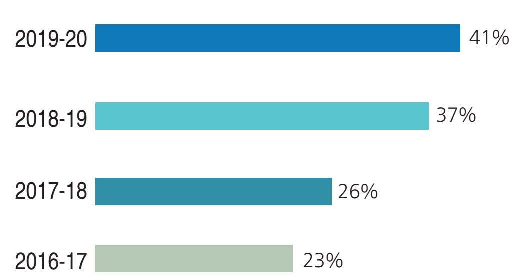
NET REVENUE (₹ in Crore)



PBIT (₹ in Crore)



ROCE



Engineering

Expanding geographic footprint, focused initiatives in cost management, a collaborative TQM work culture, value-led, innovation capability, provided strong resilience.

The Auto industry witnessed the worst-ever mayhem with the overall volumes of the industry falling by 15% during the fiscal. According to SIAM, production of commercial vehicles recorded the hardest hit with a 32% decline, while both Passenger vehicle and Two-wheeler production dropped around 15% over last year.

The de-growth in the Auto Industry impacted the Business leading to lower demand and capacity utilization.

Demand for large diameter pipes was subdued in both the domestic and global market. Exports recorded low offtake across regions with inventory pile up resulting in depressed price trends. With extensive applications in the manufacture of hydraulic cylinders for tippers and earth moving equipment, the sector was greatly impacted by the slowdown in the construction and related segments.

According to industry experts, the slowdown in the national road construction programme, the deferring of new infrastructure projects by the Government, together with reduced capex spend by companies, dented the sales volume of construction and material handling equipment significantly.

Due to the challenging environment, the Business recorded a revenue of ₹2,258 Crore compared with ₹2,896 Crore in the previous year. PBIT was at ₹264 Crore and the ROCE at 41% as against ₹254 Crore and 37% respectively for the last year.

The Engineering Business demonstrated resilience with internal efficiency initiatives, cost management and new product development both for the domestic and export markets. In addition to consolidating its market leadership as one of the largest suppliers of import substitute, hydraulic cylinders in India, the Business expanded its global footprint in niche products, partnering with global OEMs.

The transitioning of the auto industry from BS IV to BS VI emission norms will mandate the adoption of telescopic front fork (TFF) systems in the new models of scooters. This will provide the Engineering Business a major opportunity for growth in the tubular front fork segment.

During the year, the Business established a tube manufacturing facility at Rajpura for better geographical balancing and customer proximity. Expansion of CRSS - Phase 2 was also completed at Chennai to roll high strength material to expand the product range.

Market demand from the North was catered to by the Rajpura Plant this year, which helped logistic efficiencies and reduced transportation cost. This has enabled the Business to utilise the released excess capacity at the Avadi Plant in the South to cater to the Export markets and other regions in the country.

To counter the downward trend, the Business actively participated with OEMs in New Product Development for BS IV to BS VI conversion, exploring opportunities in import substitution orders.

Some of the key products developed during the year:

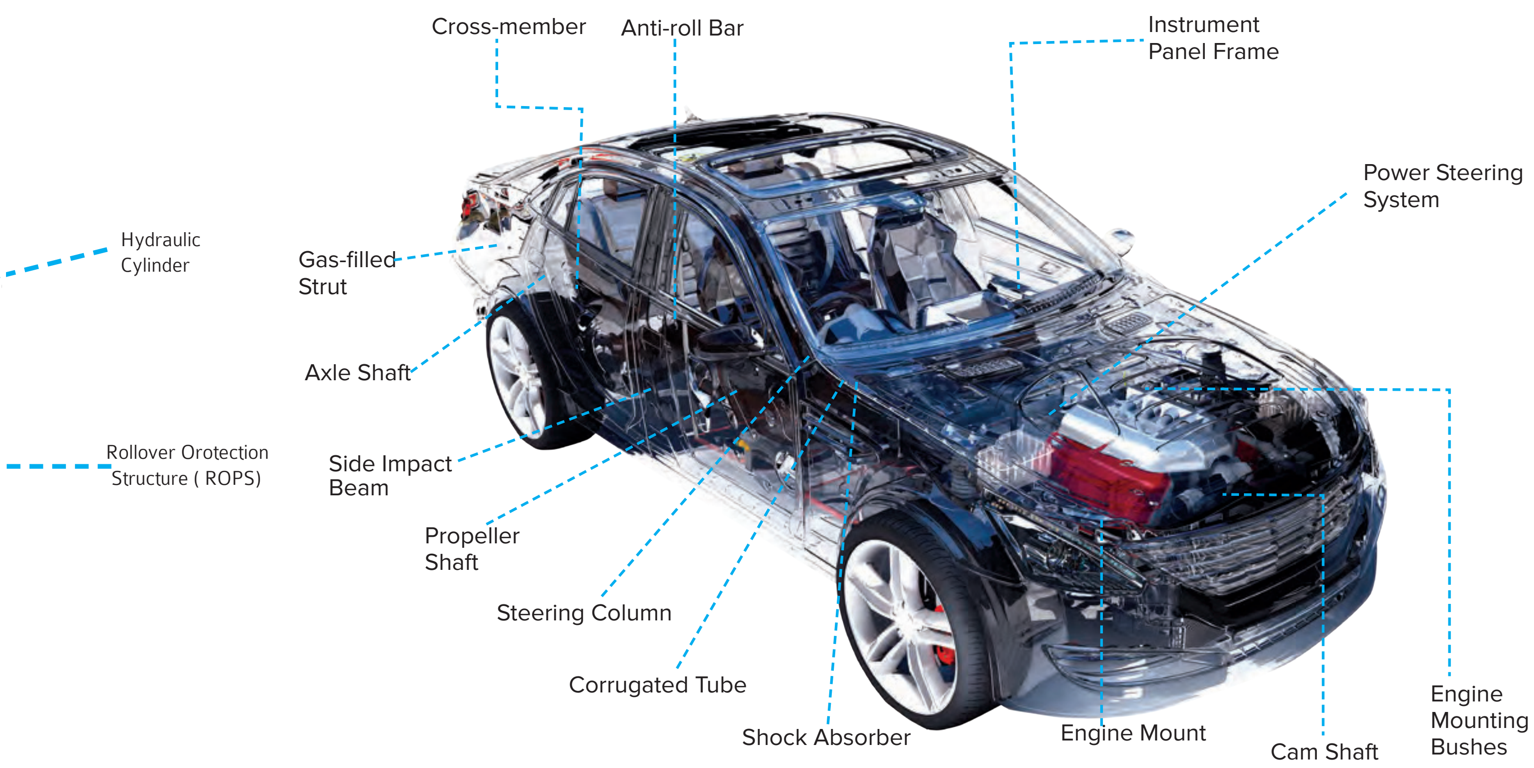
- Telescopic Front Fork Tubes in Electric Vehicle and Scooter models.
- Micro alloy frame tubes.
- Higher thickness tubes and Tie Rods to balance the increased engine torque in Commercial Vehicles.

- Closer tolerance / Under Body Hydraulic Cylinder Tubes.
- Value Engineering through indigenization of Raw Material.

Awards

- 'Strategic Global Supplier Award' by Showa for 4th consecutive year.
- 'Star Performer Award' from EEPC for the 5th consecutive year.
- Award from 'Toyotetsu India Pvt. Ltd.' (TTIA) formerly known as STTI for consistent Quality and Delivery.
- Award from Toyota Kirloskar Auto Parts Pvt. Ltd for Quality, Delivery and VA.

Focused initiatives in cost and efficient working capital management, a collaborative TQM work culture, a strong and empowered people resource, value led innovation capability - at TII's Engineering Business, building the resilient edge was the primary focus.



Metal Formed Products

Building resilience through engineering expertise, customer co-partnering, value-led innovation and new age technologies.

Deepening engagement with customers, with innovative, value-added products and bespoke solutions, the Metal Formed Products Business enlarged its OEM roster, executed new project orders, expanded its channel presence and geographical footprint.

Strategic measures were deployed to build an agile, resilient and robust manufacturing capability. Strategic measures in Business Process Re-engineering were deployed to optimize efficiencies, reduce cost and improve profitability.

TQM and Kanban were implemented under guided mentorship and strict audits to meet benchmark standards in quality and zero defect products.

In the two wheeler segment, the Business recorded a drop in growth due to market contraction. In both Drive and Cam segments, the Business focused on 100% schedule realisation and protected the SOB. To counter the sluggish OEM offtake and pricing pressure, the Business focused on aggressive Aftermarket participation.

New models of chains and sprockets with differentiated features, in aesthetics and performance were launched for the Aftermarket. To tap the market potential in high-end motorbikes, chain kits were developed to cater to this niche segment. In addition, customer driven adjacency products were developed and launched for select geographic markets.

Market penetration through channel expansion and new customer touchpoints, brand promotion and Dealer engagement programs, channel alignment to market density and key consumption centers, strengthening the supply chain with new warehouse and logistics support were some of the aggressive aftermarket strategies deployed for bolstering growth.

Automation, simplifying workflows through digital initiatives, data management system, the BIZOM app for sales force efficiency, focus on cost management and the concept of 'more-with-less' leading to various efficiency, productivity and profitability improvement projects - for the Metal Formed Products Business, the rationale was to build resilience.

In Fine Blanking, new safety critical parts were developed for global auto manufacturers of seating solutions. The Business has gained good traction, co-partnering with Auto majors, with dedicated production lines, customised product offerings and last mile connectivity.

In the passenger car segment, the Business registered a decline in sales due to contraction in industry. Transition to BS VI standards, subdued retail sales, weak customer sentiment, increase in dealer inventories and supply chain disruptions, forced OEMs to reduce production.

TII consolidated its market leadership as the major supplier of doorframes for car manufacturers in India. The Metal Formed Business successfully completed 3 new car doorframe projects for Hyundai during FY20. Leveraging its industry experience and engineering expertise, the Business co-partnered with OEMs and global Auto majors in new component development projects for BS VI vehicles, enlarging its customer roster with an innovative range of tubular products and tubular assemblies - CCB, impact beams, doorframes, mudguards, etc., for leading brands of Passenger Vehicles.

New production lines were established at each of the 3 manufacturing plants, with automated, robotic processes, digital, online systems and TQM driven benchmark standards in quality.

Going forward, volumes according to ICRA the Auto industry is likely to contract in FY21 with OEMs forced to brace for another year of lower earnings and decline in operating margins. The challenges for the industry are expected to increase with muted customer sentiment severely impacted by the pandemic outbreak resulting in lower spending power both in urban and rural markets.

The Government of India's Budget 2019-20 presented the roadmap for Railways to become the biggest growth engine of the country. High speed trains, dedicated freight corridors, coach modernization, process digitization, Green Energy stations and export focus - the Indian Railways is on a major transformational journey.

Ministry of Railways clearance for the production of rakes and coach sets of high speed trains at the Integral Coach Factory (ICF), Chennai and the upgradation of manufacturing facility of MCF was a major growth booster for TII's Metal Formed Products Division.

The Business is leveraging its advantage as a trusted supplier for the Railways, to expand its presence in this growing space. The Business has added capacity at its plants in Kakkalur and at Uttarakhand to address the growing requirements of the ICF and MCF Coach factories. Capacity augmentation at Kakkalur has enabled the Business to meet the requirements of ICF for underframe full assembly, roofs, sidewalls, endwalls, etc.

The 'Make in India' drive of the Government has offered the Company's Railway business the opportunity of participating in the deemed export segment of LHB customised stainless steel conversion. In addition, the Business has also started supplying parts to metro train manufacturers in the country for the coaches plying both in India and overseas.

The Government of India's focus on mobility and connectivity, and the expansion and modernization of the railway network, manufacturing of metro coaches is expected to gain momentum. TII's Metal Formed Products Division is well positioned on the growth track of the Railway sector.

The IC Business demonstrated resilience countering the market slowdown with aggressive strategies for growth. A Business Driven Product Development (BDPD) initiative was rolled out to address customer expectations in price and performance, in niche segments and for developing industry specific, step-out products through robust Application Engineering.

New Products & Markets - Key initiatives

- Achieved significant growth in new product sales.
- Launched brand PRECI+ for new and differentiated, adjacency products.
- Developed a range of Light and Medium Elevator Chain Assembly.
- Enlarged market share of Diamond brand of Rotavator Chains.
- Completed supplier audits of Global Energy OEM - pipeline conversion.

The Business established a new facility for the manufacture of Conveyor Chains beside augmenting capacity through line balancing, to address the potential in core sectors such as Material handling, Construction, Food, Steel and Cement. Strategic measures were deployed to build an agile, resilient and robust manufacturing capability. Audit was also completed for upgradation of OHSAS 18001 to ISO 45001 quality standards. The Business enlarged its geographical footprint with strategic partnering with Sedis for market and product synergy. An exclusive Sedis Service Desk (SSD) was created to provide service support to Sedis' subsidiaries in UK, Italy and Germany while last-mile connectivity for servicing major OEMs through warehouses in US and Europe was strengthened by leveraging the Sedis Logistics Platform.

To counter the slowdown in the OEM segment, the Business executed orders with new distributors and channel partners in Mexico in Central America and expanded its presence in SAARC countries, working with Dealers and OEMs in Nepal in the Agri segment and in Bangladesh and Sri Lanka in the Industrial segment.

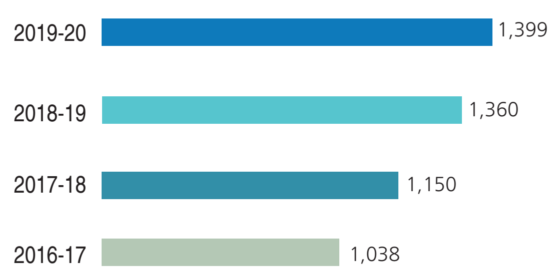
To accelerate the migration to futuristic, IoT enabled, data managed production systems, the Business focused on automation, process digitization and OEE management, data analytics and E-learning modules. At the IC Business the focus was clear and defined - to be future-ready and resurgent to meet new age market and customer needs.

Awards

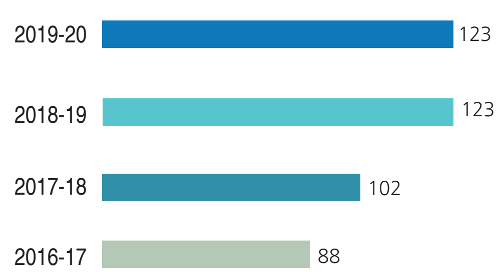
- Excellence Awards at the QCFI-National Competition-2 Teams won the Excellence Award

Partnering with global majors for market and scale and a strong order book for exports, promises great possibilities for growth and resilience in this segment.

NET REVENUE (₹ in Crore)

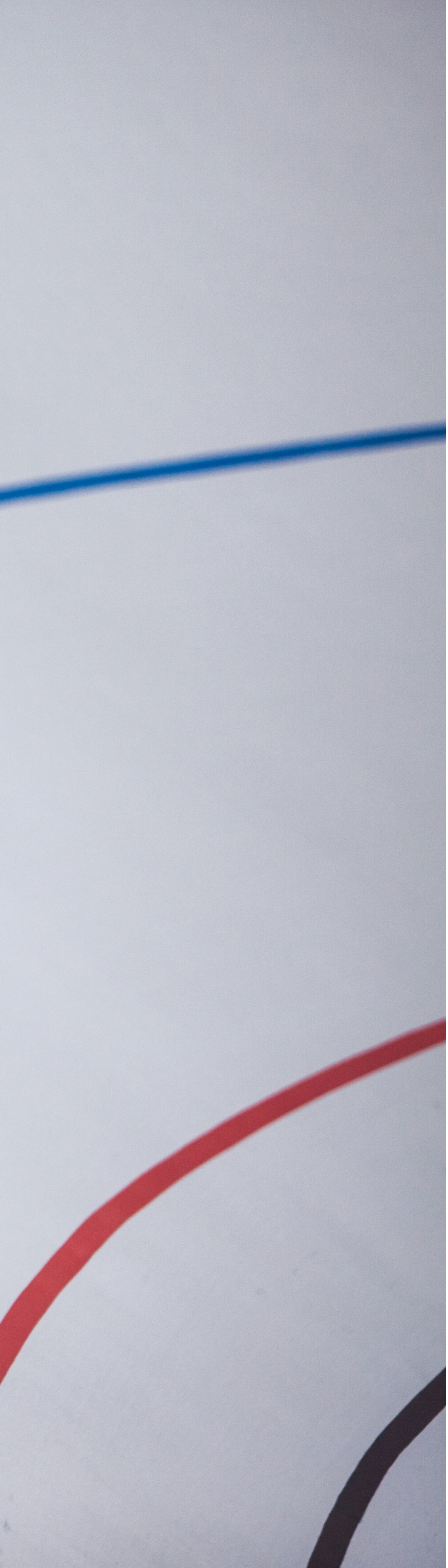


PBIT (₹ in Crore)



ROCE

Includes numbers pertaining to the New Business -Adjacencies and Step-outs.



Bicycles

Building resilience through business agility, innovative products, new markets, eco-friendly mobility solutions.

The Bicycle segment in India continued to ride on a slow track, with overall trade volume impacted due to low secondary demand registering a degrowth of 17% over last year. Market for premium cycles dropped significantly due to the economic slowdown and poor customer sentiment. In the geared segment, margins were further eroded with an over run of low priced, poor quality alternatives in the unorganised space. The commuting segment showed a marked decline in sales in the absence of Government support for promoting dedicated cycling lanes in urban cities.

TII's Cycles Business re-crafted its Mission statement as 'Improving the quality of life through eco friendly mobility solutions' and reinvented itself into a resilient and resurgent growth engine.

The Business made a strategic exit, from the working capital intensive, institutional business, braving the drop in overall trade volume. Despite the drop in revenue to ₹781 Crore in FY 20 compared to ₹1,238 Crore for the previous year, PBIT registered an upward graph at ₹26 crores as against ₹11 crores the previous year, while ROCE improved to 17% as against 6% for the last year, driven predominantly by a relentless focus on cost and effective management of working capital.

Despite sluggish demand, the Business gained market share in each of the product segments - Kids and SLR with segment specific new bicycle models, aggressive market penetration, innovative branding strategies and focused channel promotion initiatives.

Deploying the TPS (Toyota Production System) and JIT (Just in Time) manufacturing model, the Business optimised operational efficiencies at both its plants with flexible manufacturing schedules and rationalized working shifts. Productivity ratios both at the Ambattur and Rajpura plants were upward of the plan despite lower volumes.

Aggressive cost reduction initiatives like value engineering and import substitution, process improvement, vendor rationalization and streamlining logistics with an integrated Supply Chain servicing customers directly from plants instead of warehouses contributed to the profitability and resilience of the Business. The Business enhanced its working capital efficiency through a robust planning process and destocking of slow-moving models.

The Business launched 70 new bicycle models contributing to a 38% growth in sales. To mine the potential in low priced, cost competitive products, the Business expanded its entry-level, economy range portfolio with 6 new models in the Kids category, 'Shurveer' in the Standard segment, 'Kombat Series' and 'Thrasher' in the MTB segment. In addition, 53 models have been refreshed and launched in a new avatar to increase its demand.

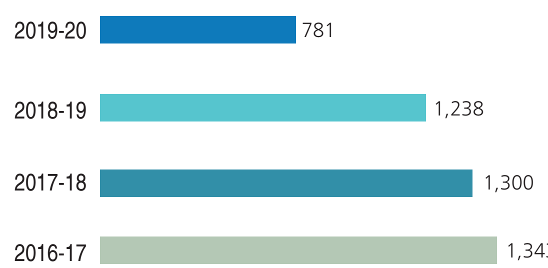
The Business blazed a new trail with the introduction of multiple innovations for the first time in the industry, notably, the Night Vision handle bar on Hercules Jackal RF.

A multi-tier channel strategy was deployed with distinct promotional programmes to engage and motivate trade partners. The Business rolled out a concerted brand visibility drive at 275 MBOs and 1200 sub dealer counters across all regions. Hercules BSA Zones (Shop in Shop) were created in 40 key outlets to enhance the buying experience and promote customer walk-ins.

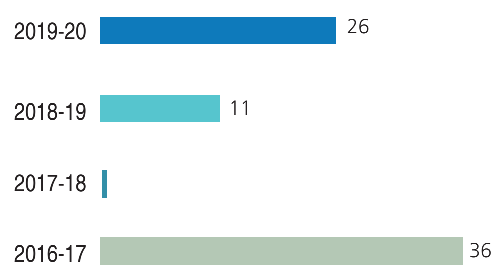
With a long-term strategy to become the foremost business in the TI fold, the Bicycles Business has mapped out ambitious plans to accelerate growth through exports and expanding its presence in the spares, accessories and fitness segments.

Segment specific new products, expanding channel presence and aggressive market penetration, formed part of the resilience building strategies deployed during the year.

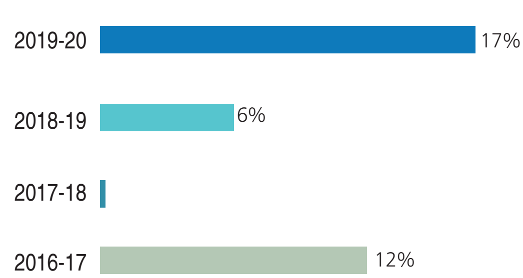
NET REVENUE (₹ in Crore)



PBIT (₹ in Crore)



ROCE



New Business

Building a resilient edge through adjacencies, and synergistic business ventures.

TMT Bars - TI Macho

It was a challenging year for the new adjacencies with the economic slowdown impacting core industry sectors.

A strong channel presence has been built with a network of 200 Dealers catering to customer needs across all districts in Tamil Nadu. The Business focused on intensive brand building and market promotion initiatives, with Engineering & Influencer Meets, Mason and Bar Bender Workshops, Technical Presentations and Stall Expositions. TI Macho has gained recognition as a Value Brand, with premium pricing, in the commodity space.

The upgradation of the product from 500 to 550 D and value added features such as water based rust preventive coating has added to the popularity of the product across retailers and customers. Improving plant productivity to benchmark standards, new product development and enlarging market presence are the key business drivers for building resilience.

Truck body building

The Truck body building Business was impacted greatly by the depressed market conditions in the auto sector, the new GST guidelines, product standardization and shortfall in vendor capability. The Business is planning to shift from the outsourced model of operations and to set up its own manufacturing facilities in Chennai, Bawal, Chakkan and Kolkata for product development, standardization and scalability.

Optic Lens

TII has identified vision products for the automotive industry as a growth opportunity. As a first step, a plant to manufacture optical glass lens has been set up along with a technology partner. Acquiring capabilities to manufacture vision components would provide leverage towards climbing the value chain which supports multiple sectors and industries.

Corporate Information

BOARD OF DIRECTORS

M M Murugappan, Chairman

Vellayan Subbiah, Managing Director

Pradeep V Bhide

Madhu Dubhashi

Mahesh Chhabria

Sanjay Johri

Ramesh K B Menon

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

Tube Products of India, Rajpura

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

TIDC India, Hosur

TIDC India, Athipet

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

CORPORATE 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

BNP Paribas

Board of Directors

Mr. M M Murugappan

Chairman

Mr. M M Murugappan (64 years; DIN-00170478) holds a Master's degree in chemical engineering from the University of Michigan, USA. He joined the Board on 1st August 2017. He is currently the Chairman of Coromandel International Ltd, Cholamandalam Investment and Finance Company Ltd, Carborundum Universal Ltd, Cholamandalam Financial Holdings Ltd and Cholamandalam MS General Insurance Co. Ltd. He is also on the Board of various companies including Mahindra & Mahindra Ltd. and Cyient Ltd.

Mr. Vellayan Subbiah

Managing Director

Mr. Vellayan Subbiah (50 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 and then took over as the Managing Director from 14th August 2018. He was earlier the Managing Director of Cholamandalam Investment and Finance Company Ltd. He is on the Board of various companies including Havells India Ltd, Shanthi Gears Ltd. and SRF Ltd.

Mr. Pradeep V Bhide

Non-Executive Director

Mr. Pradeep V Bhide, I.A.S. (Retd.) (70 years; DIN-03304262) is a Graduate in Science and Law. He also holds a Master's degree in Business Administration with specialisation in Financial Management. He joined the Board on 1st 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 GlaxoSmithKline Pharmaceuticals Ltd, Heidelberg Cement India Ltd, NOCIL Ltd and L&T Finance Ltd.

Mr. Sanjay Johri

Non-Executive Director

Mr. Sanjay Johri (67 years, DIN-00032015) is a graduate from St. Stephens College and a post graduate in Economics from the Delhi School of Economics. He joined the Tata Administrative Services in 1975 and has served his entire working career with the Tata Group. Amongst his assignments with the Tatas, he has held office as the Managing Director of RDI Print & Publishing Ltd., as a Director of Tata Infomedia Ltd. & Timex Watches Ltd. and as the Managing Director & Chief Executive Officer of Voltas Ltd. He joined the Board on 14th August 2018.

Ms. Madhu Dubhashi

Non-Executive Director

Ms. Madhu Dubhashi (69 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 on 1st August 2017. She is on the Board of various companies including Axis Finance Ltd, Pudumjee Paper Products Ltd, Sanghvi Movers Ltd. and Majesco Ltd.

Mr. Mahesh Chhabria

Non-Executive Director

Mr. Mahesh Chhabria (56 years, DIN-00166049) holds a Bachelor of Commerce degree from the University of Mumbai and also is an Associate Member of the Institute of Chartered Accountants of India. He has over three decades of experience in the financial services industry having worked with investment banks and private equity funds. Mr. Mahesh Chhabria is presently the Managing Director of Kirloskar Industries Ltd., the investment arm of the Kirloskar Group. He joined the Board on 5th February 2019. He is on the Board of various companies including Deepak Fertilisers and Petrochemicals Corporation Ltd. and Kirloskar Oil Engines Ltd.

Mr. Ramesh K B Menon

Non-Executive Director

Mr. Ramesh K B Menon (59 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 on 6th November 2017. He is on the Board of various companies including E.I.D. Parry (India) Ltd.

Financial Highlights

OPERATING RESULTS	2019-20	2018-19	2017-18	2016-17
Net Sales	4,053	4,983	4,335	3,925
Profit before Depreciation, Interest & Tax (PBDIT)	610	563	403	395
Profit before Interest & Tax (PBIT)	450	423	274	274
Profit before Tax (PBT)	421	371	218	202
Profit after Tax (PAT)	331	244	136	159
Earnings Per Share (₹)	17.6	13.0	7.3	8.5
Dividend Per Share (₹)	3.50	2.50	1.75	2.00
Book Value Per Share (₹)	91.1	75.9	64.7	60.9
SOURCES AND APPLICATION OF FUNDS				
SOURCES OF FUNDS				
Share Capital	19	19	19	19
Reserves and Surplus	1,694	1,406	1,194	1,123
Debt	268	517	679	776
Deferred Tax Liability (Net)	14	42	28	26
Total	**1,994**	**1,983**	**1,920**	**1,944**
APPLICATION OF FUNDS				
Net Fixed Assets	1,012	981	913	881
Right-of-use assets	43	-	-	-
Capital Work-In-Progress	52	69	89	33
Investment Property	5	5	5	5
Intangible Assets	1	-	-	-
Investments	629	557	572	669
Net Working Capital	251	372	341	356
Total	**1,994**	**1,983**	**1,920**	**1,944**
RATIOS				
PBDIT To Sales (%)	15.1	11.3	9.3	10.1
PBIT To Sales (%)	11.1	8.5	6.3	7.0
PBT To Sales (%)	10.4	7.5	5.0	5.1
PAT To Sales (%)	8.2	4.9	3.2	4.1
Interest Cover (times)	21.1	10.7	6.7	5.5
ROCE (%) *	22.5	21.3	14.3	14.1
Return on Networth (%)	19.3	17.1	11.2	13.9
Total Debt Equity Ratio	0.2	0.4	0.6	0.7
Long Term Debt Equity Ratio	0.1	0.1	0.4	0.4
Sales/Fixed Assets (times)	3.8	4.7	4.3	4.3
Net Working Capital Turnover (times)	16.1	13.4	12.7	11.0
Net Debt #	149	491	660	655
Free Cash Flow	320	212	95	109

* ROCE is calculated based on Closing Capital Employed per Segment Reporting

Debt net of Cash & Cash Equivalents, Debt Securities & Current Investments

Board's Report & Management Discussion and Analysis

Dear Shareholders,

The Directors take pleasure in presenting the 12th Annual Report together with the audited financial statements of the Company for the year ended 31st March 2020.

1. Business Environment

The country's growth softened in 2019 as corporate and environmental regulatory uncertainty together with concerns about the health of the non-banking financial sector weighed on demand and applied the brakes on economic growth. Demand slowed more sharply than expected amid stress in the non-banking financial sector and a decline in credit growth. Added to this, the Novel Coronavirus (COVID-19) has come to cast a long shadow over the much-anticipated recovery, albeit expected to be a mild one, in the Indian economy in 2020-21, with the World Health Organisation (W.H.O.) declaring the virus outbreak a pandemic.

India's GDP decelerated to its lowest in over 6 years during 2019-20 and just that when there were signs of mild recovery of the economy with corporate tax rate cut, the outbreak of the COVID-19 has imposed fresh challenges. Steps taken to contain its spread such as nationwide restrictions/lockdown have brought economic activity to a standstill, with serious implications for both consumption and investment. Three major contributors to GDP- private consumption, external trade and investments are already affected. As per the projections of the International Monetary Fund (IMF), India's growth rate is seen sliding all the way to 1.9% in 2020.

For the global economy too, the COVID-19 pandemic is inflicting high and rising human costs worldwide. As a result, the global economy is projected to contract sharply by –3% in 2020, much worse than during the 2008–09 financial crisis.

The automobile industry was on the brink of a revival after a torrid year. Looking forward, the expectation was that of a decent current year with a revival from the second quarter onwards. However, the pandemic inflicted lockdown has dealt a decisive blow to the growth of automobile industry. As per the Society of Indian Automobile Manufacturers (SIAM), the Indian auto sector which contributes 9%-10% to the nation's GDP has delivered below potential growth over the last 5 years with a CAGR of ~1.5% for passenger vehicles (PVs) and two-wheelers (2Ws). During the year under review, Indian auto sector witnessed a de-growth of 18% in sales. In the four-wheeler segment, the passenger vehicle and commercial vehicle sale volumes were down by 18% and 29% respectively. In the two-wheeler segment, scooters sales and motorcycles were down by 17% and 18%.

2. Standalone Financial Highlights

(₹ in Cr.)

Particulars	2019-20	2018-19
Sale of Products	**4052.67**	**4,983.05**
Profit Before Exceptional Items and Tax	**420.72**	**371.08**
Profit on Shares tendered under Buyback Scheme	19.11	-
Provision for Employee Voluntary Retirement Scheme Expense	(21.97)	-
Provision for Impairment on Investments (Net)	-	(9.00)
Profit Before Tax	**417.86**	**362.08**
Tax Expense	(87.31)	(118.57)
Profit After Tax	**330.55**	**243.51**

No transfer to the General Reserves has been proposed for the year under review.

3. Performance Overview

During 2019-20, the Company achieved a turnover of ₹4,053 Cr., registering a de-growth of 19% over the previous year due to slowdown in the auto industry. The Profit before Depreciation, Interest, Exceptional Items and Tax was at ₹610 Cr. as against ₹563 Cr. in the previous year. The Profit before Tax and Exceptional Items was at ₹421 Cr. as against ₹371 Cr. in the previous year, registering an impressive growth of 13%. The Company focused on reducing fixed costs, working capital and spending capital expenditure prudently on critical growth projects.

During the year, the Company tendered 49 lakh shares in the Buyback Scheme announced by Shanthi Gears Limited (SGL) to all its eligible shareholders at a consideration of ₹140/- per share, of which, 32.39 lakh equity shares were accepted on a proportionate basis by SGL. The Company received a consideration of ₹45.35 Cr. and recognised a profit of ₹19.11 Cr., shown as exceptional profits.

During the year, the Company implemented voluntary retirement schemes in certain locations at a cost of ₹21.97 Cr. to improve the productivity and competitiveness of its business. This is shown as exceptional loss in the financial statements.

The Cycles and Accessories segment recorded revenue of ₹781 Cr. as compared to ₹1,238 Cr. during 2018-19, a de-growth of 37%, since the Cycles market continues to be sluggish and also because of exit from institutional business. The operating profit before interest and tax stood at ₹26 Cr. as compared to ₹11 Cr. during the previous year, registering a growth of 128%.

The Engineering segment registered revenue of ₹2258 Cr. as compared to ₹2896 Cr. during the previous year. The operating profit before interest and tax stood at ₹264 Cr. as compared to ₹254 Cr. during 2018-19, registering a growth of 4%.

The Metal Formed Products segment recorded revenue of ₹1,399 Cr. as compared to ₹1,360 Cr. during the previous year, a growth of 3%. The operating profit before interest and tax stood at ₹123 Cr., remained flat as compared to previous year.

4. COVID-19 and its impact

Consequent to the outbreak of the COVID-19 pandemic and the lockdown/curfew introduced by the Central and State Governments, the operations in the Company's manufacturing plants situated across various locations of the Country had to be shut down or were disrupted towards the latter half of the second fortnight of March 2020 onwards and which continued through the month of April 2020.

With the easing in the lockdown/curfew and the Governments permitting operations to be resumed with necessary permission from the local authorities, the Company from end April 2020 onwards has resumed operations, in a partial manner, in almost all the plants barring very few which are also expected to commence operations shortly as customers start placing their orders. As the situation improves, the Company expects to scale up operations to the full levels over time.

As the pandemic is ongoing, the Company continues to take various measures to safeguard the health and safety of its employees and further to ensure total adherence to the guidelines issued by the Central and the respective State Governments besides the local authorities at all its business locations.

The Company has considered the possible effects/ impact arising from COVID-19 on its financial results for the year 2019-20 and at this stage, it has concluded that no material adjustments are required to the same. The Company will continue to closely monitor any material changes to future economic conditions. A note in this regard is included in the Standalone Audited Financial Statements for the year under review vide Note 32 – Significant Accounting Judgements, Estimates and Assumptions forming part of this Annual Report for the financial year 2019-20.

5. Business Review – Standalone

5.1. Cycles and Components

TI's Presence

The Cycles and Components segment of the Company comprises of 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, Special cycles cater to recreational usage, where the product is used for fun, fitness and leisure activities. During the financial year, the Trade industry witnessed a sharp drop of 17% as against the previous year majorly due to the economic slowdown and lower discretionary spends. Standards have de-grown by 17% and Specials have de-grown by 18%. However Premium Cycles Group as a subset of Specials have declined by 38% due to lower affinity for premium products in general. In addition to this, movements by the unorganized players based on economy offerings have also impacted the organized trade (All India Cycle Manufacturers Association-AICMA) players' sales volume.

Over 79% of the country's requirements are met by four major players. The smaller regional players and imports constitute the balance. TI Cycles enjoys a share of 24% of the total organised trade market with a much higher share in the premium segment.

Review of Performance

TI Cycles sold 19.8 lakh bicycles during the year in Trade, which is 16% lower as compared to 2018-19. Overall Trade bicycle industry itself registered a negative growth of 17% over the previous year. The thrust on Specials segment was driven by a concerted effort to enhance consumer experience through exclusive retail outlets under the exclusive retail brand 'Track & Trail'. Moreover the expansion of export business and domestic spares business is considered to be a new avenue of business to the Company. To participate in the growing economy sub-segment, 14 low cost products were launched in major categories like Kids and Mountain Terrain Bikes (MTB).

In 2019-20, 70 new model bicycles were launched, and 53 older models were refreshed. 38% of the trade sales volume came from new products. Multiple innovations were introduced for the first time in the industry, notable among them being the night vision handlebar on 'Hercules Jackal' bicycle. The night vision handlebar is a ground-breaking innovation in the category–extremely easy to assemble and use the integrated headlight. This feature is aimed at ensuring that the adventurous youngster has no worries about riding at night or in low visibility. Design registration was also filed to protect this idea from imitation. In addition, patented anti-slip chain technology was brought to the market in a new avatar last year – 'BSA Ladybird Summer ASC' bicycle to create more buzz in the marketplace.

On the consumer outreach front, the business consistently ran digital campaigns for its major brands, BSA Ladybird, Hercules, Roadeo, Mach City and Montra delivering a significant lift in brand awareness. A television commercial campaign "Hercules-Made For More" was launched wherein it was showcased on how the rugged & fierce Hercules bicycle enables teenagers to do more by pushing boundaries and emerge victorious. The objective of the campaign was to increase brand awareness and product consideration among the target group. In addition, the Disney licence has been renewed to continue offering premium range of bicycles with Disney/Marvel characters.

The operating profit before interest and tax (PBIT) stood at ₹26 Cr., as compared to ₹11 Cr. in the previous year, a growth of 128%.

5.2. 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 which are largely imported.

Industry Scenario

During 2019-20, the automotive industry's production volume was lower by 15%.

Across all segments of automotive industry, there was a de-growth over the last fiscal year. Passenger vehicle, commercial vehicle and two-wheeler segments were lower by 15%, 32% and 14% respectively over the last fiscal year.

The lower industry growth was mainly due to the following factors:

- BS IV to BS VI transition being mandatory from 1st April 2020 brought in a sense of cautious approach both from the consumers and the auto majors.
- Increase in truck load norms by the Government enabling the transporters to increase the per trip truck loads.
- Increase in insurance premium and compulsory ABS leading to increase in cost of acquisition of vehicles for the consumer.

- NBFC debacle leading to lower loans disbursement.
- General consumer sentiments being low leading to lower demand.

With the Government, in the second quarter of the financial year under review, ahead of the festival season, announcing measures to spur growth through reduction in income tax rates for corporates and increase in Government spend on infrastructure etc, a marginal improvement in the growth rates was witnessed in the second half of the financial year.

Globally also, with all countries witnessing slowdown in each of their economies, they started initiating actions to protect their own markets. US continued with its tariff barriers imposed on various countries and products including steel. Europe brought in quota system to restrict imports into the region.

Review of Performance

The Engineering segment revenues were impacted due to the de-growth in the automotive industry.

During the year, volumes of the tubes business de-grew by 21%, cold rolled steel strips business de-grew 16% and large diameter tubes by 26%.

During the year under review, the segment registered revenue of ₹2,258 Cr. as compared to ₹2,896 Cr. during the previous year. The operating profit before interest and tax stood at ₹264 Cr., as compared to ₹254 Cr. during 2018-19, registering a marginal growth of 4%.

Given the situation of a lower demand, the business focused on internal measures to control cash fixed expenses, flexing manpower and other fixed expenses to partially offset the drop on account of lower volumes.

The business focused on reducing working capital and spending capital expenditure prudently on critical growth projects.

A greenfield Tube Manufacturing plant in Rajpura, Punjab was inaugurated in November 2019 to cater to the increased demand from the customers in the northern region.

The business continued to focus on Total Quality Management (TQM) journey to improve its quality and focused on employee development. Career path initiatives were taken up to provide opportunities to employees within the organization for new openings and to enable cross function exposure and growth.

With regard to the ongoing investigation on the Company's exports to the US market for the Countervailing Duty (CVD) and Anti-dumping Duty (AD) by the US Department of Commerce (USDOC) on complaint of alleged dumping of cold-drawn steel mechanical tubes from India and some other countries, the Company has participated in the first review and filed all the responses as per timelines to USDOC. The outcome is expected during the current financial year.

5.3. Metal Formed Products

TI's presence

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

Industry scenario

During 2019-20, production of two-wheeler segment and passenger vehicles de-grew by 14% and 15% respectively.

This 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.

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. The passenger coach segment witnessed good growth as the Ministry of Railways is focussing on passenger safety by initiating conversion of all old type coaches into stainless steel coaches. This segment has achieved considerable volume growth over previous year, supplying to various customers.

Review of Performance

Sale of automotive chains dropped by 12% and industrial chains grew by 10% when compared to

2018-19 in volume terms. The Company continued to expand its presence in the aftermarket segment benefiting from the two-wheeler population growth. In spite of challenging external environment, industrial chains recorded growth. Despite de-growth in passenger vehicles segment, fine blanked components volumes had a nominal growth, primarily through new parts developed for the four-wheeler segment.

Doorframe sale volumes were lower by 16% during 2019-20, as against the passenger car segment's de-growth of 15% due to higher sales on select models with two of the renowned auto majors. The focus is on generating more business from the auto Original Equipment Manufacturers (OEMs), leveraging the Tier-1 position with specific emphasis on roll form products and other tubular parts used in passenger cars. In addition, strengthening the current position in respect of coach parts and expanding the customer base are some of the opportunities that are looked into closely to sustain the drive towards growth.

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 of ₹1,399 Cr. as compared to ₹1,360 Cr. during the previous year, a growth of 3%. The operating profit before interest and tax which stood at ₹123 Cr. remained flat as compared with the previous year.

6. Dividend

The Board of Directors declared an Interim Dividend of ₹3.50 per share on equity share of face value of ₹1 each for the financial year 2019-20, which was paid on 18th March 2020 to all the eligible shareholders. A Dividend Distribution Tax (DDT) of ₹12.60 Cr. was remitted to the Government in respect of the said Interim Dividend. No Final Dividend has been proposed by the Board for the said financial year and the Interim Dividend of ₹3.50 per equity share, already declared and paid, in respect of the financial year 2019-20 will be considered as the Dividend for the said financial year.

The dividend pay-out is in accordance with the Company's policy on Dividend Distribution. The said Policy 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/601. Details thereof also form part of this Annual Report for the information of shareholders as Annexure–A.

7. Share Capital

The paid-up Equity Share Capital as on 31st March 2020 was ₹18.79 Cr.

8. Finance

Cash and Cash Equivalents as at 31st March 2020 were ₹21.64 Cr. In addition, the Company has investments in Liquid Schemes of Mutual Funds for ₹90 Cr. The Company continues to focus on judicious management of its working capital. The Company has taken many steps during the year to improve the working capital turns. The working capital parameters were kept under strict check through continuous monitoring.

8.1. Non-Convertible Debentures

During the year, Non-Convertible Debentures (NCDs) aggregating ₹100 Cr. were redeemed and no fresh NCDs were issued during the year. As on 31st March 2020, NCDs aggregating ₹100 Cr. were outstanding.

8.2. 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 2020.

8.3. Particulars of Loans, Guarantees or Investments

During the year under review, the Company has not given any loans or guarantees under the provisions of Section 186 of the Companies Act 2013. The Company purchased 9,05,250 Equity Shares of the face value of ₹10 each, fully paid up, at par, of M/s. Watsun Infrabuild Private Limited, for an aggregate amount of ₹0.91 Cr. during the year.

As part of treasury management, the Company also deploys any short-term surplus in units of mutual funds, the details relating to which form part of the Notes to the financial statements provided in this Annual Report.

8.4. Consolidated Financial Highlights

(₹ in Cr.)

Particulars	2019-20	2018-19
Revenue from contract with customers (net)	**4750.39**	**5773.05**
Profit Before Exceptional items and Tax	**425.18**	**383.49**
Exceptional items	(21.97)	3.00
Profit Before Tax and exceptional items	**403.21**	**386.49**
Tax Expense	(89.94)	(126.81)
Profit for the year before Minority Interest and share of profit from Associate	**313.27**	**259.68**
Share of loss from Associate	-	8.85
Net Profit for the Year	**313.27**	**250.83**

9. Business Review – Subsidiaries and Joint Venture

9.1. Shanthi Gears Ltd (SGL)

SGL, a subsidiary of the Company, recorded revenue of ₹242 Cr. in 2019-20 in line with previous year. Profit before tax was ₹33 Cr. (previous year: ₹42 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.

During the financial year 2018-19, Buyback Scheme was announced by SGL to all its eligible shareholders to purchase up to 50 lakh shares at a consideration of ₹140/- per share. Under the Scheme, the Company tendered 49 lakh shares, of which, 32,38,958 equity shares were accepted on a proportionate basis by SGL, considering the overall response to the Buyback. The Company received a consideration of ₹45.35 Cr. as Buyback consideration during the year under review viz., on the 5th April 2019 from SGL. Post-Buyback, the Company holds 70.47% of SGL's paid up share capital as against 70.12% held pre-Buyback.

SGL also declared and paid an Interim Dividend of ₹2 per share for the financial year 2019-20.

9.2. Financière C10 SAS (FC10)

FC10, the Company's wholly owned subsidiary in France, recorded consolidated revenue of Euro 32 Mn. in 2019 (previous year: Euro 34 Mn.). The loss after tax for the year was Euro 0.70 Mn. as compared with the profit of Euro 0.39 Mn. in the previous year. The consolidated results of FC10 include results of its subsidiaries viz., Sedis SAS, Sedis GmbH and Sedis Co Ltd in 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.

Arising from operational challenges that TTPL had to face in terms of winning new orders, and also in meeting rising customer expectations on quality and price parameters vis-à-vis its small size of operations and high working capital intensity, TTPL had sold, during the financial year 2018-19, its identified manufacturing assets to the identified buyer and fully utilised the amount realised through the sale and from the collections from supplies made earlier for repaying its creditors during the financial year under review.

Necessary impairment in the entire investment has already been recognized in the books of account of the Company for the financial years, 2017-18 and 2018-19.

9.4. Great Cycles (Private) Limited (GCPL)

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

During the year under review, GCPL recorded revenue of ₹3 Cr. (previous year: ₹16 Cr.) and registered loss before tax of ₹1 Cr. (previous year profit before tax: ₹2 Cr.)

9.5. Creative Cycles (Private) Limited (CCPL)

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

During the year under review, CCPL recorded revenue of ₹8 Cr. (previous year: ₹55 Cr.) and registered loss before tax of ₹2 Cr. (previous year profit before tax: ₹1 Cr.).

The statement containing salient features of the financial statements of the Company's Subsidiaries/ Joint Venture 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.

10. Financial Review

10.1. Profits & Profitability

The Profit before Tax and exceptional items registered a growth of 13%, through better operating efficiencies, input and fixed cost reduction initiatives and reduction in interest costs.

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 continues to assess the trends emerging in industry and the changing requirements of its customers and invests appropriately for the long-term, with a view to servicing its customers in a more timely and efficient manner.

10.3. Interest Cost

The Company's interest cost reduced to ₹29 Cr. in the financial year 2019-20 from ₹52 Cr. in the previous year mainly on account of lower borrowing and better management of net working capital. With strong focus on cash generation, the Company achieved a significant level of net debt reduction of ₹342 Cr. during the year. The total borrowings (net of Cash, Debt Securities and Current investments) were reduced to ₹149 Cr. as on 31st March 2020 from ₹491 Cr. as on 31st March 2019.

10.4. Financial Ratios

The key financial ratios of the Company in which there were significant changes (more than 25%) during the financial year compared to the previous financial year, with reasons therefor, are as under:

Sl. No.	Financial Ratio*	FY 2019-20	FY 2018-19	% change over previous year	Reasons
1.	Interest Coverage Ratio	21.1	10.7	97%	Reduction in borrowing & finance charges and increase in the Profit before Interest, Tax and Depreciation.
2.	Debt-Equity Ratio	0.2	0.4	57%	Reduction in debt and increase in net worth due to higher profits.
3.	Net Profit Margin	8.2%	4.9%	66%	Improvement in profits, reduction of fixed costs, reduction of interest cost and reduction of tax rate.
4.	Revenue Growth	(19.1%)	15.6%	(222%)	Lower sales on account of de-growth in auto industry.

*Ratios are tracked by the Company on a standalone basis

10.5. 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 reduce business risks through a framework of internal controls and processes. These controls ensure:

- Recording of transactions are accurate, complete and properly authorised;
- Adherence to Accounting Standards, compliance to applicable Statutes, Company policies and procedures and timely preparation of financial statements;
- Effective usage of resources and safeguarding of assets;
- Prevention and detection of frauds/errors;
- 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-a-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. It reviews and reports to management and the Audit Committee about compliance with internal controls and the efficiency and effectiveness of operations as well as the key process risks. The Company also has established whistle-blower mechanism operative across the Company.

The Audit Committee of the Board of Directors, comprising of independent directors, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards as well as reasons for changes in accounting policies and practices, if any.

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 utilisation 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.

10.6. 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 said 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 for also 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. This is reviewed regularly and tested by Internal Audit Team. 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 minimisation 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 on 23rd July 2019 and 31st October 2019 and reviewed the risks and mitigation plans of the SBUs of the Company.

Some of the risks associated with the business 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 in all sub-segment, Economy, Mass and Premium • E-bike will be introduced to reduce cycling effort • 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 • Reduce import dependency • Rationalize 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	• Drive growth in Premium cycles segment • Build capability to compete in Specials segment at various price points • Cost reduction measures to enhance profitability • Closure of all warehouses and optimize logistics costs
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
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 • Availability of adequate flexible workforce post COVID-19	• 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 • Continuously engage with contractors and contract labour for their wellness & engagement • Making policy changes in line with government directives for health and safety & keeping the workforce safe without disruption to business
Currency Risk	• Foreign currency exposure on exports, imports and borrowings	• Early identification and monitoring of exposures • Hedging of exposures based on risk profile
IT/Cyber 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, the Company was required to spend ₹4.94 Cr., during the financial year 2019-20. The Company incurred ₹5.29 Cr. but spent for ₹5.13 Cr. in cash towards the identified CSR projects in the fields of education, health care and public infrastructure during the year.

The Annual Report on CSR for 2019-20 is annexed to and forms part of this Report as Annexure–C as well as in the Company's website at the following link, http://www.tiindia.com/article/values/546

13. Alteration of Memorandum of Association

During the financial year 2019-20, with the approval of the Members by means of a Special Resolution passed with the requisite majority, through postal ballot and electronic voting, a new sub-clause 10 was inserted in III(A) [Main Objects Clause] of the Memorandum of Association to facilitate the Company's foray into the business of vision products and components.

During the year under review, the Company identified a suitable location in the Sri City Special Economic Zone (SEZ), Chittoor District, Andhra Pradesh for the aforesaid vision products and components project and after entering into necessary agreements with the Sri City SEZ authority for lease of the land, the installation of machinery and other civil work have been completed. Production is expected to commence in the second quarter of the current financial year.

14. Corporate Governance

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

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 and forms part of the Board's Report as Annexure-D. 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.

15. Business Responsibility Reporting

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.

16. Human Resources

The Company continued to lay emphasis on a high performing work culture to achieve organisational goals of the present as well as those of the future in a sustainable way by establishing a culture of process discipline, organisational oneness and achievement orientation across its businesses through simplification and digitization, empowerment, project-based working, customer centricity and process discipline. The initiatives taken by the Company are in line with its long-term Human Resources Strategy which has been drawn up with three broad thrust areas - capability building, improved accountability and high-performance work culture.

As part of the capability building initiatives, a leadership program to create and develop a talent pool for managing the various growth businesses of the Company enabling the identified leaders to operate with greater speed, efficiency and capability aligned to the Company's structure and strategy was initiated during the year under review. All critical positions have been mapped to ensure a smooth succession planning. A structured career path framework for those with high potential by mapping them to business-critical projects as well as for grooming internal talent among the management staff was piloted during the year under review.

A framework covering building of trust, role clarity, technical capability, change champions and recognition/reward for high performers was conceptualized in order to develop and improve ownership and accountability among the blue collared employees and rolled out during the year. The framework is presently under implementation.

In order to achieve a high-performance work culture through a systematic approach to managing performance of organisations, teams and individuals, various actions were implemented across three themes viz., better, faster and more efficient.

The initiatives launched with the help of Japanese consultants in the form of Total Quality Management (TQM) for the Chains and the Tubes Divisions and the Toyota Production System (TPS) for the Cycles Division are making good progress, with a strong emphasis on reduction in the overall plant rejections and improvement in product capability.

The total number of permanent employees on the rolls of the Company as on 31st March 2020 is 3302.

Industrial relations continued to remain 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.

17. 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 in compliance with the requirements of the said Act. 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 of during the year under review.

18. Employee Stock Option Scheme

During the year under review, the Company has granted 38,684 stock options to eligible employees under its Employee Stock Option Plan viz., ESOP 2017.

Details in respect of the 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

19. Sale of shares held by Employees Trust

TII Employees Share Purchase Scheme, a trust, was holding 7,03,680 equity shares or ₹2 each of the erstwhile Tube Investments of India Limited (Demerged Company under the Scheme of Arrangement for demerger approved by the Hon'ble National Company Law Tribunal, Chennai in July 2017). Consequent to the demerger of the manufacturing business from the Demerged Company, the Trust was allotted 7,03,680 equity shares of ₹1 each of the Demerged Company and 7,03,680 equity shares of ₹1 each of the Company (being the Resulting Company under the demerger). These shares are treated as treasury shares in the standalone financial statements of the Company. During the year under review, the Trust had, in compliance with the SEBI (Share Based Employee Benefits) Regulations 2014 sold these shares as they were not backed by any ESOP grants. The net gain from sale of such shares aggregating ₹56.56 Cr. net of tax has been credited to retained earnings in the Company's books of account for the financial year ended 31st March 2020.

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 2020, 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 2020 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 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 with regard to the appointment of the Statutory Auditors, 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. In the said regard, by an amendment to the Companies Act 2013 under the Companies (Amendment) Act 2017, the requirement for ratification of appointment of the Statutory Auditors at each Annual General Meeting has been done away with. Accordingly, there is no requirement under the law for ratification of appointment of the Statutory Auditors by shareholders and hence, the same is not proposed. The remuneration payable to them in respect of their remaining term viz., for FYs 2020-21 and 2021-22 needs to be fixed at the Annual General Meeting as required under Section 142 of the Companies Act 2013.

Accordingly, the Board recommends 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.

The Company is required to maintain cost records in respect of Steel Products, Metal Formed Products and parts & accessories of auto components of the Company and such accounts and records are made and maintained. 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 2020-21. Necessary resolution for ratification of their remuneration in respect of the aforesaid terms of appointment for financial year 2020-21 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, Director 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.

The Board takes pleasure in recommending the re-appointment of Mr. M M Murugappan as Director at the forthcoming Annual General Meeting.

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. In the opinion of the Board, all the Independent Directors have the integrity, expertise and experience including the proficiency as required to effectively discharge their roles and responsibilities in directing and guiding the affairs of the Company.

Mr. Pradeep V Bhide'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. Pradeep V Bhide during his long association, since October 2010, as Director of TII, before and after its demerger.

24. Declarations/Affirmations

During the year under review:

- 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 2020 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 of the Company is annexed and forms part of the Report as Annexure-H. The same is also available on the website of the Company at the following link, http://www.tiindia.com/investors/750

27. Key Managerial Personnel

Mr. Vellayan Subbiah, 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.

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
27th May 2020

M M Murugappan
Chairman

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) Regulations 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.

Form AOC-1

Annexure-B

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

Part A - Information in respect of each Subsidiary

1	Sl. No.	1	2	3	4	5	6	7
2	Name of the subsidiary	**Shanthi Gears Limited**	**Financiere C10 SAS**	**SEDIS SAS**	**Sedis GmbH**	**SEDIS Co.Ltd.**	**Creative Cycles (Private) Limited**	**Great Cycles (Private) Limited**
3	Date since when subsidiary was acquired	19-Nov-2012*	12-Feb-2010	12-Feb-2010	15-Apr-2016	12-Feb-2010	9-Mar-2018	9-Mar-2018
4	Reporting period of the subsidiary	31-Mar-2020	31-Dec-2019	31-Dec-2019	31-Dec-2019	31-Dec-2019	31-Mar-2020	31-Mar-2020
5	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 = 80.12	EUR 1 EUR = 80.12	EUR 1 EUR = 80.12	GBP 1 GBP = 94.61	LKR 1 LKR = 0.40	LKR 1 LKR = 0.40
6	Share Capital	7.67	26.91	52.08	0.20	2.14	2.00	2.00
7	Reserves & Surplus	220.95	51.83	21.30	(7.28)	1.34	3.86	17.44
8	Total Assets (Non-Current and Current Assets)	283.03	25.80	168.76	1.87	8.13	15.42	21.74
9	Total Liabilities (Non-Current and Current Liabilities)	54.41	31.28	157.42	9.17	5.22	9.56	2.30
10	Investments (Non Current and Current Investments)	79.32	84.22	62.03	0.22	0.57	-	-
11	Turnover	237.48	2.05	256.24	9.48	9.67	7.84	3.31
12	Profit / (Loss) Before Tax	32.69	(0.99)	(5.80)	(1.80)	0.16	(2.21)	(1.26)
13	Provision / (Reversal) for Tax	7.50	0.07	1.55	-	-	(0.09)	(0.22)
14	Profit / (Loss) After Tax	25.19	(1.06)	(7.35)	(1.80)	0.16	(2.12)	(1.04)
15	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil
16	% of Shareholding	70.47%	100.00%	100.00%	100.00%	100.00%	80.00%	80.00%

Note: *associate from 3-Sept-2012 to 18-Nov-2012 and subsidiary from 19-Nov-2012

Part B - Joint Ventures

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

	Sl. No	**1**
1	Name of the Joint venture company	TI Tsubamex Private Limited
2	Latest Audited Balance Sheet Date	31-Mar-2020
3	Date on which the Associate or Joint Venture company was associated or acquired	
4	Share of Joint Ventures held by the company on the year end	26-Feb-2015
	- No. of Shares	2,35,00,000
	- Amount of Investment	23,50,00,000
	- Extent of Holding (%)	78.33%
5	Description of how there is significant influence	Through shareholding
6	Reason why the joint venture is not consolidated	It is getting consolidated under Equity method
7	Net worth attributable to Shareholding as per latest audited Financials (₹ in Crores.)	-
8	Profit for the year (₹ in Crores.)	0.93
	- Considered for Consolidation	-
	- Not Considered for Consolidation	0.93

* The Profit has not been considered for the purpose of Consolidation, as the Company has completely provided for impairment of investment in JV.

Notes:

1. Names of joint ventures which are yet to commence operations - Nil
2. Names of joint ventures which have been liquidated or sold during the year – Nil

On behalf of the Board

Place : Chennai
Date : 27th May 2020

S Suresh	**K Mahendra Kumar**	**Vellayan Subbiah**	**M M Murugappan**
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 ("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 under the below 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, rainwater harvesting, conservation of flora & fauna, and similar programmes;
- 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, 2019-20 has been in the area of health, education and public infrastructure. Details of the same can be accessed in the Company's website under the below link: http://www.tiindia.com/article/csrprojectsprograms/546

2. Composition of the CSR Committee:

Ms. Madhu Dubhashi, Chairperson (Independent Director)

Mr. Sanjay Johri, Member (Independent Director)

Mr. Mahesh Chhabria, Member (Independent 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 ₹246.97 Cr.

4. Prescribed CSR Expenditure (two percent 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 ₹4.94 Cr.

5. Details of CSR spend during the financial year 2019-20:

a) Total amount spent for the financial year: ₹5.29 Cr. (includes, as at 31.3.2020, an amount of ₹0.16 Cr. towards expenditure incurred but yet to be paid on that date).

b) Amount unspent: Nil.

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

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 Programs wise	Amount spent on the Projects or Programs	Cumulative expenditure up to the reporting period	Amount Spent - Direct (D) or through implementing agency (IA)
AMM Foundation & Shri Murugappa Chettiar Research Centre	Education and Health	Tamilnadu: Vellayan Chettiar HSC, Tiruvottiyur MCRC - Tamil Nadu: Erode, Kanchipuram, Villupuram, Sivaganga, Karur, Dindigul and Coimbatore	2.50	2.50	2.50	2.50 (IA)
Basic Training Centre – Direct	Education(Basic Training Centre)	Tamilnadu: Avadi in Chennai	1.20	1.01	1.01	1.01 (D)
TI – Medical Outreach Clinic, Tiruttani	Health(Outpatient Medical Centre)	Tamilnadu: Tiruttani	0.20	0.19	0.19	0.19 (D)
Mobile Health Unit	Health (Isha & Helpage)	Tamil Nadu - Tiruvallur District and Coimbatore	1.10	1.00	1.00	1.00 (IA)
IIT-M project – High Speed Transportation	Education Space X Hyperloop Pod Competition	Tamil Nadu - IITM	0.20	0.20	0.20	0.20 (IA)
Infrastructure upgradation for Police Station at Rajaji Salai, Chennai	Public Infrastructure	Tamilnadu: Rajaji Salai Police station, Chennai	0.08	0.08	0.08	0.08 (D)
Rajpura & Tiruttani local village projects	Education & Infrastructure (Borewell & School)	Rajpura & Tamil Nadu - Tiruttani	0.20	-	-	-
Kalakshetra	Education (Fine Arts)	Tamil Nadu	0.05	0.05	0.05	0.05 (IA)
COVID-19 related activities		Tamilnadu, Punjab & Uttarakhand	0.26	0.26	0.26	0.26 (D)

Note: The total expenditure of ₹5.29 Cr. during the financial year, includes, as at 31st March 2020, an amount of ₹0.16 Cr., towards expenditure incurred but yet to be paid on that date.

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: 27th May 2020

Vellayan Subbiah
Managing Director

Madhu Dubhashi
Chairperson, CSR Committee

Report on Corporate Governance

Annexure-D

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 seven Directors, with knowledge and experience in different fields viz., engineering, manufacturing, finance and business management. Mr. M M Murugappan, Chairman (Promoter, non-executive), Mr. Vellayan Subbiah, Managing Director (executive) and 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. Sanjay Johri, Ms. Madhu Dubhashi, Mr. Pradeep V Bhide and Mr. Mahesh Chhabria are the Independent Directors in terms of the SEBI Listing Regulations. All the Independent Directors of the Company are eminent professionals with vast experience in the fields of their expertise. None of the Directors is related to each other. In the Board's opinion, all the Independent Directors of the Company fulfil the conditions specified in the SEBI Listing Regulations and are independent of the management.

The Company had issued letters of appointment to the Independent Directors upon being appointed by shareholders at the Annual General Meeting as required under Schedule IV to the Companies Act 2013 and the terms and conditions of their appointment are also disclosed on the Company's website under the 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 new 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.

The Managing Director has not served or serves 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.

Towards succession planning, the Board also reviews its composition to ensure that the same is closely aligned with the business strategy and long-term needs of the Company.

The Company has a well-established practice regarding 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.

During the financial year 2019-20, there were six 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 are constituted in accordance with the requirements of the Companies Act 2013 and the SEBI Listing Regulations and 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 four members, three of whom are Independent Directors. Mr. Pradeep V Bhide, Independent Director is the Chairman of the Committee. All the members of the Committee have excellent financial and accounting knowledge. The Chairman, Managing Director 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 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 five times during the year ended 31st March 2020. 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 Director's 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 Director.

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 the 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 consists of three members. The Chairman of the Committee is Mr. Sanjay Johri, Independent Director. The other Members are Ms. Madhu Dubhashi, 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 Scheme 2017 ("Scheme"). The Scheme is in compliance with the applicable SEBI Regulations. Details of the said Scheme are provided in the Company's website under the link: http://www.tiindia.com/article/values/554.

Fixed compensation is determined based on 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 consider 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 Director are determined based on 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 (ESOP) and 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 two times during the year ended 31st March 2020. 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 2020 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, all of them being Independent Directors. Ms. Madhu Dubhashi is the Chairperson of the Committee. The other Members are Mr. Sanjay Johri and Mr. Mahesh Chhabria.

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 twice during the year ended 31st March 2020. The composition of the Corporate Social Responsibility Committee and the attendance of each member at the meetings 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 being Independent Directors. Mr. Pradeep V Bhide is the Chairman of the Risk Management Committee. The other Members are Mr. Mahesh Chhabria, Independent Director and Mr. Vellayan Subbiah, Managing Director.

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 2020. 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 electronically circulated to all the Board members, in advance. 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 based on well-defined evaluation parameters as set out in the questionnaire. The duly completed 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 30th March 2020, 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 2020.

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's policy for determining 'material' subsidiaries 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 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 of the Companies Act 2013.

Further, there were no materially significant transactions with related parties which conflicted 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. KFin Technologies Private Limited (formerly, Karvy Fintech Private Limited & 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 under review viz., on 30th March 2020. The Committee consists of Mr. M M Murugappan as its Chairman and Mr. Vellayan Subbiah and Mr. Sanjay Johri, Independent Director as members. 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 complaints were pending as at 31st March 2019 and no investor complaints were received during the financial year ended 31st March 2020. There were also no complaints pending as at 31st March 2020.

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 2020.

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 Chairman 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 2020. 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 posted on its website. Financial results for the half-year ended 30th September 2019 were not separately sent by post to the shareholders.

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 2019-20. 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 and available under the link, http://www.tiindia.com/article/values/32.

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 during the financial year 2019-20.

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
27th May 2020

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 2020, as envisaged under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

On behalf of the Board

Chennai
27th May 2020

Vellayan Subbiah
Managing Director

Annexure to the Corporate Governance Report

(A) Board Skills Matrix

The Board has identified the key qualifications, skills and attributes as essential for effective oversight of the Company considering its varied business interests. These are presented as a matrix below:

Expertise & Experience	
Financial management	Proficiency in financial management
Business environment perspective	Understanding diverse business environments, with a broad perspective of global business opportunities
Business Leadership	Leadership experience and practical understanding of significant organizations, their processes, strategies, planning etc.
Technology	Good appreciation of technology and trends
Mergers & Acquisitions	Ability to assess mergers and acquisition decisions including the suitability of a target with the Company's strategy
Board insights	Service on listed public company boards to develop insights into board accountability, guarding shareholder interests, regulatory environment and observing good governance practices

The brief profile of the Directors as furnished in this Annual Report would provide an insight into their education, expertise and skills. In terms of the requirement of the SEBI Listing Regulations, the individual skills, experience and expertise of each of the Directors of the Company is mapped to the core skills/expertise/competencies of the Directors already identified by the Board, as furnished above, in the context of the Company's business for effective functioning and as available with the Board:

Name of the Director	**Key Qualifications, Skills and Attributes identified**					
	Financial management	**Global Business environment perspective**	**Business Leadership**	**Technology**	**Mergers & Acquisitions**	**Board insights**
Mr. M M Murugappan	✓	✓	✓	✓	✓	✓
Mr. Vellayan Subbiah	✓	✓	✓	✓	✓	✓
Mr. Pradeep V Bhide	✓	✓	✓		✓	✓
Ms. Madhu Dubhashi	✓	✓	✓		✓	✓
Mr. Ramesh K B Menon	✓		✓			✓
Mr. Sanjay Johri	✓	✓	✓	✓	✓	✓
Mr. Mahesh Chhabria	✓	✓	✓	✓	✓	✓

(B) Board Meeting Dates and Attendance

The Board of Directors of the Company met 6 times during the financial year 2019-20. The dates of the Board meetings were 30th April 2019, 24th July 2019, 31st October 2019, 28th January 2020, 28th February 2020 and 30th March 2020.

The attendance of each Director at the meetings, the last Annual General Meeting and number of other Directorships/ Committee memberships held by them as on 31st March 2020 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 2020
1.	Mr. M M Murugappan	6(6)	7(5)	6(4)	Present	8,42,405
2.	Mr. Vellayan Subbiah	5(6)	4	2	Present	-
3.	Mr. Pradeep V Bhide	6(6)	5	6(4)	Present	-
4.	Ms. Madhu Dubhashi	6(6)	4	6(1)[(C)]	Present	4,994
5.	Mr. Ramesh K B Menon	6(6)	2	3	Present	-
6.	Mr. Sanjay Johri	6(6)	1	2	Present	-
7.	Mr. Mahesh Chhabria	6(6)	5	5(2)	Present	17,700

[(a)] Listed companies. 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.

[(c)] Includes committee membership in a private limited company being subsidiary of a public company.

The names of listed entities (including this Company), where the persons who are Directors of the Company as at 31st March 2020, hold directorship and the category thereof are furnished below:

Sl. No.	Name of Director	Name of the listed entity in which Directorship held	Category of Directorship
1.	Mr. M M Murugappan	1. Coromandel International Limited	Non-independent
		2. Carborundum Universal Limited	Non-independent
		3. Cholamandalam Financial Holdings Limited	Non-independent
		4. Mahindra and Mahindra Limited	Independent
		5. Cyient Limited	Non-independent
		6. Cholamandalam Investment and Finance Company Limited	Non-independent
		7. Tube Investments of India Limited	Non-independent
2.	Mr. Vellayan Subbiah	1. Havells India Limited	Independent
		2. SRF Limited	Independent
		3. Tube Investments of India Limited	Executive
		4. Shanthi Gears Limited	Non-Independent
3.	Mr. Pradeep V Bhide	1. L&T Finance Holdings Limited	Independent
		2. NOCIL Limited	Independent
		3. GlaxoSmithKline Pharmaceuticals Limited	Independent
		4. Borosil Renewables Limited	Independent
		5. Tube Investments of India Limited	Independent
4.	Ms. Madhu Dubhashi	1. Majesco Limited	Independent
		2. Pudumjee Paper Products Limited	Independent
		3. Tube Investments of India Limited	Independent
		4. Sanghvi Movers Limited	Independent
5.	Mr. Ramesh K B Menon	1. E.I.D. Parry (India) Limited	Non-independent
		2. Tube Investments of India Limited	Non-independent
6.	Mr. Sanjay Johri	1. Tube Investments of India Limited	Independent
7.	Mr. Mahesh Chhabria	1. Kirloskar Industries Limited	Executive
		2. Kirloskar Oil Engines Limited	Non-independent
		3. Deepak Fertilizers and Petrochemicals Limited	Independent
		4. Kirloskar Ferrous Industries Limited	Non-independent
		5. Tube Investments of India Limited	Independent

(C) Composition of Audit Committee and Attendance

The Committee met five times during the year ended 31st March 2020. The dates of the Committee's meetings were 30th April 2019, 24th July 2019, 31st October 2019, 28th January 2020 and 30th March 2020.

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. Pradeep V Bhide, Chairman	5(5)
Mr. Sanjay Johri, Member	5(5)
Mr. Ramesh K B Menon, Member	5(5)
Mr. Mahesh Chhabria, Member	5(5)

(D) Composition of Nomination & Remuneration Committee and Attendance

The Committee met two times during the year ended 31st March 2020. The dates of the Committee's meetings were 30th April 2019 and 24th July 2019. 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. Sanjay Johri, Chairman	2(2)
Mr. M M Murugappan, Member	2(2)
Ms. Madhu Dubhashi, Member	2(2)

(E) Remuneration of Managing Director

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

TABLE 4

Name	Salary	Incentive[(a)]	Allowance	Perquisites & Contributions[(b)]	Total
Mr. Vellayan Subbiah, Managing Director	1,71,65,370	1,78,90,680	2,42,07,985	97,68,626	6,90,32,661

[(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 Director's remuneration excludes provision for Gratuity and compensated absences since the amount cannot be ascertained individually.

(F) Remuneration of Non-Executive Directors

The details of commission provided for/sitting fees paid to non-executive Directors for the year ended 31st March 2020 are as follows:

(Amount in ₹)

Name of the Director	Commission *	Sitting fees	Total
Mr. M M Murugappan, Chairman	1,00,00,000[@]	3,10,000	1,03,10,000
Ms. Madhu Dubhashi	10,00,000	3,25,000	13,25,000
Mr. Pradeep V Bhide	25,00,000	4,95,000	29,95,000
Mr. Ramesh K B Menon	10,00,000	4,47,500	14,47,500
Mr. Sanjay Johri	10,00,000	5,55,000	15,55,000
Mr. Mahesh Chhabria	10,00,000	5,40,000	15,40,000

* Commission will be paid after the adoption of accounts by the shareholders at the Annual General Meeting.

@ Commission to the Chairman will be subject to the approval of the shareholders by means of Special Resolution in the Annual General Meeting as it exceeds the threshold under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

(G) Composition of Stakeholders Relationship Committee and Attendance

The Committee met on 30th March 2020 during the year ended 31st March 2020. 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. Vellayan Subbiah, Member	1(1)
Mr. Sanjay Johri, Member [a]	1(1)

[a] nominated as Member with effect from 1st April 2019

(H) Composition of Corporate Social Responsibility Committee and Attendance

The Committee met on 30th April 2019 and 31st October 2019 during the year ended 31st March 2020. The composition of the Corporate Social Responsibility Committee and the attendance of each member at the above meetings are as follows:

TABLE 7

Name of the Member	Number of meetings attended (Number of meetings held)
Ms. Madhu Dubhashi, Chairperson	2(2)
Mr. Sanjay Johri, Member	2(2)
Mr. Mahesh Chhabria, Member	2(2)

(I) Composition of Risk Management Committee and Attendance

The Committee met two times during the year ended 31st March 2020. The dates of the Committee's meetings were 23rd July 2019 and 31st October 2019. The composition of the Risk Management Committee and the attendance of each member at the above meetings 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. Mahesh Chhabria, Member	2(2)
Mr. Vellayan Subbiah, Member	1(2)

On behalf of the Board

Chennai
27th May 2020

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, as amended

The Members of Tube Investments of India Limited

1. The Corporate Governance Report prepared by Tube Investments of India Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2020 as required by the Company for annual submission to the Stock exchange.

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 provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

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 procedures performed include:

    i. Read and understood 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 with respect to executive and non-executive directors has been met throughout the reporting period;

    iii. Obtained and read the Register of Directors as on March 31, 2020 and verified that atleast one independent woman director was on the Board of Directors throughout the year;

    iv. Obtained and read the minutes of the following committee meetings / other meetings held from April 01, 2019 to March 31, 2020:

        (a) Board of Directors;

        (b) Audit Committee;

        (c) Annual General Meeting (AGM);

(d) Nomination and Remuneration Committee;

(e) Stakeholders Relationship Committee;

(f) Corporate Social Responsibility Committee;

(g) Independent Directors Meeting; and

(h) Risk Management Committee.

v. Obtained necessary declarations from the directors of the Company.

vi. Obtained and read the policy adopted by the Company for related party transactions.

vii. Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.

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

8. 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 tests 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

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. 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.

11. 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 hands 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: 101049W/E300004

per **Subramanian Suresh**
Partner
Membership Number: 083673
UDIN: 20083673AAAAAV9001

Place of Signature: Chennai
Date: 27th May 2020

Pursuant to Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members,
TUBE INVESTMENTS OF INDIA LIMITED
CIN: L35100TN2008PLC069496
Dare House,
234, N S C Bose Road,
Chennai - 600001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **TUBE INVESTMENTS OF INDIA LIMITED (CIN: L35100TN2008PLC069496)** having its Registered Office at Dare House, 234, N S C Bose Road, Chennai - 600001(hereinafter referred to as "The Company") produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34 (3) read with Schedule V Part-C Sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

In our opinion and to the best of our knowledge and according to the verifications (including Director Identification Number (DIN) Status at the portal www.mca.gov.in) and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of issue of this certificate and based on such verification as considered necessary, we hereby certify that none of the Directors as stated below on the Board of the Company as on 31st March 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board India / Ministry of Corporate Affairs or any such other statutory authority.

S.NO	DIN	NAME OF THE DIRECTOR	DESIGNATION	Date of Appointment
1.	00170478	M M Murugappan	Non-Executive / Chairman	01/08/2017
2.	01138759	Vellayan Subbiah	Managing Director	19/08/2017
3.	03304262	Pradeep Vasudeo Bhide	Non Executive-Independent Director	01/08/2017
4.	00032015	Sanjaya Shyam Johri	Non Executive-Independent Director	14/08/2018
5.	00036846	Madhu Dubhashi	Non Executive-Independent Director	01/08/2017
6.	05275821	Ramesh K B Menon	Non Executive - Non Independent Director	16/11/2017
7.	00166049	Mahesh Ramchand Chhabria	Non Executive-Independent Director	05/02/2019

Ensuring the eligibility, for the appointment/ continuity, of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

PLACE : CHENNAI
DATE : 27TH MAY, 2020

For **R.SRIDHARAN & ASSOCIATES**
COMPANY SECRETARIES
CS R.SRIDHARAN
CP No. 3239
FCS No. 4775
UIN:S2003TN063400
UDIN: F004775B000275463

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 : Thursday

Date : 23rd July 2020

Time : 3.30 P.M.

Mode : Through Video Conferencing (VC) or other Audio Visual Means (OAVM)

Tentative Calendar for 2020-21

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 ending 30th June 2020	:	23rd July 2020
Results for the second quarter/half year ending 30th September 2020	:	22nd October 2020
Results for the third quarter ending 31st December 2020	:	January 2021
Results for the fourth quarter ending 31st March 2021/Annual Results for the financial year 2020-21	:	April 2021

Book Closure for AGM

Friday, 17th July, 2020 to Thusday, 23rd July, 2020 (both days inclusive).

Dividend

The Board of Directors had declared an Interim Dividend of ₹3.50 per Equity Share for the financial year 2019-20, which was paid on 18th March 2020 to all those Members whose names appeared on the Register of Members on 12th March 2020. The Board has not recommended any final dividend for the financial year 2019-20.

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 - Final	12.02.2018 13.08.2018	20.03.2025 19.09.2025
2018-19 - Interim - Final	05.02.2019 24.07.2019	12.03.2026 30.08.2026
2019-20 - Interim	28.02.2020	07.03.2027

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 has the practice of sending reminders to the concerned investors to come forward and claim the dividend.

Instructions to Shareholders

(a) Shareholders holding shares in physical form

Members are requested to intimate the Registrar and Transfer Agent viz., **KFin Technologies Private Ltd,** (formerly, Karvy Fintech Private Ltd), **"Selenium Tower-B", Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telengana** (RTA) 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 send letters, remit 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).

(b) Shareholders holding shares in demat form

The Company uses National Automated Clearing House (NACH) facility for payment of dividends declared 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.	:	New Trading Ring,1st Floor, P J Towers, Rotunda Building Dalal Street, Mumbai - 400 001.

Listing fee for the year ended 31st March 2020 has been paid to the 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

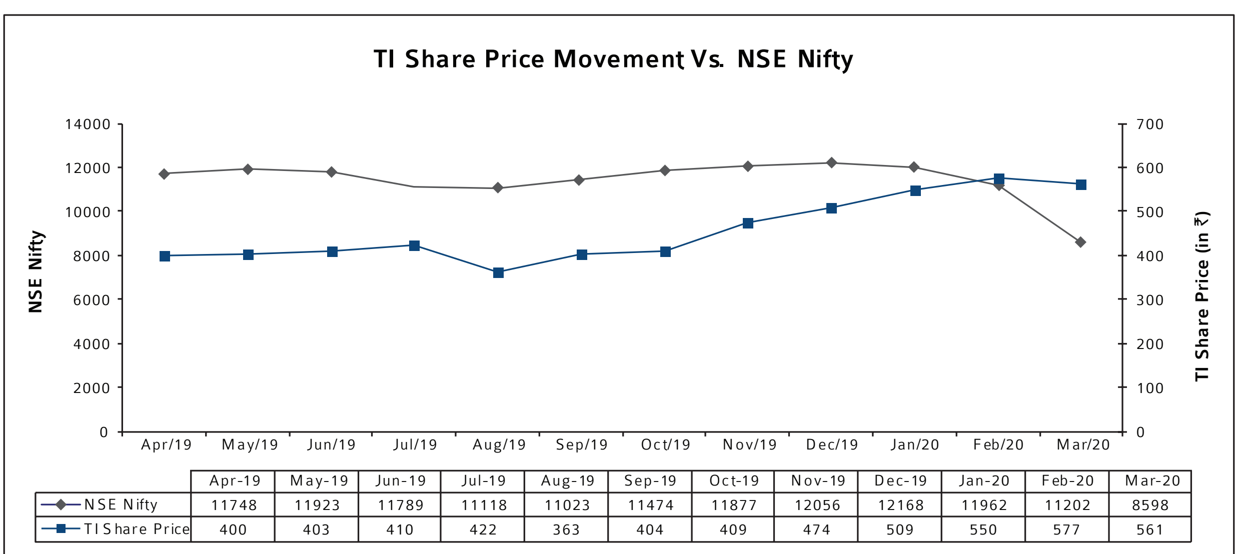
Non-Convertible Debentures & Commercial Paper

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 1st April 2019 to 31st March 2020 are as follows:

Month	National Stock Exchange of India Ltd		BSE Ltd	
	High	Low	High	Low
April 2019	399.90	354.20	399.00	353.60
May 2019	402.95	362.10	398.85	362.10
June 2019	409.60	376.20	409.00	376.00
July 2019	422.40	327.00	428.00	326.40
August 2019	362.65	331.00	360.40	325.00
September 2019	404.05	325.20	403.35	325.75
October 2019	409.00	355.00	408.35	357.50
November 2019	473.85	399.00	473.25	400.00
December 2019	509.00	466.35	507.70	466.95
January 2020	549.75	473.60	541.85	478.50
February 2020	577.00	480.10	577.00	481.05
March 2020	561.45	270.00	554.70	280.10



Registrar and Share Transfer Agent
KFin Technologies Private Limited
(formerly, Karvy Fintech Private Limited)
Selenium Tower B, Plot nos. 31-32, Financial District
Nanakramguda, Serilingampally Mandal
Hyderabad - 500 032
e-mail: einward.ris@kfintech.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.co.in
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 2020

	Category	No. of shares held	% of shareholding
A	**Promoter & Promoter Group**	8,99,65,889	47.89
B	**Non-Promoter Holding**		
	1 Institutional Investors		
	a) Mutual Funds and UTI	3,60,59,871	19.19
	b) Banks, Financial Institutions,	8,92,880	0.48
	Insurance Companies		
	c) Foreign Institutional Investors	3,44,60,072	18.34
	2 Others		
	a) Private Corporate Bodies	25,87,093	1.37
	b) Indian Public	2,26,12,727	12.04
	c) NRI	12.,87,597	0.69
C	**Non-Promoter & Non-Public**		
	Bank of New York (Depository for GDR holders)	9,300	0.00
	Grand Total	**18,78,75,429**	**100.00**

Distribution of Shareholding as on 31st March 2020

Category	No. of holders	% to Total	No. of shares	% to Total
1 - 5000	30,005	97.35	1,01,95,637	5.43
5001 - 10000	304	0.99	22,14,870	1.18
10001 - 20000	174	0.56	24,89,192	1.32
20001 - 30000	62	0.20	15,20,426	0.81
30001 - 40000	53	0.17	18,80,949	1.00
40001 - 50000	28	0.09	12,68,165	0.67
50001 - 100000	57	0.19	40,35,972	2.15
100001 & Above	140	0.45	16,42,70,218	87.44
Total	**30,823**	**100.00**	**18,78,75,429**	**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. KFin Technologies Private Limited.

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 Tube Investments of India Ltd is ISIN INE974X01010.

GDR details

As at 31st March 2020, 9300 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 is 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
06.11.2017	Yes	Issue of Secured Redeemable Non-Convertible Debentures on private placement basis for a maximum sum of ₹400 crores.
13.08.2018	Yes	(a) Alteration of sub-clause 10 under III(B) viz., Objects Incidental or Auxiliary to the Attainment of Main Objects of the Memorandum of Association to provide for making of political contribution. (b) Issue of Secured Redeemable Non-Convertible Debentures on private placement basis for a maximum sum of ₹500 crores.
24.07.2019	Yes	(a) Re-appointment of Ms. Madhu Dubhashi for a second term of two years from the conclusion of the 11th Annual General Meeting (2019) till the conclusion of the 13th Annual General Meeting (2021). (b) Terms of remuneration payable to Mr. Vellayan Subbiah, Managing Director (executive, promoter) for his term of Office with effect from 19th August 2017 to 18th August 2022 (both days inclusive). (c) Payment of a commission of ₹100 lakhs to Mr. M M Murugappan, Chairman (non-executive, promoter) for the financial year 2018-19.

The Shareholders approved the said Special Resolutions with requisite majority.

Resolution passed by Postal Ballot

By a Notice of Postal Ballot & Electronic Voting dated 27th March 2019, the Company had sought the Members' approval, by means of a Special Resolution, for alteration to III(A) (Main Objects Clause) of the Memorandum of Association of the Company through insertion of a new Main Objects Clause as sub-clause 10 after the existing sub-clause 9, to facilitate the Company engage in the business of manufacturing of automotive vision and other vision systems and components, which has been identified by the Company as one of the potential opportunities for future growth. This will be a new line of business for the Company. The said Special Resolution was passed with the requisite majority on 7th May 2019.

Details of Special Resolution proposed to be conducted through Postal Ballot

No Special Resolution is proposed to be conducted through Postal Ballot.

General Body Meeting

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

Year	Date	Time	Venue
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
2017-18	13.08.2018	3.30 P.M.	Same as above
2018-19	24.07.2019	3.30 P.M.	Same as above

Unclaimed Shares

The details in respect of the unclaimed shares of erstwhile Tube Investments of India Ltd., lying in the TII Demerger Unclaimed Share Suspense Account are given below:

Sl. No.	Particulars	No. of Shareholders	No. of Shares
1	Aggregate number of Shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on 01.04.2019	1,890	16,41,021
2	Number of Shareholders who approached the Company for transfer of their shares from TII Demerger Unclaimed Share Suspense Account during the year [from 01.04.2019 to 31.03.2020]	73	82,855
3	Number of Shareholders to whom shares were transferred from TII Demerger Unclaimed Share Suspense Account during the year [from 01.04.2019 to 31.03.2020]	73	82,855
4	Aggregate number of Shareholders and the outstanding shares in the TII Demerger Unclaimed Share Suspense Account lying as on 31.03.2020.	1,817	15,58,166

The voting rights on the Outstanding Shares in the TII Demerger Unclaimed Share Suspense Account as on 31st March 2020 shall remain frozen till the rightful owners of such shares, claim 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.

Credit Rating

Details of credit rating obtained by the Company for its fund-raising programmes during the financial year along with revisions thereto are furnished below:

Facility rated	Credit Rating Agency	Rating
Bank loan facilities – Long term rating	**CRISIL**	CRISIL AA+/Stable
	ICRA	ICRA AA+/Stable
Bank loan facilities – Short term rating	**CRISIL**	CRISIL A1+
	ICRA	ICRA A1+
Non-Convertible Debentures	**CRISIL**	CRISIL AA+/Stable
Commercial Paper	**CRISIL**	CRISIL A1+
	ICRA	ICRA A1+

Other Disclosures

1) The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

2) M/s. R Sridharan Associates, Practising Company Secretaries have confirmed that none of the Directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

3) There was no instance of any non-acceptance by the Board of Directors of the recommendations of any Committee of the Board, where it is mandatorily required, during the financial year under review.

4) Details of total fees for all services paid/payable by the Company and its subsidiaries, on a consolidated basis, to M/s. S R Batliboi & Associates LLP, Chartered Accountants & Statutory Auditors of the Company and all their network firms / entities during the financial year 2019-20 are furnished below:

a)	Fees for audit and related services paid to M/s. S R Batliboi & Associates LLP and all their network firms/entities	₹0.48 Cr.
b)	Fees for Other services paid to M/s. S R Batliboi & Associates LLP and all their network firms/entities	₹0.53 Cr.

5) Disclosures regarding prevention of sexual harassment of women at the workplace are furnished in a separate section of the Board's Report. No complaints were received during the year under review.

6) There is no non-compliance of any requirement of Corporate Governance Report of sub-paragraphs (2) to (10) of section 'C. Corporate Governance' relating to disclosures under Corporate Governance.

Business Responsibility Report

Annexure-E

About this report

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI Listing Regulations) prescribe that the top 500 listed entities based on market capitalization 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. The following report prepared in accordance with Regulation 34 of the SEBI Listing Regulations since the Company figures among the top 500 listed entities in India based on market capitalization at the National Stock Exchange of India Limited (NSE) and the BSE Ltd (BSE) as at March 31, 2020.

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@tii.murugappa.com
6	Financial Year reported	1st April 2019 to 31st March 2020
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)	There are no international manufacturing operations for the Company of its own. The Company has one subsidiary in France engaged in the manufacture of Industrial chains and two direct subsidiaries in Sri Lanka engaged in manufacture of bicycles and components.
	b) Number of National locations	The Company has manufacturing operations in 18 locations nationally (5 - Engineering; 2 - Bicycles; 11 - 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)	₹18.79 Cr.
2	Total Turnover (INR)	₹4,052.67 Cr.
3	Total profit after taxes (INR)	₹330.55 Cr.
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹5.29 Cr.[#] 1.60%
5	List of activities in which expenditure in 4 above has been incurred	Education, Healthcare & Public Infrastructure (please refer the CSR Annual Report for details)

[#] includes as at 31st March 2020, an amount of ₹0.16 Cr. incurred as expenditure but not yet paid on that date.

Section C: Other details

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

   Yes. The Company has 5 direct subsidiaries and 3 step down subsidiaries. Of the above, 2 subsidiaries are in India (of which, one is a company 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 capitalization as on 31st March 2020) 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 • Name • Designation	01138759 Vellayan Subbiah Managing Director
b) Details of the BR head • DIN Number • Name • Designation • Telephone number • Email ID	 01138759 Vellayan Subbiah Managing Director 044-42286701 vellayans@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? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? Is 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 • Total Quality Management (TQM) & Toyota Production System (TPS) practices
Businesses should promote the well-being of all employees	• Safety, Health and Environmental Policy • Policy on prevention of Sexual Harassment at the workplace
Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	• Corporate Social Responsibility (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
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	• Corporate Social Responsibility (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' • Total Quality Management (TQM) and Toyota Production System (TPS) 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 several 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?**

  Yes. The Company publishes a BR Report as part of its Annual Report. The said Report is also available in the Company's website under the link: http://www.tiindia.com/article/values/677.

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 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 was one complaint under the Company's Whistle Blower mechanism at TI Cycles of India, which was investigated in detail and closed as it was found to be without basis. There were 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.**

   Steel Tubes

   The Company has developed several 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.

   Bicycles

   The Company, being conscious that bicycle is a common mode of transport for certain sections of the public, strives to develop 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.

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 is continuously focused on internal improvements helps 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 recognizes 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, in about 50 words or so.**

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

Principle 3 - Promotion of well-being 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	3,302
2	Please indicate the total number of employees hired on temporary / contractual / casual basis	8,285
3	Please indicate the number of permanent women employees	74
4	Please indicate the number of permanent employees with disabilities	4
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?	71%

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 up-gradation training was provided in the last year?	Safety: Material Handling Safety Electrical Safety PPE usage & Handling Firefighting & Fire Hydrant operation Welding Safety Gas cylinder handling Safety induction General Safety Awareness Murugappa Safety Excellence Model piloted at TPI Avadi and SGL Plants as planned Skill Upgradation: Classroom & On the job training
	• Permanent employees (includes women employees and employees with disabilities)	86.00%
	• Casual / Temporary / Contractual Employees	78.00%

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 marginalized stakeholders and continuously engages with all such stakeholders identifying their needs and priorities 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 are 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 marginalized stakeholders in and around the Company's factories/plants. Education, sports and health aids are provided to schools in rural/under-developed areas. The Company operated Mobile Medical Units which cater to the basic health requirements of the remote village community comprising of the underprivileged and economically weaker sections of the society, not having access to primary medical centers. 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. Since formation of the BTC in 2015, all the 118 students of the Center have found suitable placements in various organizations. 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 organization 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 enshrined in the 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 2020.

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 sensitizing employees to reduce carbon footprint 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.? Y/N. If yes, please give hyperlink for webpage 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 organization and has a dedicated Environmental Policy across all its business units. The Company is an active player in practicing 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? Y/N**

   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.

5. **Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page 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 environmentally 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/waste parameters 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.**

   Nil.

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 2020.

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

   For the financial year 2019-20, 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.

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 Board's Report for the FY 2019-20 for details of the direct contribution made by the Company during the financial year ended 31st March 2020.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   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 2020.

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 Total Quality Management (TQM) & Toyota Production System (TPS) 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 2020. 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 (additional information)**

   Yes. The Company displays product information 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 facilitating 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. If so, provide details thereof, in about 50 words or so.**

   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. The Company carries out periodical consumer surveys and mapping of customer satisfaction trends. The results of these activities are considered and utilized as effective business strategy tools to better understand the customers and their needs.

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 2019-20 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 2019-20:

Name	Designation	Ratio#
Mr. M M Murugappan	Chairman	18.90
Mr. Pradeep V Bhide	Director	5.49
Mr. Ramesh K B Menon	Director	2.65
Mr. Vellayan Subbiah	Managing Director	126.55
Ms. Madhu Dubhashi	Director	2.43
Mr. Sanjay Johri	Director	2.85
Mr. Mahesh Chhabria	Director	2.82

* Remuneration includes sitting fees

Number of times the Median Remuneration

(ii) Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer & Company Secretary in the financial year 2019-20:

Name	Designation	% increase
Mr. M M Murugappan	Director	1.08%
Mr. Pradeep V Bhide	Director	9.71%
Mr. Ramesh K B Menon	Director	56.49%
Mr. Vellayan Subbiah	Managing Director	16.08%
Ms. Madhu Dubhashi	Director	44.02%
Mr. Sanjay Johri @	Director	-
Mr. Mahesh Chhabria @	Director	-
Mr. S Suresh	Company Secretary	11.58%
Mr. K Mahendra Kumar	Chief Financial Officer	7.93%

@Part of the financial year 2018-19

(iii)	**Percentage increase / (decrease) in median remuneration of employees in the financial year, 2019-20**	15.87%
(iv)	**Number of permanent employees on the rolls of the Company as on 31.3.2020**	3302

(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 percentile 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 in the financial year 2019-20	4.98%
Average % increase in the managerial remuneration@ in the financial year 2019-20	14.63%
Remarks	The Managing Director's remuneration comprises of fixed and variable component. The annual increment in salary for the financial year 2019-20 is determined by the Nomination & Remuneration Committee on the basis of Company financials, level of responsibility, experience and scales prevailing in the industry. The remuneration of Non-Executive Directors (NEDs) consists of commission and sitting fees. During the year under review, considering the increased role and responsibilities cast on NEDs under the Companies Act 2013 and the SEBI Listing Regulations, the sitting fees for attending the Board & Its Committees and the commission to NEDs was reviewed and revised, which is comparable with the prevailing levels of NED remuneration in India.

@ Managerial remuneration includes the remuneration of the Managing Director and those NEDs who were on the Board as Directors for the full year in both the financial years, 2018-19 and 2019-20

(vi) **Affirmation**

It is affirmed that the remuneration paid to the employees during the financial year 2019-20 is as per the Remuneration Policy of the Company.

On behalf of the Board

Place : Chennai
Date : 27th May 2020

M M Murugappan
Chairman

Secretarial Audit Report

Annexure-G

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[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 and Regulation 24 A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended]

The Members,
TUBE INVESTMENTS OF INDIA LIMITED
CIN: L35100TN2008PLC069496
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 [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, 2020 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, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

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

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

(iv) The Company has not dealt with the matters relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings under FEMA during the year under review and hence, the question of complying with the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder does not arise;

(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, 2018;

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 Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ; (not applicable to the company during the audit period); and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (not applicable during the period under review).

(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.

We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the systems and mechanisms established by the Company are adequate to ensure compliance of laws as mentioned above.

With respect to the applicable financial laws such as direct and indirect tax 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.

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 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 have not verified the correctness and appropriateness of financial records and books of accounts of the company.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, and Independent Directors. There is no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule 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 standard on Meeting of the Board of Directors are complied with. Board Meetings that were held through video conferencing or other audio visual means, / the directors who participated through video conferencing during the period under review the necessary compliances of Rule 3 & 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 have been 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, rules, regulations and guidelines.

We further report that the above mentioned Company being a Listed entity this report is also issued pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and circular No.CIR/CFD/CMD1/27/2019 dated 8th February, 2019 issued by Securities and Exchange Board of India.

We further report that as per the information and explanations provided by the Management, the Company does not have any Material Unlisted Subsidiary (ies) Incorporated in India as defined in Regulation 16(1)(c) and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the period under review.

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

1. Obtained the approval of the Board of Directors at their meeting held on 31st October, 2019 for funded and non-funded borrowings not to exceed ₹525 crores and ₹650 crores respectively.
2. The Company has redeemed Non-Convertible Debentures (NCDs) aggregating ₹100 Crores and no fresh NCDs were issued during the year.

For **R.SRIDHARAN & ASSOCIATES**
COMPANY SECRETARIES
CS R.SRIDHARAN
CP No. 3239
FCS No. 4775

PLACE : CHENNAI
UIN : S2003TN063400

DATE : 27TH MAY, 2020
UDIN: F004775B000275485

Form MGT-9

Annexure-H

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2020
[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
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	:	KFin Technologies Private Limited (Formerly, Karvy Fintech Private Limited) "Selenium Tower-B", Plot No.31-32, Gachibowli Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032, Telengana E-mail: einward.ris@kfintech.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	19.22%
2.	Steel Strips and Tubes	2431	48.03%
3.	Metal Formed Products	2511	32.75%

III. PARTICULARS OF HOLDING, SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

Sl. No.	Name and Address 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	70.47	2(87)(ii)
2	TI Tsubamex Private Ltd.	"Dare House", No.234, N S C Bose Road Chennai – 600 001	U28910TN2014PTC094447	Subsidiary*	78.33	2(87)(ii)

* also, a Joint Venture under Ind AS

Sl. No.	Name and Address of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
3	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)
4	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 (3) above]	100.00	2(87)(ii)
5	Sedis GmbH	Schurmannstr. 16 D-45136 Essen Deutschland	Foreign Company	Fellow Subsidiary [Subsidiary of (3) above]	100.00	2(87)(ii)
6	Sedis Co. Ltd.	248 Mackadown Lane, Kitts Green, Birmingham, D33 OLE England	Foreign Company	Fellow Subsidiary [Subsidiary of (3) above]	100.00	2(87)(ii)
7	Great Cycles (Private) Ltd.	101 C, Phase III, Export Processing Zone, Katunayake, Sri Lanka.	Foreign Company	Subsidiary	80.00	2(87)(ii)
8	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, 2019)				No. of Shares held at the end of the year (31st March, 2020)				% change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(A)	**PROMOTER**									
(1)	**INDIAN**									
(a)	Individual/HUF	8474355	-	8474355	4.52	7067255	-	7067255	3.76	-0.76
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	69325795	-	69325795	36.93	70025795		70025795	37.27	0.34
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1):	**77800150**	**-**	**77800150**	**41.45**	**77093050**		**77093050**	**41.03**	**-0.42**
(AA)	**PROMOTER GROUP**									
(a)	Individual / HUF	5189529	-	5189529	2.77	4819879		4819879	2.57	-0.20
(b)	Central Government / State Government(s)	-	-	-	-					-
(c)	Bodies Corporate	2106470	-	2106470	1.12	1099350		1099350	0.59	-0.53
(d)	Others	4793450	-	4793450	2.55	6953610		6953610	3.70	1.15
	Sub-Total (AA):	12089449	-	12089449	6.44	12872839		12872839	6.86	0.42
(A2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	-					-
(b)	Bodies Corporate	-	-	-	-					-
(c)	Institutions	-	-	-	-					-
(d)	Qualified Foreign Investor	-	-	-	-					-

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2019)				No. of Shares held at the end of the year (31st March, 2020)				% change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(e)	Others	-	-	-	-					-
	Sub-Total A(2):	**-**	**-**	**-**	**-**					**-**
	Total Shareholding of Promoter and Promoter Group (A)=(A1)+(AA)+(A2)	**89889599**	**-**	**89889599**	**47.89**	**89965889**	**-**	**89965889**	**47.89**	**-**
(B)	**PUBLIC SHAREHOLDING**									
(1)	INSTITUTIONS									
(a)	Mutual Funds/UTI	33980342	-	33980342	18.10	36059871	-	36059871	19.19	1.09
(b)	Financial Institutions/Banks	923264	-	923264	0.49	885530	7350	892880	0.48	-0.01
(c)	Central Government/State Government(s)	-	-	-	-					-
(d)	Venture Capital Funds	-	-	-	-					-
(e)	Insurance Companies	2936126	-	2936126	1.57	0	0	0	0	-1.57
(f)	Foreign Institutional Investors / Foreign Portfolio Investors	18708235	236660	18944895	10.09	33246558	236660	33483218	17.82	7.73
(g)	Foreign Venture Capital Investors	-	-	-	-					-
(h)	Others – Alternate Investments Fund	681716	-	681716	0.36	976854	-	976854	0.52	0.16
	Sub-Total B(1):	**57229683**	**236660**	**57466343**	**30.61**	**71168813**	**244010**	**71412823**	**38.01**	**7.40**
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	10081273	4140	10085413	5.37	2582953	4140	2587093	1.38	-3.99
(b)	Individuals									
	(i) Individual Shareholders holding nominal share capital upto ₹1 lakh	16600675	1031281	17631956	9.39	18236739	900918	19137657	10.19	0.80
	(ii) Individual Shareholders holding nominal share capital in excess of ₹1 lakh	8568206	-	8568206	4.56	3302142	0	3302142	1.76	-2.81
(c)	Others									
	CLEARING MEMBERS	110263	-	110263	0.06	52211	0	52211	0.03	-0.03
	NON RESIDENT INDIANS	861765	57030	918795	0.49	1230567	57030	1287597	0.69	0.20
	TRUSTS	106396	-	106396	0.06	120717	0	120717	0.06	0
	EMPLOYEE BENEFIT TRUST	703680	-	703680	0.37	-	-	-	-	-0.37
	OTHERS	-	-	-	-	-	-	-	-	-
	Sub-Total B(2):	**37032258**	**1092451**	**38124709**	**20.31**	**25525329**	**962088**	**26487417**	**14.10**	**-6.21**
	Total Public Shareholding B=B(1)+B(2):	**94261941**	**1329111**	**95591052**	**50.92**	**96694142**	**1206098**	**97900240**	**52.11**	**1.19**
	Total (A+B):	**184151540**	**1329111**	**185480651**	**98.81**	**186660031**	**1206098**	**187866129**	**100.00**	
										.
(C)	Shares held by custodians for GDRs & ADRs									
(1)	Promoter and Promoter Group				-					-
(2)	Public	2223460	7170	2230630	1.19	2130	7170	9300	0.00	-1.19
	Sub-Total C:	**2223460**	**7170**	**2230630**						
	GRAND TOTAL (A+B+C):	**186375000**	**1336281**	**187711281**	**100.00**	**186662161**	**1213268**	**187875429**	**100.00**	**-**

(ii) Shareholding of Promoters

Sl. No.	Name of the Shareholder Messrs.	Shareholding at the beginning of the year: No. of Shares	% of the Shares of the Company	% of the Shares pledged/ encumbered to total Shares	Shareholding at the end of the year: No. of Shares	% of the Shares of the Company	% of the Shares pledged/ encumbered to total Shares	% change in Shareholding during the year
1	Mr. M V Murugappan	863980	0.46	0.00	0	0	0.00	-0.46
2	Mr. M V Subbiah	879150	0.47	0.00	306200	0.16	0.00	-0.31
3	Mr. S Vellayan	430250	0.23	0.00	0	0	0.00	-0.23
4	Mr. A Vellayan	631900	0.34	0.02	631900	0.34	0.00	0.00
5	Mr. V Narayanan	281140	0.15	0.00	281140	0.15	0.00	0.00
6	Mr. V Arunachalam	338990	0.18	0.00	338990	0.18	0.00	0.00
7	Mr. A Venkatachalam	764610	0.41	0.02	764610	0.41	0.02	0.00
8	Mr. Arun Venkatachalam	198130	0.11	0.00	198130	0.11	0.00	0.00
9	Mr. M M Murugappan	842405	0.45	0.00	842405	0.45	0.00	0.00
10	Mr. M M Veerappan	0	0.00	0.00	0	0.00	0.00	0.00
11	Mr. M M Muthiah	0	0.00	0.00	0	0.00	0.00	0.00
12	Mr. M M Venkatachalam	407900	0.22	0.002	4000	0.00	0.00	-0.22
13	Mr. M V Muthiah	0	0.00	0.00	0	0.00	0.00	0.00
14	Mr. M V Subramanian	0	0.00	0.00	0	0.00	0.00	0.00
15	Mr. M A Alagappan	840660	0.45	0.003	840660	0.45	0.003	0.00
16	Mr. Arun Alagappan	833090	0.44	0.00	833090	0.44	0.00	0.00
17	Mr. M A M Arunachalam	618820	0.33	0.00	618820	0.33	0.00	0.00
18	Ms. Valli Arunachalam (HUF)	543330	0.29	0.00	543330	0.29	0.00	0.00
19	E.I.D. Parry (India) Ltd.	0	0.00	0.00	0	0.00	0.00	0.00
20	Coromandel International Ltd. (Formerly known as Coromandel Fertilizers Ltd.)	0	0.00	0.00	0	0.00	0.00	0.00
21	New Ambadi Estate Private Ltd.	0	0.00	0.00	0	0.00	0.00	0.00
22	Ambadi Enterprises Ltd.	1058200	0.56	0.00	1058200	0.56	0.00	0.00
23	Ambadi Investments Ltd.	68266595	36.37	0.00	68966595	36.71	0	0.34
24	Carborundum Universal Ltd.	1000	0.00	0.00	1000	0.00	0	0.00
25	Murugappa & Sons (M/s.M V Subbiah, M A Alagappan and M M Murugappan hold shares on behalf of the Firm)	0	0.00	0.00	863980	0.46	0	0.46
26	Cholamandalam Financial Holdings Limited (Formerly, TI Financial Holdings Limited)	0	0.00	0.00	0	0.00	0	0.00
	Total	**77800150**	41.45	0.02	**77093050**	41.03	0	-0.42

(iii) Change in Promoters' Shareholding

Name of the Promoters	Shareholding at the beginning of the year					Cumulative Shareholding during the year (1.4.2019 to 31.3.2020)	
Name of the Promoters	No. of Shares at the beginning of the year (1.4.2019)/ at end of the year (31.3.2020)	% of total Shares of the Company	Date	Increase/ Decrease in Share-holding	Reason	No. of Shares	% of total Shares of the Company
Ambadi Investments Ltd.	68266595	36.37					
			16/08/2019	700000	Purchase	68966595	36.71
	68966595	36.71	31/03/2020			68966595	36.71
Mr. M V Murugappan jointly with Mr. M A Alagappan & Mr. M M Murugappan	863980	0.46					
			06/03/2020	-863980	Reconstitution – Change in Partner	0	0
	0	0	31/03/2020			0	0
Mr. M V Subbiah jointly with Mr. M A Alagappan & Mr. M M Murugappan	0	0					
			06/03/2020	863980	Reconstitution – Change in Partner	863980	0.46
	863980	0.46	31/03/2020			863980	0.46
Mr. M V Subbiah	707950	0.38					
			28/06/2019	396490	Transfer	311460	0.17
			07/06/2019	176460	Transfer	135000	0.07
	135000	0.07	31/03/2020			135000	0.07
Mr. S Vellayan	430250	0.23					
			07/06/2019	430250	Transfer	0	0
	0	0	31/03/2020			0	0
Mr. M M Venkatachalam	407900	0.22					
			27/09/2019	403900	Transfer	4000	0.00
	4000	0.00	31/03/2020			4000	0.00

(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					Cumulative Shareholding during the year (1.4.2019 to 31.3.2020)	
		No. of Shares at the beginning of the year (1.4.2019)/ at end of the year (31.3.2020)	% of total Shares of the Company	Date	Increase/ Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the Company
1	HDFC TRUSTEE COMPANY LIMITED A/C HDFC BALANCED FUND	15410623	8.21					
				10-05-19	531000	Purchase	15463723	8.24
				06-03-20	-2550170	Sale	12913553	6.88
				13-03-20	-355300	Sale	12558253	6.69
		12558253	6.68	31-03-20			12558253	6.68
2	SMALL CAP WORLD FUND, INC	0	0					
				29-11-19	142342	Purchase	142342	0.08
				06-12-19	312960	Purchase	455302	0.24
				20-12-19	339325	Purchase	794627	0.42
				27-12-19	301089	Purchase	1095716	0.58
				10-01-20	627771	Purchase	1723487	0.92
				17-01-20	479476	Purchase	2202963	1.17
				24-01-20	712605	Purchase	2915568	1.55
				31-01-20	128269	Purchase	3043837	1.62
				07-02-20	136515	Purchase	3180352	1.69
				14-02-20	77722	Purchase	3258074	1.73
				21-02-20	178628	Purchase	3436702	1.83
				28-02-20	3619	Purchase	3440321	1.83
				06-03-20	2038012	Purchase	5478333	2.92
				13-03-20	690667	Purchase	6169000	3.28
		6169000	3.28	31-03-20			6169000	3.28
3	L&T MUTUAL FUND TRUSTEE LIMITED-L&T EMERGING BUSINESSES FUND							
		4794639	2.55	10-05-19	40000	Purchase	4834639	2.58
				17-05-19	46	Purchase	4834685	2.58
				07-06-19	4253	Purchase	4838938	2.58
				14-06-19	115838	Purchase	4954776	2.64
				02-08-19	12178	Purchase	4966954	2.64
				09-08-19	68939	Purchase	5035893	2.68
				23-08-19	3267	Purchase	5039160	2.68

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year					Cumulative Shareholding during the year (1.4.2019 to 31.3.2020)	
		No. of Shares at the beginning of the year (1.4.2019)/ at end of the year (31.3.2020)	% of total Shares of the Company	Date	Increase/ Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the Company
				30-08-19	53683	Purchase	5092843	2.71
				06-09-19	103831	Purchase	5196674	2.77
				20-09-19	3030	Purchase	5199704	2.77
				11-10-19	5000	Purchase	5204704	2.77
				08-11-19	-300000	Sale	4904704	2.61
				15-11-19	-1169916	Sale	3734788	1.99
				22-11-19	-230000	Sale	3504788	1.87
				14-02-20	-100000	Sale	3404788	1.81
				21-02-20	-200000	Sale	3204788	1.71
		3204788	1.71	31-03-20			3204788	1.71
4	SBI TAX ADVANTAGE FUND SERIES II							
		3444593	1.84	14-06-19	-150000	Sale	3294593	1.75
				06-09-19	795043	Purchase	4089636	2.18
				13-09-19	199265	Purchase	4288901	2.28
				20-09-19	425,599	Purchase	4714500	2.51
				27-09-19	900,000	Purchase	5614500	2.99
				22-11-19	52000	Purchase	5666500	3.02
				13-12-19	-2821	Sale	5663679	3.02
				28-12-19	-7179	Sale	5656500	3.01
				14-02-20	-8233	Sale	5648267	3.01
				28-02-20	-11767	Sale	5636500	3.00
				20-03-20	-18800	Sale	5617700	2.99
				27-03-20	-15000	Sale	5602700	2.98
		5602700	2.98	31-03-20			5602700	2.98
5	RELIANCE CAPITAL TRUSTEE CO LTD A/C-RELIANCE REGULAR SAVINGS FUND EQUITY OPTION							
		3276100	1.75					
				02-08-19	1000000	Purchase	4276100	2.28
				13-12-19	38942	Purchase	4315042	2.3
				31-03-20	200000	Purchase	4515042	2.4
		4515042	2.40	31-03-20			4515042	2.40

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year					Cumulative Shareholding during the year (1.4.2019 to 31.3.2020)	
		No. of Shares at the beginning of the year (1.4.2019)/ at end of the year (31.3.2020)	% of total Shares of the Company	Date	Increase/ Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the Company
6	LIFE INSURANCE CORPORATION OF INDIA							
		2936046	1.56					
				09-08-19	-25000	Sale	2911046	1.55
				16-08-19	-79000	Sale	2832046	1.51
				23-08-19	-35778	Sale	2796268	1.49
				30-08-19	-179037	Sale	2617231	1.39
				06-09-19	-394407	Sale	2222824	1.18
				13-09-19	-231722	Sale	1991102	1.06
				20-09-19	-411510	Sale	1579592	0.84
				27-09-19	-254000	Sale	1325592	0.71
				04-10-19	-45099	Sale	1280493	0.68
				11-10-19	-109716	Sale	1170777	0.62
				08-11-19	-229013	Sale	941764	0.50
				15-11-19	-134416	Sale	807348	0.43
				22-11-19	-126104	Sale	681244	0.36
				29-11-19	-276965	Sale	404279	0.22
				06-12-19	-404279	Sale	0	0
		0	0	31-03-20			0	0
7	TOYOTA TSUSHO CORPORATION							
		2700000	1.44					
		2700000	1.44	31-03-20			27,00,000	1.44
8	DSP SMALL CAP FUND	1243883	0.66					
				10-05-19	51491	Purchase	1295374	0.69
				17-05-19	191983	Purchase	1487357	0.79
				24-05-19	50000	Purchase	1537357	0.82
				28-06-19	50000	Purchase	1587357	0.85
				20-09-19	657869	Purchase	2245226	1.20
				20-03-20	316924	Purchase	2562150	1.36
		2562150	1.36	31-03-20			2562150	1.36

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year					Cumulative Shareholding during the year (1.4.2019 to 31.3.2020)	
		No. of Shares at the beginning of the year (1.4.2019)/ at end of the year (31.3.2020)	% of total Shares of the Company	Date	Increase/ Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the Company
9	THE WELLINGTON TRUST COMPANY NATIONAL ASSOCIATION							
		2491460	1.33					
				31-03-20	241	Purchase	2491701	1.33
		2491701	1.33	31-03-20			2491701	1.33
10	GAGANDEEP CREDIT CAPITAL PVT LTD	2350878	1.25					
				23-08-19	-36549	Sale	2314329	1.23
				30-08-19	-10876	Sale	2303453	1.23
				20-09-19	-2303453	Sale	0	0
		0	0	31-03-20	0		0	0
11	THE BANK OF NEW YORK MELLON	2223460	1.18					
				31-05-19	-21330	Sale	2202130	1.17
				28-06-19	-2200000	Sale	2130	0
		2130	0	31-03-20	0		2130	0
12	AROHI EMERGING INDIA MASTER FUND	0	0					
				19-07-19	1088531	Purchase	1088531	0.58
				13-09-19	3059	Purchase	1091590	0.58
				27-09-19	229469	Purchase	1321059	0.7
		0	0	08-11-19	853500	Purchase	2174559	1.16
		2174559	1.16	31-03-20			2174559	1.16
13	AMERICAN FUNDS INSURANCE SERIES GLOBAL SMALL CAPITAL	0	0					
				29-11-19	37658	Purchase	37658	0.02
				06-12-19	82796	Purchase	120454	0.06
				20-12-19	111472	Purchase	231926	0.12
				27-12-19	98911	Purchase	330837	0.18
				10-01-20	206229	Purchase	537066	0.29
				17-01-20	135524	Purchase	672590	0.36
				24-01-20	237395	Purchase	909985	0.48
				31-01-20	42731	Purchase	952716	0.51
				07-02-20	43903	Purchase	996619	0.53

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year					Cumulative Shareholding during the year (1.4.2019 to 31.3.2020)	
		No. of Shares at the beginning of the year (1.4.2019)/ at end of the year (31.3.2020)	% of total Shares of the Company	Date	Increase/ Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the Company
				14-02-20	22278	Purchase	1018897	0.54
				21-02-20	51199	Purchase	1070096	0.57
				28-02-20	1173	Purchase	1071269	0.57
				06-03-20	596962	Purchase	1668231	0.89
				13-03-20	287769	Purchase	1956000	1.04
		1956000	1.04	31-03-20			1956000	1.04
14	SHAMYAK INVESTMENT PRIVATE LIMITED							
		1848880	0.99					
				27-09-19	-1069125	Sale	779755	0.42
				08-11-19	-200000	Sale	579755	0.31
				10-01-20	-479755	Sale	100000	0.05
				17-01-20	-100000	Sale	0	0
		0	0	31-03-20			0	0

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year (1.4.2019)		Cumulative Shareholding during the year (1.4.2019 to 31.3.2020)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Mr. M M Murugappan**				
	At the beginning of the year	8,42,405	0.4487	8,42,405	0.4487
	Date wise increase/decrease in Shareholding during the year	-	-	-	-
	At the end of the year			8,42,405	0.4487
2	**Mr. Vellayan Subbiah**				
	At the beginning of the year	4,30,250	0.2294		
	Date wise increase/decrease in Shareholding during the year			-	-
	07/06/2019 – Transfer	4,30,250	0.2294	-	-
	At the end of the year			-	-
3	**Mr. Sanjay Johri**				
	At the beginning of the year	-	-	-	-
	Date wise Increase in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
4	**Ms. Madhu Dubhashi**				
	At the beginning of the year	4,994	0.0027	-	-
	Date wise Increase in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	4,994	0.0027
5	**Mr. Pradeep V Bhide**				
	At the beginning of the year	-	-	-	-
	Date wise Increase in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
6	**Mr. Mahesh Chhabria**				
	At the beginning of the year	-	-	-	-
	Date wise increase in Shareholding during the year				
	08/11/2019 – Purchase	3,500	0.00	3,500	0.00
	15/11/2019 – Purchase	14,200	0.00	17,700	0.00
	At the end of the year	-	-	17,700	0.00
7	**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	-	-	-	-

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year (1.4.2019)		Cumulative Shareholding during the year (1.4.2019 to 31.3.2020)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Key Managerial Personnel				
8	**Mr. K Mahendra Kumar – Chief Financial Officer**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year				
	30-08-2019 - Allotment	10,873	0.006	10,873	0.006
	20-09-2019 - Sale	10,614	0.006	259	-
	22-11-2019 - Allotment	7,000	0.004	7,259	0.004
	29-11-2019 - Sale	6,959	0.004	300	-
	06-03-2020 - Allotment	9,708	0.005	10,008	0.005
	At the end of the year	-	-	10,008	0.005
9	**Mr. S Suresh – Company Secretary**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year				
	14-06-2019 - Allotment	20,265	0.011	20,265	0.011
	04-10-2019 - Sale	20,265	0.011	-	-
	At the end of the year	-	-	-	-

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	383.63	129.50	-	513.13
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3.36	0.05	-	3.41
Total (i+ii+iii)	**386.99**	**129.55**	**-**	**516.54**
Change in Indebtedness during the financial year				
i) Addition	608.26	407.00	-	1,015.26
ii) Reduction	852.05	411.85	-	1,263.90
Net Change	**(243.79)**	**(4.85)**	**-**	**(248.64)**
Indebtedness at the end of the financial year				
i) Principal Amount	141.03	124.58	-	265.61
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.17	0.12	-	2.29
Total (i+ii+iii)	**143.20**	**124.70**	**-**	**267.90**

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. Vellayan Subbiah Managing Director	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act 1961	6.404	6.404
	(b) Value of perquisites under Section 17(2) of Income-tax Act 1961	0.499	0.499
	(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)	6.903	6.903
	Overall ceiling as per the Act		**21.13**

B. Remuneration to other Directors:

(₹ in Cr.)

Particulars of remuneration	Name of Directors				Total Amount
1. Independent Directors	**Mr. Pradeep V Bhide**	**Ms. Madhu Dubhashi**	**Mr. Sanjay Johri**	**Mr. Mahesh Chhabria**	
Fees for attending Board / Committee Meetings	0.049	0.032	0.055	0.054	0.190
Commission	0.250	0.100	0.100	0.100	0.550
Others, please specify	-	-	-		
Total (1)	**0.299**	**0.132**	**0.155**	**0.154**	**0.740**

2. Other Non-Executive Directors	Mr. M M Murugappan	Mr. Ramesh K B Menon	Total Amount
Fees for attending Board / Committee Meetings	0.031	0.045	0.076
Commission*	1.000	0.100	1.100
Others, please specify	-	-	-
Total (2)	**1.031**	**0.145**	**1.176**
Total (B) = (1)+(2)			**2.282**
Total Managerial Remuneration (A)+(B)			**9.185**
Overall ceiling as per the Act			**46.48**

Note: * Commission will be paid subject to the adoption of accounts for the financial year ended 31st March 2020 by the shareholders at the forthcoming Annual General Meeting.

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

(₹ in Cr.)

	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	0.971	1.266	2.237
	(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	**1.012**	**1.312**	**2.324**

VII. Penalties / Punishment / Compounding of Offences:

There were no penalties, punishment or compounding of offences during the year ended 31st March 2020.

Annexure-I

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

Power & Fuel Consumption

Sl. No.	Particulars	2019-20	2018-19
1	**Electricity**		
	(a) Purchased		
	Units (kWh)	12,85,21,147	15,26,50,271
	Total Cost (₹ Cr.)	94.86	113.40
	Rate per unit (₹)	7.38	7.43
	(b) Own Generation through Diesel Generator		
	Units (kWh)	19,08,507	20,33,706
	Total Cost (₹ Cr.)	4.10	4.54
	Rate per unit (₹)	21.49	22.34
	(c) Own generation through Solar Plant		
	Units (kWh)	3,00,652	3,27,055
	Total Cost (₹ Cr.)	0.17	0.19
	Rate per unit (₹)	5.65	5.87
2	**Consumption per unit of production**	**2019-20**	**2018-19**
a.	Cycles (kWh per Cycle)	4.35	4.29
b.	Strips and Tubes (kWh per Ton)	244	225
c.	Metal Form (kWh per Ton)	524	527
d.	Chains (kWh per Ton)	1,264	1,202

Conservation of Energy

The Company continues to be committed to the conservation of energy. Some of the measures taken for energy conservation during 2019-20 are highlighted below:

Engineering Division

In the Engineering Division, five energy efficient pumps were installed in place of monobloc pumps. Two C9 fuel-based furnaces were converted to higher efficiency propane-based burners to save on cost and to reduce emission. Two energy efficient high temperature furnaces from M/s. Ebner have been purchased and installed. The division has sourced green power to the tune of 350 lac units. Installation of 3 MW of roof top solar panels across units is in progress. VFDs have been installed in hydraulic motors, air blowers, raw water pumps, compressors to save power. Dimmers and cyclic timers have been installed for control of outer periphery lighting.

Metal Formed Products Division

In the Uttarakhand Chains Plant, interlocking of cooling power pumps with the quenching oil temperature has been carried out. Tilting rotary electric furnaces have been re-lined to arrest heating losses. Metal halide lights have been replaced by LED high bay lighting. New energy efficient submersible pumps pump raw water directly to the overhead tanks.

In the Hyderabad Chains Plant, temperature controllers have been introduced for oil circulation pumps. LED high bay lighting has been introduced. Air compressor efficiency has been improved, and interlocks have been provided between press main motors and their conveyor motors.

In the Ambattur Plant, changes to PLC logic have reduced the downtime of seven fine blanking presses. Thyristor control and right sizing of motor in cooling tower pump for mesh belt furnace, energy saving panels for lighting in the assembly area, new LED lamps on streets and timers to control idle running of motors. change from contactor to thyristor controls for furnaces, five numbers of new solar street lights (replacing lights powered by regular power), Delta-to-Star connection change in heater tanks, and right sizing of motors for pin cutting are some of the other efforts made to reduce energy consumption.

In the Thiruninravur plant, intelligent motor controllers have been installed in stretch bending to reduce the power consumption. Metal halide lamps have been replaced with LED high bay lamps. Trans vector type air gun nozzles for cleaning to reduce the air consumption and thereby power consumption have been introduced. A common drive motor has been introduced for the oil chiller compressor and pump. Pneumatic valve cut off arrangement for buffing machine has been introduced. Pre-cooling has been set up for the compressed air line with the existing cooling tower to reduce the air dryer power consumption. 500 KVA transformers have been replaced with a single 1600 KVA transformer with less fixed losses during expansion activity. Timer interlocks have been provided on motors. Cyclic timers have been introduced to cut off power at the time of lunch, dinner and tea to save power on man coolers and lighting power consumption in production lines. Delta connections have been converted to Star where feasible in presses. Limit switch interlocks have been provided to lower power consumption of oil fume extractors by minimizing blower idle time.

In the Sanand and Bawal Plants, street lights, metal halide lights and fluorescent lights have been replaced with LED lamps of lower power. Daily monitoring systems have been introduced for air, water and oil leakage. Cyclic timers installed save energy during lunch hour. Smart stabilizers have been installed on two automated production lines to save power during power fluctuations. Automatic drain valves, and performance tracking has been introduced on compressors.

Cycles Division

In the Cycles divisions of Rajpura and Ambattur, motion detection for lighting control and compressed air use optimization, conversion of the existing painting plants to LPG has resulted energy savings. The temperature has been optimized in the phosphating plant to save on energy for heating. Two tone painting has been developed in wet condition for some colours, to save on drying energy.

Expenditure on R & D (₹ in Cr.)

Particulars	2019-20	2018-19
Capital expenditure	2.41	2.35
Recurring	10.21	11.38
Total	**12.62**	**13.73**
Total R&D expenditure as a % of total turnover (Net)	0.31	0.28

Foreign Exchange Earnings and Outgo

Particulars	2019-20	2018-19
Foreign exchange earnings (CIF Value)	347.02	421.11
Foreign exchange outgo	249.58	434.35

On behalf of the Board

Chennai
27th May 2020

M M Murugappan
Chairman

Plant Locations

Tube Products of India
P. B. No. 4818, CTH Road,
Avadi, Chennai 600 054
Tel: (044) – 42291999
Fax : (044) – 42291990

Tube Products of India
Tirupati-Tiruttani Highway
Ponpadi Village, Thiruvelangadu Block
Tiruttani Taluk, Tiruvallur 631 213
Tel : 09840996496

Tube Products of India
Shirwal Post, Khandala Taluka
Satara District,
Maharastra 412 801
Tel : 097300773443/44

Tube Products of India
A-16 & 17, Industrial Focal
Point, Phase VI SAS Nagar
Mohali (PB) 160 0515
Tel : (0172) - 4009318

Tube Products of India
Village : Sandharsi,
Sub-Tehsil : Ghanaur,
Tehsil : Rajpura;
Punjab – 140417
Tel : (01762) - 269400

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

TI Cycles of India
Sandharsi Tehsil
Rajpura, Patiala Punjab
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TIDC India
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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
Laksar 247 663
Uttarakhand
Tel : (01332) - 271295

TIDC India
Village Plot No. 79,
SIPCOT Industrial Estate Complex,
Phase-I, Zujuwad Village Hosur Taluk,
Krishnagiri District, Tamilnadu

TIDC India
No. 191, Vanagaram Road,
Athipet, Chennai - 6000 058.
Cell: 09384675154

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
Plot No.222 Gangnouli Village
Tehsil – Laksar, Haridwar
Uttarakhand 247 663
Tel: 09219401388/9

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

TI Metal Forming
Plot No. 245, Sector 3
Growth Centre, Bawal, Rewari Dist.
Haryana 123 501
Tel : (01284) – 260707, 264106
09812038561, Fax: (01284) – 264426

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

CONTACT ADDRESS

COMPLIANCE OFFICER
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Company Secretary
Tube Investments of India Limited
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For all matters relating to investor services:
KFin Technologies Private Limited
(Formerly, Karvy Fintech Private Limited)
"Selenium Tower-B"
Plot No.31-32, Gachibowli
Financial District, Nanakramguda, Serilingampally
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Toll Free: 1800-345-4001

Independent Auditor's Report

To the Members of Tube Investments of India Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

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 March 31 2020, 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 notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2b of the Standalone Financial Statements which describes the impact of Covid-19 pandemic, and its possible consequential implications, on the Company's operations. Our opinion is not modified in respect of the matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
(a) Timing of Revenue recognition *(as described in Note 3.11 and Note 19 of the Standalone Ind AS financial statements)*	
The Company has 3 operating segments, namely, Cycles and Accessories Segment, Engineering Segment and Metal Formed Products Segment. The type of customers varies across these segments, ranging from small dealers and Government in respect of the Cycles Segment to Original Equipment Manufacturers and Industrial Customers in respect of the Metal Formed Products and Engineering Segments. The Company recognizes revenue from sale of goods at a point in time based on the terms of the contract with customers which may vary case to case. Terms of sales arrangements with various customers within each of the operating segments, including Incoterms determine the timing of transfer of control and require judgment in determining timing of revenue recognition. Due to the judgement relating to determination of point of time in satisfaction of performance obligations with respect to sale of products, this matter is considered as Key Audit Matter.	Our audit procedures included: • We understood the Company's revenue process, including design and implementation of controls and tested the operating effectiveness of the controls in relation to revenue recognition. • We read and understood the Company's accounting policy for revenue recognition. • On a sample basis, we tested contracts with customers, including Incoterms, purchase orders issued by customers, and sales invoices raised by the Company to determine the timing of transfer of control and the timing of revenue recognition in respect of such contracts. • We performed various analytical procedures to identify any unusual trends for further testing. • We analyzed revenue transactions near the reporting date duly considering the closure of operations on account of COVID-19 and tested whether the revenue was recognized in the appropriate period with reference to shipping records, sales invoices etc for sample transactions and also tested the management assessment involved in this process, wherever applicable.
Existence of Inventories and allowance of Slow / Non Moving Inventory and Obsolescence *(as described in Note 3.10 and Note 8 of the Standalone Ind AS financial statements)*	
Inventories represent 15% of total assets of the Company as at March 31, 2020. Such inventories are held across various factories and warehouses as at the reporting date. Considering the number of locations and the level of inventory held across its factories and warehouses, as well as the physical verification of these inventories at these locations are conducted on different dates, the risk of existence of such inventory and the identification of non-moving, obsolete / damaged inventory is a significant area of audit importance. The inventory valuation also requires management estimates towards write-down of inventory items to its net realizable value (wherever applicable) and allowance for slow moving or non-moving inventory including obsolescence risk.	Our audit procedures included: • We tested the existence of inventories consisting of testing the relevant internal controls, including in specific the testing of the inventory physical verification process that is performed annually by the management at various locations. Further, the automated recording of revenue and purchase transactions in the IT system (three-way-match) were tested by our IT specialists. • We observed the physical verification of Inventory conducted by management at certain locations selected by us. Our procedures in this regard included:

Key audit matters	How our audit addressed the key audit matter
Considering the relative significance of the Inventory to the Standalone financial statements, we have considered the existence of Inventory and allowance of slow / non-moving inventory and obsolescence as key audit matter.	- Inquiring that the stock count instructions were sent by management personnel to appropriate personnel in the relevant location and steps taken by management to ascertain the existence of inventory on the date of the count (including identification of non-moving and obsolete / damaged inventory); - Performing independent inventory counts on sample basis and reconciling the same to the management counts; - On a sample basis, we tested the reconciliation of the differences in inventory quantity between the physical count and the books of accounts, including accounting of such variances basis management approval; and - We performed roll-forward procedures on sample basis from date of count to the reporting date as the physical verification of inventory was undertaken by management on different dates across various locations during the year. • On a sample basis, we performed testing of purchase and revenue transactions near the reporting date to assess whether transactions were recorded in the correct period by testing shipping records, sales / purchase invoices (as applicable). • We tested whether the adjustments to bring down the cost of inventory items to their net realisable value and allowance for slow moving or non-moving inventory and obsolescence at the reporting date is appropriate by assessing the methodology and assumptions adopted by management in this regard including the related adjustments by testing a sample of inventory items as at the reporting date.

Key audit matters	How our audit addressed the key audit matter
Significant judgement relating to assessment of impairment of Subsidiaries *(as described in Note 3.9 and Note 6a of the standalone financial statements)*	
The Company has Investments aggregating to INR 522.46 Crores as at March 31, 2020 in Subsidiaries as at March 31, 2020. The Management assesses the existence of any indicator of impairment every year in respect of its investments in subsidiaries. During the current year, there was a decrease in the fair value of one of its subsidiaries which required impairment assessment under Ind AS 36. Considering the complexity of the assumptions used in the impairment assessment, judgement required for estimating the future cash flows and the related uncertainties involved due to COVID-19 situation, this has been considered as a Key Audit Matter.	Our audit procedures included: • We obtained an understanding of the Company's policy on assessment of impairment of Investments and assumptions used by the management including design and implementation of Controls and testing the operating effectiveness of these controls. • We assessed the methodology used by the management to estimate the recoverable value of investment and consistency with accounting standards. • We analyzed and examined the business plans approved along with assumptions and estimates used by management, including the effect of COVID-19 on the projections. • We compared projections with historical performance of the respective Subsidiaries to assess the appropriateness of Business Plans. • We assessed the recoverable value headroom by performing sensitivity testing of key assumptions used. • We tested the arithmetical accuracy of the models prepared by the management.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

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

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

Responsibilities of Management 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 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 the 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 controls, 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.

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

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 purposes of our audit;

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

   (c) The Balance Sheet, the Statement of Profit and Loss including 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 the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to these Standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

   (h) 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, as amended 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 36a 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
UDIN:20083673AAAAAT5339
Place of Signature: Chennai
Date: May 27, 2020

Annexure 1 referred to in our report of even date

Re: Tube Investments of India Limited ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment property.

(b) All property, plant and equipment and investment property 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, the title deeds of immovable properties included in property, plant and equipment and investment property 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 and 186 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, duty of custom, 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 (Rs.) *
Finance Act, 1994	Service Tax	Adjudicating Officer	2016-17, Apr to Jun 17	0.46
Central Excise Act, 1944	Excise Duty / Interest / Penalty	CCE (Appeals) / CESTAT / HC	1995-96	0.01
Central Sales Tax Act, 1956	CST	CESTAT	2013-14, 2014-15 and 2016-17	0.16
Income Tax Act, 1961	Income Tax	CIT (Appeals)	2005-06, 2006-07, 2009-10 & 2011-12	6.05

* Net of amounts paid under protest of Rs.78.29 Crores.

(viii) In our opinion and according to the information and explanations given by the management, the 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 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 material 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: May 27, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF TUBE INVESTMENTS OF INDIA LIMTED

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

We have audited the internal financial controls over financial reporting of Tube Investments of India Limited ("the Company") as of March 31, 2020 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 with reference to these Standalone Ind AS financial statements 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 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 with reference to these Standalone financial statements 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 over financial reporting with reference to these Standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements, 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 Standalone Ind AS 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 over financial reporting with reference to these Standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these Standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS 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 Standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements were operating effectively as at March 31, 2020, 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: May 27, 2020

Standalone Balance Sheet

₹ in Crores

Particulars	Notes	As at 31-Mar-2020	As at 31-Mar-2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4a	1,012.13	980.63
Right-of-use assets	4b	43.35	-
Capital Work-in-Progress		52.11	68.68
Investment Property	5	4.84	4.93
Intangible Assets	4c	1.34	0.21
Financial Assets			
(a) Investments			
- Investment in Subsidiaries and Joint ventures	6a	522.46	548.70
- Other Investments	6b	16.48	8.60
(b) Other Financial Assets	6c	17.67	18.24
(c) Derivative Instruments	40	-	2.12
Non-Current Tax Assets		24.92	16.62
Other Non-Current Assets	7	41.14	51.72
		1,736.44	**1,700.45**
Current Assets			
Inventories	8	413.82	647.17
Financial Assets			
(a) Loans	9a	3.09	1.58
(b) Trade Receivables	9b	439.15	528.63
(c) Investments	9c	90.00	-
(d) Derivative Instruments	40	1.06	7.16
(e) Cash and Cash Equivalents	9d	21.64	25.40
(f) Bank Balances other than (e) above	9e	1.89	4.35
(g) Other Financial Assets	9f	19.78	24.37
Other Current Assets	10	39.63	40.89
		1,030.06	**1,279.55**
Total Assets		**2,766.50**	**2,980.00**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	18.79	18.77
Other Equity	12	1,693.75	1,406.25
Total Equity		**1,712.54**	**1,425.02**
Non-Current Liabilities			
Financial Liabilities			
(a) Long Term Borrowings	13a	-	101.95
(b) Lease Liabilities	13b	35.54	-
(c) Derivative Instruments	40	0.36	-
Long Term Liabilities	13c	-	9.00
Deferred Tax Liabilities (Net)	14	13.61	41.92
		49.51	**152.87**
Current Liabilities			
Financial Liabilities			
(a) Short Term Borrowings	15a	165.93	313.76
(b) Trade Payables	15b		
- total outstanding dues of micro enterprises and small enterprises		0.78	0.48
- total outstanding dues of creditors other than micro enterprises and small enterprises		630.20	850.85
(c) Lease Liabilities	15c	5.75	-
(d) Other Financial Liabilities	15d	135.11	153.99
Government Grants	18c	2.19	3.21
Short Term Provisions	16	50.56	59.87
Other Current Liabilities	17	13.93	19.95
		1,004.45	**1,402.11**
Total Liabilities		**1,053.96**	**1,554.98**
Total Equity and Liabilities		**2,766.50**	**2,980.00**
Summary of Significant Accounting Policies	3		

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
27th May 2020

On behalf of the Board
For **Tube Investments of India Limited**

S Vellayan
Managing Director

M M Murugappan
Chairman

K Mahendra Kumar
Chief Financial Officer

S Suresh
Company Secretary

Standalone Statement of Profit and Loss

₹ in Crores

Particulars	Notes	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Revenue from Contracts with Customers	19		
Revenue from Operations		4,052.67	4,983.05
Other Operating Revenues		223.42	302.68
		4,276.09	**5,285.73**
Other Income	20	64.77	66.52
Total Income		**4,340.86**	**5,352.25**
Expenses			
Cost of Materials Consumed	21	2,295.72	3,195.38
Purchase of Stock-in-Trade - Cycles/Components and Metal Formed Products		80.39	187.47
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	125.20	(26.41)
Employee Benefits Expense	23	450.35	466.55
Depreciation and Amortisation Expense	24	160.71	140.20
Finance Costs	25	28.79	51.68
Other Expenses	26	778.98	966.30
Total Expenses		**3,920.14**	**4,981.17**
Profit Before Tax and Exceptional items		**420.72**	**371.08**
Less : Exceptional Items	27	2.86	9.00
Profit Before Tax after exceptional items		**417.86**	**362.08**
Income Tax Expense	28		
- Current Tax		115.23	116.29
- Adjustment of tax relating to earlier years		(5.48)	(2.66)
- Deferred Tax (Net) (Refer Note 14)		(22.44)	4.94
		87.31	**118.57**
Profit for the year (I)		**330.55**	**243.51**
Other Comprehensive Income:	30		
Other Comprehensive Income to be reclassified to Statement of Profit and Loss in subsequent periods:			
Net Movement on Cash Flow Hedges		(6.54)	7.54
Income Tax Effect		2.37	(2.63)
		(4.17)	**4.91**
Other Comprehensive Income not to be reclassified to Statement of Profit and Loss in subsequent periods:			
Re-measurement (Loss) on Defined Benefit Obligations (Net)		(13.41)	(2.41)
Income Tax Effect		3.37	0.84
		(10.04)	**(1.57)**
Net (Loss) on FVTOCI Equity Securities		(0.39)	(2.45)
Income Tax Effect		0.13	0.11
		(0.26)	**(2.34)**
Other Comprehensive Income / (Loss) for the Year, Net of Tax (II)		**(14.47)**	**1.00**
Total Comprehensive Income for the Year, Net of Tax (I + II)		**316.08**	**244.51**
Earnings Per Equity Share of ₹1 each (Previous year - ₹1 each)	31		
Basic		17.60	13.02
Diluted		17.57	13.01

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
27th May 2020

On behalf of the Board
For **Tube Investments of India Limited**

S Vellayan
Managing Director

M M Murugappan
Chairman

K Mahendra Kumar
Chief Financial Officer

S Suresh
Company Secretary

Standalone Statement of Changes in Equity

a. **Equity Share Capital:**

Particulars	No. of shares	₹ in Crores
As at 31st March 2018		
Equity shares of ₹1 each issued, subscribed and fully paid	18,75,36,368	18.75
Issue of share capital (Refer Note 11)	1,74,913	0.02
As at 31st March 2019		
Equity shares of ₹1 each issued, subscribed and fully paid	18,77,11,281	18.77
Issue of share capital (Refer Note 11)	1,64,148	0.02
As at 31st March 2020	**18,78,75,429**	**18.79**

b. **Other Equity**

For the year ended 31st March 2020

₹ in Crores

Particulars	Reserves & Surplus							Items of OCI		Total Other Equity
	Securities Premium (Note 12)	Share option outstanding account (Note 12)	Retained Earnings (Note 12)	Debenture Redemption Reserve (DRR) (Note 12)	Capital Reserve (Note 12)	General Reserve (Note 12)	Treasury Shares (Note 12)	Cash flow Hedge Reserve (Note 12)	FVTOCI Reserve (Note 12)	
As at 1st April 2019	**3.60**	**7.95**	**1,001.55**	**50.00**	**0.11**	**334.63**	**(0.25)**	**4.79**	**3.87**	**1,406.25**
Profit for the Year	-	-	330.55	-	-	-	-	-	-	330.55
Other comprehensive income for the Year (Note 30)	-	-	(10.04)	-	-	-	-	(4.17)	(0.26)	(14.47)
Total Comprehensive Income	**3.60**	**7.95**	**320.51**	**50.00**	**0.11**	**334.63**	**(0.25)**	**(4.17)**	**(0.26)**	**316.08**
Share-based payments	-	3.18	-	-	-	-	-	-	-	3.18
Employee share options	5.33	(2.06)	0.16	-	-	0.42	-	-	-	3.85
DRR transferred to Retained Earnings (Net)	-	-	25.00	(25.00)	-	-	-	-	-	-
Dividends	-	-	(79.82)	-	-	-	-	-	-	(79.82)
Dividend distribution tax on Dividend	-	-	(12.60)	-	-	-	-	-	-	(12.60)
Adjustment relating to Employee Welfare Benefit Trust (Refer Note 12h)	-	-	56.56	-	-	-	0.25	-	-	56.81
As at 31st March 2020	**8.93**	**9.07**	**1,311.36**	**25.00**	**0.11**	**335.05**	**-**	**0.62**	**3.61**	**1,693.75**

Standalone Statement of Changes in Equity

For the year ended 31st March, 2019

₹ in Crores

Particulars	Reserves & Surplus							Items of OCI		Total Other Equity
	Securities Premium (Note 12)	Share option outstanding account (Note 12)	Retained Earnings (Note 12)	Debenture Redemption Reserve (DRR) (Note 12)	Capital Reserve (Note 12)	General Reserve (Note 12)	Treasury Shares (Note 12)	Cash flow Hedge Reserve (Note 12)	FVTOCI Reserve (Note 12)	
As at 1st April 2018	**0.10**	**5.43**	**735.53**	**112.50**	**0.11**	**334.63**	**-**	**(0.12)**	**6.21**	**1,194.39**
Effect of adoption of Ind AS 115	-	-	(0.49)	-	-	-	-	-	-	(0.49)
As at 1st April 2018 (Restated)	**0.10**	**5.43**	**735.04**	**112.50**	**0.11**	**334.63**	**-**	**(0.12)**	**6.21**	**1,193.90**
Profit for the Year	-	-	243.51	-	-	-	-	-	-	243.51
Other comprehensive income for the Year (Note 30)	-	-	(1.57)	-	-	-	-	4.91	(2.34)	1.00
Total Comprehensive Income	**0.10**	**5.43**	**241.94**	**112.50**	**0.11**	**334.63**	**-**	**4.91**	**(2.34)**	**244.51**
Receipt of Subsidy	-	-	0.32	-	-	-	-	-	-	0.32
Share-based payments	-	4.93	-	-	-	-	-	-	-	4.93
Employee share options	3.50	(2.41)	1.49	-	-	-	-	-	-	2.58
Sale of FVTOCI investments	-	-	1.47	-	-	-	-	-	-	1.47
DRR transferred to Retained Earnings (Net)	-	-	62.50	(62.50)	-	-	-	-	-	-
Dividends	-	-	(42.23)	-	-	-	-	-	-	(42.23)
Dividend distribution tax on Dividend	-	-	(2.79)	-	-	-	-	-	-	(2.79)
Adjustment relating to Employee Welfare Benefit Trust (Refer Note 12h)	-	-	3.81	-	-	-	(0.25)	-	-	3.56
As at 31st March 2019	**3.60**	**7.95**	**1,001.55**	**50.00**	**0.11**	**334.63**	**(0.25)**	**4.79**	**3.87**	**1,406.25**

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
27th May 2020

On behalf of the Board
For **Tube Investments of India Limited**

S Vellayan
Managing Director

M M Murugappan
Chairman

K Mahendra Kumar
Chief Financial Officer

S Suresh
Company Secretary

Standalone Cash Flow Statement

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
A. Cash Flow from Operating Activities:		
Profit Before Tax after exceptional items	**417.86**	**362.08**
Adjustments to reconcile Profit Before Tax to Net Cash Flows:		
Depreciation on Property, Plant and Equipment	153.07	140.09
Depreciation on Right-of-use assets	7.32	-
Depreciation on Investment Properties	0.09	0.08
Amortisation of Intangible assets	0.23	0.03
Share based payment expenses	3.06	4.93
(Profit) on Property Plant and Equipment sold / discarded (Net)	(0.51)	(0.87)
(Profit) on Sale of Investments carried at FVTPL	(6.04)	(1.89)
Impairment allowance for receivables and advances (includes bad debts written off) (Refer Note 26)	6.53	1.83
Net Foreign Exchange differences	2.53	4.13
Receipt of Subsidy	-	0.32
Finance Income (including Fair Value changes in Financial Instruments)	(1.28)	(3.93)
Finance Costs	28.79	51.68
Profit on shares tendered under buyback scheme	(19.11)	-
Liabilities / Provisions no longer payable written back	(9.70)	(1.75)
(Reversal of Provision) for Impairment of Investments (Net)	-	(1.75)
Loss on sale of joint venture	-	10.75
Dividend Income	(16.88)	(34.30)
Operating Profit before Working Capital / Other Changes	**565.96**	**531.43**
Adjustments for :		
(Decrease) / Increase in Long Term Liabilities	(9.00)	9.00
(Decrease) / Increase in Provisions and Government Grants	(23.74)	0.60
(Decrease) in Trade and Other Payables	(208.86)	(33.07)
(Decrease) / Increase in Other Financial Liabilities	(1.47)	1.81
(Decrease) / Increase in Other Current Liabilities	(6.02)	1.08
Decrease / (Increase) in Other Financial and Non-Current Assets	13.66	(21.19)
Decrease in Other Financial and Current Assets	3.26	28.47
Decrease in Trade and Other Receivables	78.63	42.70
Decrease / (Increase) in Inventories	233.35	(39.94)
Cash Generated From Operations	**645.77**	**520.89**
Income Tax paid (Net of refunds)	(118.05)	(109.71)
Net Cash Flow from Operating Activities	**527.72**	**411.18**

Standalone Cash Flow Statement

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
B. Cash Flow from Investing Activities:		
Capital Expenditure (Including Capital Work In Progress and Capital Advances)	(196.87)	(171.82)
Proceeds from Sale of Property, Plant and Equipment	2.47	3.60
(Purchase) / Sale of Current Investments (Net) (Refer Note 9c)	(83.96)	1.89
Proceeds from shares tendered under buyback scheme	45.35	-
Sale of Non Current Investments at FVTOCI	-	4.70
Purchase of Non Current Investments	(8.27)	(0.15)
Proceeds / (Investment) in deposits having a original maturity of more than 3 months (Net)	2.46	(3.86)
Interest Income received	2.07	1.68
Dividend Received	19.21	29.52
Net Cash Used in Investing Activities	**(217.54)**	**(134.44)**
C. Cash Flow from Financing Activities: (Refer Note 9d)		
Proceeds from Issue of Shares	3.99	2.61
(Repayment) of Long Term Borrowings	(100.00)	(250.00)
(Repayment) / Proceeds from Short Term Borrowings (Net) (Refer Note 15a)	(82.87)	99.65
Proceeds from sale of Treasury Shares	56.81	-
Payment of Lease Liabilities	(8.20)	-
Finance Costs Paid	(26.72)	(61.96)
Dividends Paid (Including Net Dividend Distribution Tax)	(92.42)	(45.02)
Net Cash Used in Financing Activities	**(249.41)**	**(254.72)**
Net Increase in Cash and Cash Equivalents [A+B+C]	**60.77**	**22.02**
Cash and Cash Equivalents at the beginning of the Year	**(39.16)**	**(61.18)**
Cash and Cash Equivalents as at End of the Year (Refer Note 9d)	**21.61**	**(39.16)**

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

S Vellayan
Managing Director

M M Murugappan
Chairman

Chennai
27th May 2020

K Mahendra Kumar
Chief Financial Officer

S Suresh
Company Secretary

Notes to Financial Statements

1. General Information of the Company

Corporate Information

Tube Investments of India Limited ("the Company") with CIN No: L35100TN2008PLC069496, 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") approved by NCLT (National Company Law Tribunal), the Manufacturing Business Undertaking of the Demerged Company was vested in / transferred to the Company with effect from 1st August 2017 and the appointed date was 1st April 2016. The name of the Company was changed to "Tube Investments of India Limited" (Resulting Company).

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 and TI Tsubamex Private Limited.

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on 27th May 2020.

2. Basis of Preparation

a) The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the 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, which is its functional currency and all values are rounded to the nearest crore, except when otherwise indicated.

b) Impact of Covid-19 Pandemic

The outbreak of COVID-19 pandemic and the resulting lockdown enforced from 23rd March 2020 has affected the Company's regular operations. Accordingly, the Company has considered the possible effects that may result from the pandemic on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external information which are relevant in determining the expected future performance of the Company. The Company has evaluated its liquidity position, recoverability of such assets and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

3. Summary of Significant Accounting Policies

3.1. 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

Notes to Financial Statements

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.

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.

3.2. 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

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 and unquoted financial investments. 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 41).

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 41).

3.3. 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.

3.4. Cash and Cash Equivalents

Cash and Cash equivalents 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.

3.5. 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 are as defined above, net of outstanding bank overdrafts as they are considered an integral part of the cash management of the Company.

3.6. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated 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 is 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.

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.

Notes to Financial Statements

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 (Refer Note - 3.18).

Pursuant to transition to Ind AS, the Company has elected to continue with the carrying value of all of its Property, Plant and Equipment as per the previous GAAP as its deemed cost on the transition date.

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, net of accumulated impairment loss, if any. Cost comprises direct cost and attributable interest. Once it has becomes available for use, their cost is re-classified to appropriate caption and subjected to depreciation.

3.7. 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.

Pursuant to transition to Ind AS, the Company has elected to continue with the carrying value of all of its Investment Properties as per the previous GAAP as its deemed cost on the transition date.

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.

3.8. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss unless such expenditure forms part of carrying value of another asset. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

3.9. 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 five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth 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, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

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.

3.10. Inventories

Raw materials, stores & 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 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.

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.

Notes to Financial Statements

Cost of Traded goods includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

3.11. Revenue from Contracts with Customers

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, 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.

However, 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 and Services:

Revenue from sale of goods is recognised when control of the goods is transferred to the Customers. The normal credit term is 30 to 120 days from the invoice date. 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.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

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.

Contract Balances:

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the Customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade Receivable represents the Company's right to an amount of consideration that is unconditional. Refer to accounting policies of financial assets in Note 3.26.A.

Contract liability is the obligation to transfer goods or services to a Customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Cost to obtain a contract:

The Company pays sales commission to agents for obtaining the contract. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions because the amortisation period of the asset that the Company otherwise would have used is one year or less.

Warranty obligations:

The Company provides warranties for certain products and these warranties are accounted for under Ind AS - 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in Note 3.21 Provisions and Contingencies.

3.12. Other Income

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.

Royalty Income:

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

3.13. 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.

3.14. Employee Benefits

I. Defined Contribution Plans

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

Notes to Financial Statements

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.

b. Provident Fund

Eligible employees of the Company receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Company's Employee Provident Fund Trusts. The trust invests in specific designated instruments as permitted by the Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which annual interest is payable to the beneficiaries by the trust is administered by the government. 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.

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 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.

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. Re-measurements 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.

3.15. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a. Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment. Right-of-use assets mainly consists of land and building, having a lease term of 2 to 95 years.

b. Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in financial liabilities (see Note 13b and 15c).

c. Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases of Buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Company as Lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are

Notes to Financial Statements

added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.16. 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.

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.

3.17. Derivative Instruments and Hedge Accounting

Cash flow hedge:

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 transactions.

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 crystalize.

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 by applying the hedge accounting principles set out in Ind AS 109 - "Financial Instruments". 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.

3.18. 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:

Notes to Financial Statements

Description of Assets	Useful life
Plant & Machinery	7.50 - 15 Years
Electrical Appliances	5 - 10 Years
Furniture & 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 advice:

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
Intangible Assets	3 Years

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.

3.19. 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 3.18 above.

3.20. 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 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 Other Comperhensive Income 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 Deferred Tax Asset is recognised for MAT Credit available 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

Notes to Financial Statements

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 Other Comprehensive Income 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 one or more entities in the Company are entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate.

3.21. 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 embodying economic benefits 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.

3.22. 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.

3.23. 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.

3.24. 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 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.

3.25. Treasury Shares

The Company had an Employee Benefit Trust, having Company's shares, for providing share-based payment to its employees. The Company treats Trust as its extension and shares held by Trust were treated as treasury shares.

Own equity instruments (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, on sale, is recognised in equity.

During the year, the Trust had, in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014, sold these shares as they were not backed by ESOP grants.

3.26. 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:

Notes to Financial Statements

a) Debt instruments at amortised cost

b) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

c) Debt instruments, derivatives and 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 Statement of Profit and Loss.

Debt instruments at FVTOCI

The Company subsequently classifies its Financial Assets as FVTOCI, only if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; 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.

Debt instruments included within the FVTOCI category are measured at each reporting date at fair value with such changes being recognised in Other Comprehensive Income (OCI). The interest income on these assets is recognised in profit or loss.

On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to profit or loss.

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 Statement of Profit and Loss, 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 de-recognised 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:

- 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.

3.27. Cash Dividend

The Company recognises a liability to make cash distributions to equity holders, when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.28. 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. These investments are assessed for impairment in the manner outlined in Note 3.9.

3.29. Changes in accounting policies and disclosures

New and amended standards and interpretations

Ind AS 116

Ind AS 116 supersedes Ind AS 17 Leases, including Appendix A of Ind AS 17 - Operating Leases-Incentives, Appendix B of Ind AS 17 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17 - Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the Balance Sheet.

Lessor accounting under Ind AS 116 remains unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption in accordance with Para C8 (c) (ii) to Ind AS 116 with the date of initial application being 1st April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1st April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

The Company has lease contracts for various items of Land and Building. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases. Refer to Note 3.15 - Leases for the accounting policy beginning 1st April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

Leases previously classified as Finance Leases

The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from 1st April 2019.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases. The Right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at 1st April 2019:

- Right-of-use assets of ₹42.32 Cr. were recognised and presented separately in the Balance Sheet.
- Corresponding lease liabilities of ₹42.32 Cr. were recognised.

The lease liabilities as at 1st April 2019 can be reconciled to the operating lease commitments as of 31st March 2019, as follows:

Assets	Amount in Crores
Operating lease commitments as at 31st March 2019	69.52
Adjustments –	
Commitments relating to short-term leases	(6.56)
Discounting effect	(33.76)
Lease liabilities as at 1st April 2019	**42.32**

Notes to Financial Statements

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a multinational environment, it assessed whether the Appendix had an impact on its financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Company determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the Financial Statements of the Company.

Notes to Financial Statements

Note 4a. Property, Plant and Equipment

₹ in Crores

Particulars	Gross Block					Depreciation / Amortisation				Net Block		
	As at 31-Mar-2019	Reclassification (Refer note d below)	Additions	Deletions	As at 31-Mar-2020	As at 31-Mar-2019	Reclassification (Refer note d below)	For the year	Deletions	As at 31-Mar-2020	As at 31-Mar-2020	As at 31-Mar-2019
Land (Freehold)	**127.58**	-	**0.71**	-	**128.29**	-	-	-	-	-	**128.29**	**127.58**
	(121.62)	(-)	(5.96)	(-)	(127.58)	(-)	(-)	(-)	(-)	(-)	(127.58)	(121.62)
Land (Leasehold) (Refer note d below)	**0.61**	**0.61**	-	-	-	**0.02**	**0.02**	-	-	-	-	**0.59**
	(0.61)	(-)	(-)	(-)	(0.61)	(0.01)	(-)	(0.01)	(-)	(0.02)	(0.59)	(0.60)
Buildings	**310.79**	-	**52.47**	**0.05**	**363.21**	**35.10**	-	**15.68**	**0.01**	**50.77**	**312.44**	**275.69**
	(274.47)	(-)	(36.48)	(0.16)	(310.79)	(21.40)	(-)	(13.76)	(0.06)	(35.10)	(275.69)	(253.07)
Plant & Machinery	**880.55**	-	**129.24**	**3.40**	**1,006.39**	**320.95**	-	**130.75**	**2.16**	**449.54**	**556.85**	**559.60**
	(721.71)	(-)	(162.64)	(3.80)	(880.55)	(204.45)	(-)	(118.43)	(1.93)	(320.95)	(559.60)	(517.26)
Railway Siding	**0.01**	-	-	-	**0.01**	-	-	-	-	-	**0.01**	**0.01**
	(0.01)	(-)	(-)	(-)	(0.01)	(-)	(-)	(-)	(-)	(-)	(0.01)	(0.01)
Office Equipment	**15.35**	-	**2.14**	**0.01**	**17.48**	**10.65**	-	**3.07**	**0.01**	**13.71**	**3.77**	**4.70**
	(12.51)	(-)	(2.89)	(0.05)	(15.35)	(6.98)	(-)	(3.71)	(0.04)	(10.65)	(4.70)	(5.53)
Furniture & Fixtures	**11.18**	-	**0.68**	**0.29**	**11.57**	**3.69**	-	**1.32**	**0.11**	**4.90**	**6.67**	**7.49**
	(10.31)	(-)	(0.87)	(-)	(11.18)	(2.44)	(-)	(1.25)	(-)	(3.69)	(7.49)	(7.87)
Vehicles	**11.07**	-	**1.88**	**2.42**	**10.53**	**6.10**	-	**2.25**	**1.92**	**6.43**	**4.10**	**4.97**
	(12.03)	(-)	(1.51)	(2.47)	(11.07)	(4.89)	(-)	(2.93)	(1.72)	(6.10)	(4.97)	(7.14)
Total	**1,357.14**	**0.61**	**187.12**	**6.17**	**1,537.48**	**376.51**	**0.02**	**153.07**	**4.21**	**525.35**	**1,012.13**	**980.63**
	(1,153.27)	(-)	(210.35)	(6.48)	(1,357.14)	(240.17)	(-)	(140.09)	(3.75)	(376.51)	(980.63)	(913.10)

Notes to Financial Statements

Note 4b. Right-of-use assets

₹ in Crores

Particulars	Gross Block					Depreciation / Amortisation					Net Block	
	As at 31-Mar-2019	Reclassification (Refer note d below)	Additions	Deletions	As at 31-Mar-2020	As at 31-Mar-2019	Reclassification (Refer note d below)	For the year	Deletions	As at 31-Mar-2020	As at 31-Mar-2020	As at 31-Mar-2019
Land (Leasehold) (Refer note d below)	-	0.61	3.90	-	4.51	-	0.02	0.05	-	0.07	4.44	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Buildings	-	-	46.18	-	46.18	-	-	7.27	-	7.27	38.91	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total	-	0.61	50.08	-	50.69	-	0.02	7.32	-	7.34	43.35	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Note 4c. Intangible Assets

Software	0.24	-	1.36	-	1.60	0.03	-	0.23	-	0.26	1.34	0.21
	(-)	(-)	(0.24)	(-)	(0.24)	(-)	(-)	(0.03)	(-)	(0.03)	(0.21)	(-)

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.

d. Land (leasehold) is reclassified from Property, Plant and Equipment to Right-of-use Asset in line with Ind AS 116.

Notes to Financial Statements

Note 5. Investment Property

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Opening Balance as at the beginning of the period	5.17	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	0.24	0.16
Depreciation during the year	0.09	0.08
Closing Balance as at the end of the period	**0.33**	**0.24**
Net Block as at the end of the period	**4.84**	**4.93**

Information regarding Income and Expenditure of Investment Property:

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Rental Income derived from Investment Properties	0.41	0.51
Direct Operating Expenses (including repairs and maintenance)	-	-
Profit arising from Investment Properties before Depreciation and Indirect Expenses	**0.41**	**0.51**
Depreciation	(0.09)	(0.08)
Profit arising from Investment Properties before Indirect Expenses	**0.32**	**0.43**

The Company's Investment Property consists of two properties in Mumbai lying vacant and two properties in Chennai, one lying vacant and one let out on rent with a lease has a term of less than 12 months.

As at 31st March 2020, Fair Value of the properties is ₹7.11 Cr. (31st March 2019 - ₹6.90 Cr.)

The fair value of the investment properties are determined by professional valuer based on current prices in the market. The resulting Fair Value Estimates are classified under Level 3 of the Fair Value Hierarchy (Refer Note 41.2).

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-2020	As at 31-Mar-2019
Opening Balance as at the beginning of the period	**6.90**	**6.74**
Fair value difference	0.21	0.16
Purchases	-	-
Sales	-	-
Closing Balance as at the end of the period	**7.11**	**6.90**

Notes to Financial Statements

Note 6a. Investment in Subsidiaries and Joint ventures

Particulars	Nominal Value ₹ per unit	Number of shares		₹ in Crores	
		As at 31-Mar-2020	As at 31-Mar-2019	As at 31-Mar-2020	As at 31-Mar-2019
Investments at Cost:					
Equity Shares (Fully Paid) - Quoted					
Investment in Subsidiaries					
Shanthi Gears Limited (Refer Note a below)	1	5,40,57,475	5,72,96,413	437.86	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	LKR 10	40,00,000	40,00,000	16.98	16.98
Creative Cycles (Private) Limited	LKR 10	40,00,000	40,00,000	6.47	6.47
Investment in Joint Ventures					
TI Tsubamex Private Limited	10	2,35,00,000	2,35,00,000	23.50	23.50
Total				**545.96**	**572.20**
Less : Provision for Impairment of Investments (Refer Note 27)				(23.50)	(23.50)
Total				**522.46**	**548.70**

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Quoted		
Cost	437.86	464.10
Market value	354.62	740.27
Unquoted		
Cost	108.10	108.10
Aggregate amount of impairment in the value of investments in Joint Venture	23.50	23.50

Notes:

a. During the year, the Company tendered 49 lakh shares in the Buyback Scheme announced by Shanthi Gears Limited to all its eligible shareholders at a consideration of ₹140/- per share, of which, 32.39 lakh equity shares were accepted on a proportionate basis by Shanthi Gears Limited. The Company received a consideration of ₹45.35 Cr. against the cost of investment of ₹26.24 Cr. with the difference of ₹19.11 Cr. recognised as profit in the standalone financial statements.

Notes to Financial Statements

Note 6b. Other Investments

Particulars	Nominal Value ₹ per unit	Numbers		₹ in Crores	
		As at 31-Mar-2020	As at 31-Mar-2019	As at 31-Mar-2020	As at 31-Mar-2019
Investments at Fair Value Through Other Comprehensive Income (FVTOCI):					
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	7.86	6.04
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
Watsun Infrabuild Private Limited (Refer Note b below)	10	10,55,913	1,50,663	1.06	0.15
Bond - Quoted					
Tax Free Bond (Refer Note c below)	1,000	70,000	-	7.56	-
Total				**16.48**	**8.60**

Investments at fair value through OCI (fully paid) reflect investment in unquoted equity securities and quoted debt securities. These equity shares are designated as FVTOCI as they are not held for trading purpose.

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
		₹ in Crores
Quoted		
Cost	7.36	-
Market value	7.56	-
Unquoted		
Cost	3.54	2.63

Notes:

a) Investments at fair value through OCI reflect investment in quoted and unquoted equity investments. Refer Note 41.1 for determination of their fair value

b) During the year, the Company subscribed to 9,05,250 Equity Shares of face value of ₹10 each of Watsun Infrabuild Private Limited at face value, amounting to ₹0.91 Cr.

c) During the year, the Company purchased 70,000 Nos of Quoted Tax free bonds of face value ₹1000 each for an amount of ₹7.36 Cr.

Notes to Financial Statements

Note 6c. Other Financial Assets

(At Amortised Cost and considered good, unsecured unless stated otherwise)

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Electricity and Other Deposits	17.67	18.24
Total	**17.67**	**18.24**

Note 7. Other Non-Current Assets

(Considered Good, Unsecured unless stated otherwise)

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Capital Advances		
- Secured	5.49	4.54
- Unsecured	10.44	8.88
Deposits with Government, Public Bodies and Others:		
- Balance with Customs, Excise and Sales Tax Authorities	25.21	29.39
Contract Assets	-	8.91
Total	**41.14**	**51.72**

Note 8. Inventories

(Lower of Cost and estimated Net Realisable Value)

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Raw Materials	109.98	183.92
Work-in-Progress	146.13	115.06
Finished Goods	105.03	214.89
Stock-in-Trade	25.74	63.77
Stores and Spare Parts	8.23	6.49
Goods-in-Transit		
- Raw Materials	18.04	53.99
- Stock-in-Trade	0.67	9.05
Total	**413.82**	**647.17**

During the year ended 31st March 2020, ₹3.61 Cr. was recognised as an expense to bring the inventories to record them at Net Realisable Value. (31st March 2019 - ₹11.15 Cr.)

Note 9a. Loans

(Considered Good, Unsecured unless stated otherwise)

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Loan to employees	3.09	1.58
Total	**3.09**	**1.58**

Loans to employees are Non-Derivative Financial Assets which generate interest income for the Company.

Notes to Financial Statements

Note 9b. Trade Receivables

(Unsecured)

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Considered Good	425.54	527.34
Provision for Receivables	(2.75)	(1.52)
	422.79	**525.82**
Trade Receivables which have significant increase in Credit Risk	19.07	3.69
Provision for Receivables	(2.71)	(0.88)
	16.36	**2.81**
Trade Receivables - credit impaired	2.96	3.21
Impairment Allowance (allowance for bad and doubtful debts)	(2.96)	(3.21)
	-	-
Total		
Considered Good	425.54	527.34
Trade Receivables which have significant increase in credit Risk	19.07	3.69
Trade Receivables - credit impaired	2.96	3.21
	447.57	**534.24**
Provision for Doubtful / Impairment on Receivables	(8.42)	(5.61)
Total	**439.15**	**528.63**
Includes dues from Related parties		
Sedis SAS	0.81	1.57
Shanthi Gears Limited	0.83	0.02
Creative Cycles (Private) Limited	0.68	-

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 37. There are no debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

Reconciliation of Provision / Impairment for Receivables

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Opening Balance as at beginning of the year	5.61	8.20
Created / (Reversed) during the year (Net)	2.81	(2.59)
Closing Balance as at end of the year	**8.42**	**5.61**

Note 9c. Investments

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Quoted Investments - FVTPL		
Investments in Mutual Funds	90.00	-
Total	**90.00**	**-**

During the year, the Company has invested an aggregate amount of ₹1,685.59 Cr. (Previous Year - ₹724.00 Cr.) in the units of various Cash Management Schemes of Mutual funds, for the purpose of deployment of temporary cash surplus and has ₹90.00 Cr. (Previous Year - Nil) in mutual funds as at year end. The total consideration received on the sale of units during the year was ₹1,601.63 Cr. (Previous Year - ₹725.89 Cr.)

Notes to Financial Statements

Note 9d. Cash and Cash Equivalents

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Balances with Banks in Current Accounts	21.63	25.35
Cash on hand	0.01	0.05
Cash and Cash Equivalents as per Balance Sheet	**21.64**	**25.40**
Cash Credit facility (Secured)	(0.03)	(64.56)
Cash and Cash Equivalents as per Statement of Cash Flows	**21.61**	**(39.16)**

As at 31st March 2020, the Company had undrawn committed borrowing facilities of ₹359.07 Cr. (31st March 2019 - ₹211.24 Cr.). The changes in liabilities arising from financial activities are only on account of changes in the Cash Flows.

Note 9e. Bank Balances other than Note 9d above

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Unpaid Dividend Accounts	1.89	0.88
Deposits with original maturity of more than 3 months but less than 12 months	-	0.20
Bank Deposits with original maturity of more than 12 months	-	3.27
Total	**1.89**	**4.35**

There are restrictions on the bank balances held in unpaid dividend accounts.

Note 9f. Other Financial Assets

(At Amortised Cost, considered good and unsecured, unless stated otherwise)

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Claims Recoverable		
- Goods and Services	0.35	3.18
- Employee Related	0.11	0.65
Other deposits	7.30	4.02
Dividend Accrued	2.45	4.78
Interest Accrued	1.25	0.20
Government Grants	8.32	11.54
Total	**19.78**	**24.37**

Notes to Financial Statements

Note 10. Other Current Assets

(Considered Good, Unsecured unless stated otherwise)

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Advances Recoverable		
- Goods and Services *	29.14	21.68
- Employee Related	0.53	0.23
- Prepaid Expenses	3.14	2.50
- Gratuity Fund (Net of Provision)	-	0.08
	32.81	**24.49**
Balances with Customs, Excise, Sales Tax and GST Authorities	10.52	11.68
Contract Assets	-	4.72
Total	**43.33**	**40.89**
Provision for Doubtful Advances for Goods and Services	(3.70)	-
Total	**39.63**	**40.89**
* Includes Advances Paid to Related parties		
Great Cycles (Private) Limited	0.02	-
Creative Cycles (Private) Limited	0.57	-

Note 11. Equity Share Capital

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Authorised Capital		
25,00,00,000 Equity Shares of ₹1 each		
(31-Mar-2019: 25,00,00,000 Equity Shares of ₹1 each)	25.00	25.00
Issued, Subscribed and Paid-up Capital		
18,78,75,429 Equity Shares of ₹1 each fully paid up (31-Mar-2019: 18,77,11,281 Equity Shares of ₹1 each fully paid up)	18.79	18.77
Total	**18.79**	**18.77**

a) The Reconciliation of Shares Capital is given below:

Particulars	As at 31-Mar-2020		As at 31-Mar-2019	
	No.of Shares	₹ in Crores	No.of Shares	₹ in Crores
At the beginning of the year	18,77,11,281	18.77	18,75,36,368	18.75
Issue of share capital	1,64,148	0.02	1,74,913	0.02
At the end of the year	**18,78,75,429**	**18.79**	**18,77,11,281**	**18.77**

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. Repayment of capital will be in proportion to the number of equity shares held by the shareholders.

Notes to Financial Statements

c) Details of Shareholder(s) holding more than 5% of Equity Shares in the Company

Particulars	As at 31-Mar-2020		As at 31-Mar-2019	
	No.of Shares	% against total number of shares	No.of Shares	% against total number of shares
Ambadi Investments Limited (Face Value ₹1 each)	6,89,66,595	36.71%	6,82,66,595	36.37%

d) Status on Global Depository Receipts (GDRs)

The aggregate number of GDRs deemed to be outstanding as at 31st March 2020 is 9,300 (As at 31st March 2019 - 22,30,630) each representing one Equity Share of ₹1 face value. GDR % against total number of shares is 0.005% (Previous Year - 1.19%). The GDRs carry the same terms/rights attached to Equity Shares of the Company.

Note 12. Other Equity

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
General Reserve	335.05	334.63
Securities Premium	8.93	3.60
Retained Earnings	1,311.36	1,001.55
Other Reserves		
Share Options Outstanding Account	9.07	7.95
Cash Flow Hedge Reserve	0.62	4.79
FVTOCI Reserve	3.61	3.87
Capital Reserve	0.11	0.11
Treasury Shares	-	(0.25)
Debenture Redemption Reserve	25.00	50.00
Total Other Equity	**1,693.75**	**1,406.25**

a. **General Reserve -** Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013. Additions to the general reserve during the year are on account of cancellation of share options post vesting period.

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Balance at the beginning of the year	334.63	334.63
Additions during the year	0.42	-
Balance at the end of the year	**335.05**	**334.63**

b. **Securities Premium -** The Securities premium received during the year represents the premium received towards allotment of 1,64,148 shares. This balance will be utilised in accordance with the provisions of Section 52 of the Companies Act 2013 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-2020	As at 31-Mar-2019
Balance at the beginning of the year	3.60	0.10
Additions during the year	5.33	3.50
Balance at the end of the year	**8.93**	**3.60**

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 below may not be distributable in entirety.

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Balance at the beginning of the year	1,001.55	735.53
Profit for the Year	330.55	243.51
Dividend Paid during the year	(79.82)	(42.23)
Dividend Distribution tax paid during the year	(12.60)	(2.79)
Effect of adoption of Ind AS 115	-	(0.49)
Receipt of Subsidy	-	0.32
Exercise of share options	0.16	1.49
Sale of FVTOCI investments	-	1.47
Other Comprehensive Income - Re-measurement Loss on Defined Benefit Obligations (Net)	(10.04)	(1.57)
Transferred from DRR (Net)	25.00	62.50
Adjustment relating to Employee Welfare Trust (Refer Note h below)	56.56	3.81
Balance at the end of the year	**1,311.36**	**1,001.55**

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.

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Balance at the beginning of the year	7.95	5.43
Additions during the year	3.18	4.93
Deductions during the year	(2.06)	(2.41)
Balance at the end of the year	**9.07**	**7.95**

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-2020	As at 31-Mar-2019
Balance at the beginning of the year	4.79	(0.12)
Additions / (Deductions) during the year (Net)	(4.17)	4.91
Balance at the end of the year	**0.62**	**4.79**

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-2020	As at 31-Mar-2019
Balance at the beginning of the year	3.87	6.21
Additions / (Deductions) during the year	(0.26)	(2.34)
Balance at the end of the year	**3.61**	**3.87**

g. **Capital Reserve -** The amount represents equity share capital of the Company amounting to ₹0.11 Cr., cancelled pursuant to the Scheme of arrangement (Refer Note 1) and credited to capital reserve.

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Balance at the beginning of the year	0.11	0.11
Additions during the year	-	-
Deductions during the year	-	-
Balance at the end of the year	**0.11**	**0.11**

h. **Treasury Shares** - The Company and its Subsidiaries Employees Share Purchase Scheme ("Trust") was holding 7,03,680 equity shares of ₹2 each of the erstwhile Tube Investments of India Limited ("Demerged Company") (presently, Cholamandalam Financial Holdings Limited). Consequent to the demerger of the manufacturing business from the Demerged Company, the Trust was allotted 7,03,680 equity shares of ₹1 each of the Demerged Company and 7,03,680 equity shares of ₹1 each of the Company (being the Resulting Company under demerger). These shares are treated as treasury shares in the Financial Statements of the Company. During the year, the Trust had, in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014, sold these shares as they were not backed by ESOP grants. The net gain from sale of such shares aggregating to ₹56.56 Cr. (net of taxes) has been credited to retained earnings.

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Balance at the beginning of the year	(0.25)	-
Adjustment relating to Employee Benefit Trust	0.25	(0.25)
Balance at the end of the year	**-**	**(0.25)**

i. **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-2020	As at 31-Mar-2019
Balance at the beginning of the year	50.00	112.50
Additions during the year	-	-
Deductions during the year	(25.00)	(62.50)
Balance at the end of the year	**25.00**	**50.00**

Notes to Financial Statements

Note 13a. Long Term Borrowings

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Secured, Listed and Rated Non-Convertible Debentures (NCD)		
7.56% Privately Placed NCD	-	101.95
Total	**-**	**101.95**

Repayment Schedule:

Secured, Listed and Rated Non-Convertible Debentures (NCD)

₹ in Crores

Coupon Rate	Effective Interest Rate	Outstanding Amount in ₹ Cr.	Maturity date and Redemption particulars
*7.56%	7.56%	100	28-Dec-20

*Classified as ''Other Financial Liabilities'' (Refer Note 15d)

Nature of Security - All NCDs are secured by a pari passu first charge on certain Land and Building of the Company (Refer note 4a)

Note 13b. Lease Liabilities

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Lease Liabilities (Refer Note 39)	35.54	-
Total	**35.54**	**-**

Note 13c. Long Term Liabilities

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Contract Liability	-	9.00
Total	**-**	**9.00**

Notes to Financial Statements

Note 14. Deferred Tax Assets and Liabilities

₹ in Crores

Particulars	Balance Sheet		Statement of Profit and Loss	
Nature - (Liability) / Asset	**31-Mar-2020**	**31-Mar-2019**	**31-Mar-2020**	**31-Mar-2019**
Deferred Tax Liabilities				
Difference between depreciation as per books of accounts and the Income Tax Act, 1961	(32.97)	(59.06)	(26.09)	(0.65)
Total (A)	**(32.97)**	**(59.06)**	**(26.09)**	**(0.65)**
Deferred Tax Assets				
Provision for Doubtful / impairment on Receivables	3.05	1.96	(1.09)	0.90
Provision for Employee Benefits	5.78	1.54	(4.24)	2.09
On expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	7.67	15.05	7.38	5.62
Effect of transactions routed through Other Comprehensive Income	1.21	(4.66)	(5.87)	2.52
MAT Credit Entitlement	-	-	-	6.25
Others	1.65	3.25	1.60	(3.02)
Total (B)	**19.36**	**17.14**	**(2.22)**	**14.36**
Deferred Tax Expenses / (Income) (A+B)			**(28.31)**	**13.71**
Net Deferred Tax (Liabilities) / Assets (A+B)	**(13.61)**	**(41.92)**		

Reconciliation of Deferred Tax Liabilities (Net)

₹ in Crores

Particulars	31-Mar-2020	31-Mar-2019
Opening balance	(41.92)	(28.21)
Tax Income / (Expense) during the period recognised in Profit and Loss	22.44	(4.94)
MAT Credit Utilised	-	(6.25)
Tax Income / (Expense) during the period recognised in OCI	5.87	(2.52)
Closing balance	**(13.61)**	**(41.92)**

Note 15a. Short Term Borrowings

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Secured Borrowings (Secured by *pari passu* first charge on Inventories and Trade Receivables)		
From Banks		
Working Capital Loan	41.20	119.65
Cash Credit	0.03	64.56
Unsecured Borrowings		
Working Capital Loan	124.70	129.55
Total	**165.93**	**313.76**

Note: Short term Borrowings have a maturity of up to 6 months with an interest rate range of 6.5% - 10%

During the current year, the company has borrowed fresh short term loans amounting to ₹1,015.27 Cr. (Previous year - ₹1,694.50 Cr.) and repaid loans to the tune of ₹1,098.57 Cr. (Previous year - ₹1,594.85 Cr.) relating to Packing Credit, Commercial Paper and other Short Term Working Capital Loans.

Notes to Financial Statements

Note 15b. Trade Payables

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Trade Payables		
- Dues to Micro, Small & Medium Enterprises (See Note below)	0.78	0.48
- Others *	630.20	850.85
Total	**630.98**	**851.33**
* Includes Dues to		
- Key Managerial Personnel	2.26	2.35
- Sedis SAS	0.03	0.06
- Parry Enterprises India Limited	0.18	0.21
- Shanthi Gears Limited	0.13	0.40
- Great Cycles (Private) Limited	-	0.38
- Creative Cycles (Private) Limited	-	4.61

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Principal amount due to suppliers under MSMED Act	0.78	0.45
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	3.02	10.11
Interest paid to suppliers under MSMED Act (Section 16)	0.06	0.03
Interest due and payable to suppliers under MSMED Act, for payments already made	-	0.03
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	0.03

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 payables, Refer Note 37.

Note 15c. Lease Liabilities

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Lease Liabilities (Refer Note 39)	5.75	-
Total	**5.75**	**-**

Notes to Financial Statements

Note 15d. Other Financial Liabilities

(At Amortised Cost)

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Current Maturities of Long Term Borrowings		
Secured, Listed and Rated Non-Convertible Debentures (NCD)		
- 7.55% Privately Placed NCD	-	100.83
- 7.56% Privately Placed NCD*	101.97	-
Unpaid dividends#	1.89	0.88
Advances and Deposits from Customers / Others	6.98	9.57
Dues to Directors	1.65	1.50
Other Liabilities		
- Recoveries from Employees	3.79	3.77
- Capital Creditors	18.26	36.81
- Others	0.57	0.63
Total	**135.11**	**153.99**

Unpaid dividend does not include amount due and outstanding, to be credited to Investor Education and Protection Fund.

* Refer Note 13a for Nature of Securities and Repayment Particulars

Note 16. Short Term Provisions

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Provision for Compensated Absences (Refer Note a below)	19.09	18.59
Gratuity Obligation (Net of Plan Assets) (Refer Note 35a)	0.90	-
Provident Fund Obligation (Net of Plan Assets) (Refer Note 35b)	4.35	-
Provision for Warranties (Refer Note b below)	1.97	2.32
Provision for Contingency / Others (Refer Note c below)	24.25	38.96
Total	**50.56**	**59.87**

(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 35c.

(b) Provision for Warranties

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
At the Beginning of the Year	2.32	1.57
Created during the Year	1.51	1.85
Released during the Year	(1.86)	(1.10)
At the end of the Year	**1.97**	**2.32**

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-2020	As at 31-Mar-2019
At the beginning of the Year	38.96	38.57
Created / (Utilised) during the year	(14.71)	0.39
At the end of the year	**24.25**	**38.96**

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 17. Other Current Liabilities

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Statutory Liabilities	5.99	7.25
Contract Liability	-	4.87
Advances from Customers	7.94	7.83
Total	**13.93**	**19.95**

Note 18a. Financial Assets

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Financial Assets - Non Current		
At Fair Value		
Investments at FVTOCI	16.48	8.60
Derivative Instruments	-	2.12
At Amortised Cost		
Other Financial Assets	17.67	18.24
Total Non Current Financial Assets (A)	**34.15**	**28.96**
Financial Assets - Current		
At Fair Value		
Investments at FVTPL	90.00	-
Derivative Instruments	1.06	7.16
At Amortised Cost		
Loans	3.09	1.58
Trade Receivables	439.15	528.63
Cash and Cash Equivalents	21.64	25.40
Bank Balances other than Cash and Cash Equivalents	1.89	4.35
Other Financial Assets	19.78	24.37
Total Current Financial Assets (B)	**576.61**	**591.49**
Total Financial Assets (A + B)	**610.76**	**620.45**

Notes to Financial Statements

Note 18b. Financial Liabilities

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Financial Liabilities - Non Current		
At Amortised Cost		
Borrowings	-	101.95
Lease Liabilities	35.54	-
At Fair Value		
Derivative Instruments	0.36	-
Total Non Current Financial Liabilities (A)	**35.90**	**101.95**
At Amortised Cost		
Short Term Borrowings	165.93	313.76
Trade Payables	630.98	851.33
Lease Liabilities	5.75	-
Other Financial Liabilities	135.11	153.99
Total Current Financial Liabilities (B)	**937.77**	**1,319.08**
Total Financial Liabilities (A + B)	**973.67**	**1,421.03**

Note 18c. Government Grants

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Balance at the Beginning of the Year	3.21	1.08
Received during the Year	5.28	8.04
Released to the Statement of Profit and Loss	(6.30)	(5.91)
Balance at the End of the Year	**2.19**	**3.21**
Current	2.19	3.21
Non current	-	-
Total	**2.19**	**3.21**

Government grants are Interest Subvention given by RBI on Packing Credit Rupee Export Loan towards Exports of Certain Products and savings in Customs Duty on import under EPCG Scheme.

Note 18d. Proposed Dividend

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Proposed Dividends on Equity shares:		
Dividend for FY 2019-20 - Nil (Dividend for FY 2018-19 - ₹0.50 per share)	-	14.08
Dividend Distribution Tax (DDT) on Proposed Dividend	-	2.87
Total	**-**	**16.95**

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 18e. Information on Subsidiaries and Joint Ventures as per Ind AS 27

Particulars	Relationship	Country of Incorporation	Proportion of ownership as at 31-Mar-2020
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	70.47%
TI Tsubamex Private Limited (TTPL)	Joint Venture	India	78.33%
Great Cycles (Private) Limited	Subsidiary	Srilanka	80.00%
Creative Cycles (Private) Limited	Subsidiary	Srilanka	80.00%

Note 19. Revenue from Contracts with Customers

₹ in Crores

Particulars	Year Ended 31-Mar-2020				
	Cycles and Accessories	Engineering	Metal Formed Products	Unallocated Corporate Income	Total
Revenue from Contract with Customers					
Finished Goods	616.01	1,939.38	1,322.17	-	3,877.56
Traded Goods	159.93	-	15.18	-	175.11
Sale of Products (A)	**775.94**	**1,939.38**	**1,337.35**	**-**	**4,052.67**
Other Operating Revenue					
Scrap Sales	2.15	155.64	57.29	-	215.08
Service Income from Subsidiaries	-	-	-	2.25	2.25
Conversion Income	-	0.37	-	-	0.37
Others	2.76	0.48	2.25	0.23	5.72
Other Operating Revenue (B)	**4.91**	**156.49**	**59.54**	**2.48**	**223.42**
Total (A+B)	**780.85**	**2,095.87**	**1,396.89**	**2.48**	**4,276.09**

Notes to Financial Statements

₹ in Crores

Particulars	Year Ended 31-Mar-2019				
	Cycles and Accessories	Engineering	Metal Formed Products	Unallocated Corporate Income	Total
Revenue from Contract with Customers					
Finished Goods	1,017.54	2,465.18	1,270.26	-	4,752.98
Traded Goods	214.57	-	15.50	-	230.07
Sale of Products (A)	**1,232.11**	**2,465.18**	**1,285.76**	**-**	**4,983.05**
Other Operating Revenue					
Scrap Sales	2.87	220.09	73.46	-	296.42
Service Income from Subsidiaries	-	-	-	2.25	2.25
Conversion Income	-	0.07	-	-	0.07
Others	3.39	0.07	0.35	0.13	3.94
Other Operating Revenue (B)	**6.26**	**220.23**	**73.81**	**2.38**	**302.68**
Total (A+B)	**1,238.37**	**2,685.41**	**1,359.57**	**2.38**	**5,285.73**

Reconciliation of the revenue from contract with customers with the amounts disclosed in the segment information (Note 38):

₹ in Crores

Particulars	Year Ended 31-Mar-2020				Year Ended 31-Mar-2019			
Revenue	Cycles and Accessories	Engineering	Metal Formed Products	Unallocated Corporate Income	Cycles and Accessories	Engineering	Metal Formed Products	Unallocated Corporate Income
External Customers	780.85	2,095.87	1,396.89	2.48	1,238.37	2,685.41	1,359.57	2.38
Inter-Segment	-	162.29	1.97	-	-	210.56	0.33	-
	780.85	**2,258.16**	**1,398.86**	**2.48**	**1,238.37**	**2,895.97**	**1,359.90**	**2.38**
Inter Segment Elimination and Adjustment	-	(162.29)	(1.97)	-	-	(210.56)	(0.33)	-
Total revenue from contracts with customers	**780.85**	**2,095.87**	**1,396.89**	**2.48**	**1,238.37**	**2,685.41**	**1,359.57**	**2.38**

Timing of Revenue Recognition

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Revenue recognised at a point in time	4,273.84	5,279.24
Revenue recognised over a period of time	2.25	6.49
Total	**4,276.09**	**5,285.73**

Notes to Financial Statements

Summary of Contract Balances ₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Trade Receivables	439.15	528.63
Contract liability (Refer Note below)	-	13.87
Contract asset (Refer Note below)	-	13.63
Advances from Customers	7.94	7.83

Contract liability and contract asset of ₹13.87 Cr. and ₹13.63 Cr. respectively as at 31st March 2019 have been recognised in the Statement of Profit and Loss during the current year.

Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price:

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Revenue as per Contracted Price	4,355.69	5,409.74
Adjustments		
- Discounts	(79.60)	(124.01)
Revenue as per Statement of Profit and Loss	**4,276.09**	**5,285.73**

Note 20. Other Income

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Dividend income from Investments in Subsidiaries carried at Cost	16.22	33.43
Dividend income from Investments at FVTOCI (Includes ₹0.03 Cr from derecognised FVTOCI investments in PY)	0.66	0.87
Rental Income	0.44	0.66
Royalty Income	0.24	0.61
Gain on Exchange Fluctuation (Net)	11.52	3.33
Profit on Property, Plant and Equipment sold / discarded (Net)	0.51	0.87
Profit on Sale of Investments at FVTPL	6.04	1.89
Liabilities no longer payable written back	9.70	1.75
Claims recovered	0.19	0.52
Government Grant	15.87	20.27
Interest Income from Financial Assets		
Fixed Deposits with Banks	1.41	1.56
Others	1.91	0.32
Others	0.06	0.44
Total	**64.77**	**66.52**

Note 21. Cost of Materials Consumed

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Opening Raw Materials	237.91	223.85
Purchases	2,185.83	3,209.44
Closing Raw Materials	(128.02)	(237.91)
Total	**2,295.72**	**3,195.38**

Notes to Financial Statements

Note 22. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Closing stock		
Work-in-Progress	146.13	115.06
Finished Goods	105.03	214.89
Stock-in-Trade	26.41	72.82
	277.57	**402.77**
Opening stock		
Work-in-Progress	115.06	127.91
Finished Goods	214.89	194.33
Stock-in-Trade	72.82	54.12
	402.77	**376.36**
Changes in Inventories		
Work-in-Progress	(31.07)	12.85
Finished Goods	109.86	(20.56)
Stock-in-Trade	46.41	(18.70)
Changes in inventories of Work-In-Progress, Finished Goods and Stock-in-Trade	**125.20**	**(26.41)**

Note 23. Employee Benefits Expense

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Salaries, Wages and Bonus (Refer Note 34)	376.80	394.30
Gratuity Expenses (Refer Note 35a)	2.71	2.92
Contribution to Provident and Other Funds (Refer Note 35b)	21.62	19.73
Staff Welfare Expenses	49.22	49.60
Total	**450.35**	**466.55**

Note 24. Depreciation and Amortisation Expense

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Depreciation on Property, Plant and Equipment (Refer Note 4a)	153.07	140.09
Depreciation on Right-of-use assets (Refer Note 4b)	7.32	-
Depreciation on Investment Properties (Refer Note 5)	0.09	0.08
Amortisation of Intangible Assets (Refer Note 4c)	0.23	0.03
Total	**160.71**	**140.20**

Note 25. Finance Costs

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Interest Expense on Borrowings	25.48	51.60
Interest Expense on Lease Liability	3.31	-
Other Borrowing Costs	-	0.08
Total	**28.79**	**51.68**

Note: Interest Expense on Borrowings is net of interest subvention received, amounting to ₹6.30 Cr. (Previous year - ₹5.91 Cr.) on Packing Credit loans.

Notes to Financial Statements

Note 26. Other Expenses

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Consumption of Stores and Spares	182.98	224.01
Conversion Charges	84.39	103.62
Power and Fuel *	145.75	182.11
Rent (Net of Recoveries) (Refer Note 39)	6.43	18.51
Repairs and Maintenance - Building	0.71	0.55
Repairs and Maintenance - Machinery	64.57	75.16
Insurance	3.15	3.33
Rates and Taxes	5.40	8.31
Travelling and Conveyance	22.10	20.24
Printing, Stationery and Communication	4.69	4.82
Freight, Delivery and Shipping Charges	145.02	220.72
Commission on Sales	15.03	11.21
Advertisement and Publicity	21.02	25.26
Impairment allowance for receivables and advances (Net) (includes bad debts written off - CY - ₹0.02 Cr.; PY - ₹4.42 Cr.)	6.53	1.83
Auditor's Remuneration (Refer Note a below)	0.61	0.61
Commission to Non Whole Time Directors (Refer Note 37)	1.65	1.51
Directors' Sitting Fees	0.27	0.13
Bank Charges	1.36	1.35
Information Technology Expenses	7.25	10.26
Donations to Charitable and other institutions (includes contribution to political trust - CY - ₹1.00 Cr.; PY - Nil)	1.03	0.02
Expenditure on Corporate Social Responsibility (Refer Note b below)	5.29	2.69
Other Expenses	53.75	50.05
Total	**778.98**	**966.30**
* Includes Stores Consumed	50.34	67.78

(a) Auditor's Remuneration

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
As Auditor:		
Audit Fee	0.43	0.43
Tax Audit Fee	0.05	0.05
Audit of Consolidated Financial Statements	0.05	0.05
In other capacity:		
Certification Engagements	0.08	0.08
Total	**0.61**	**0.61**

Notes to Financial Statements

(b) Corporate Social Responsibility

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Gross amount required to be spent by the Company during the year	4.94	2.67
Amount spent during the year:		
(i) Education	3.71	2.12
(ii) Others	1.58	0.57
Total	**5.29**	**2.69**
Amount spent in Cash	5.13	2.69

Note 27. Exceptional Items

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Profit on Shares tendered through buyback (Refer Note a)	(19.11)	-
Provision for Employee Voluntary Retirement Scheme (Refer Note b)	21.97	-
Provision for Impairment of Investment in Joint Ventures (Refer Note c)	-	12.00
Loss on sale of investment in Joint Venture (Refer Note d)	-	10.75
Reversal of impairment provision in Joint venture (Refer Note d)	-	(13.75)
Total	**2.86**	**9.00**

a. During the year, the Company tendered 49 lakh shares in the Buyback Scheme announced by Shanthi Gears Limited (SGL) to all its eligible shareholders at a consideration of ₹140/- per share, of which, 32.39 lakh equity shares were accepted on a proportionate basis by SGL. The Company received a consideration of ₹45.35 Cr. and recognised a profit of ₹19.11 Cr.

b. During the year, the Company implemented Voluntary Retirement Schemes in certain locations at a cost of ₹21.97 Cr. to improve the productivity and competitiveness of its business.

c. During the previous year, considering the market factors, changes in future project potential and accumulated losses, the company has recognised an impairment loss of around ₹12.00 Cr, in respect of investment made in Joint Venture. Consequently, the total provision for impairment of investment in Joint Venture as at 31st March 2019 and 31st March 2020 amounts to ₹23.50 Cr.

d. During the previous year, the Company has divested its entire shareholding of 1,37,50,000 shares of ₹10/- each in the joint venture company , TI Absolute Concepts Private Ltd. (TIABS) in favour of the joint venture partner, Absolute Speciality Foods Chennai Private Ltd., for an aggregate consideration of ₹3.00 Cr., against the cost of ₹13.75 Cr and has exited the joint venture. The Company had provided impairment for ₹13.75 Cr in 2017-18. Accordingly there was a reversal of impairment provision aggregating to ₹13.75 Cr and loss on sale of investment aggregating to ₹10.75 Cr.

Note 28. Income Tax Expense

The major components of income tax expense for the years ended 31st March 2020 and 31st March 2019 are:

Statement of Profit and Loss

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Current Tax:		
Current income tax charge	115.23	116.29
Adjustments in respect of current income tax of previous years	(5.48)	(2.66)
Deferred Tax:		
Relating to the origination and reversal of temporary differences	(22.44)	4.94
Income Tax expense reported in the Statement of Profit and Loss	**87.31**	**118.57**

Notes to Financial Statements

Other Comprehensive Income(OCI)

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Tax effect on		
(Loss) / Gain on FVTOCI Equity Investments	(0.13)	(0.11)
Re-measurement Gain / (Loss) on Defined Benefit Obligations	(3.37)	(0.84)
Movement on cash flow hedges	(2.37)	2.63
Income Tax charged to OCI	**(5.87)**	**1.68**

Note 29. Reconciliation of Tax Expense and the Accounting Profit multiplied by Corporate Income Tax Rate applicable for 31st March 2020 and 31st March 2019

The Company has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax for the year and re-measured its Deferred tax liability basis the rate prescribed in the said section. If the tax rate had been retained as 34.944%, deferred tax liability for the year and tax charge for the year would have been higher by ₹5.76 Cr. and ₹44.76 Cr. respectively. 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 (25.168%) (PY 34.944%) as follows:

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Accounting Profit before Income Tax	**417.86**	**362.08**
Profit before Income Tax multiplied by Standard Rate of Corporate Tax in India of 25.168% (Previous year: 34.944%)	105.17	126.53
Effects of:		
Benefit u/s 35(2AB) of Income Tax Act, 1961	-	(3.22)
Dividend Income - Exempt from tax	(4.25)	(11.99)
Change in Income Tax Rate	(11.29)	-
Dividend income taxed at Special Rate	-	0.84
Other Disallowances	3.16	5.93
Reversal of provision with respect to prior years	(5.48)	(2.66)
Provision for Impairment of Investments	-	3.14
Net Effective Income Tax	**87.31**	**118.57**

Note 30. 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-2020 ₹ in Crores

Particulars	Cash flow hedge reserve	FVTOCI reserve	Retained Earnings	Total
Foreign Exchange Forward Contracts	(4.17)	-	-	(4.17)
Loss on FVTOCI Financial Assets	-	(0.26)	-	(0.26)
Re-measurement losses on Defined Benefit Plans	-	-	(10.04)	(10.04)
Total	**(4.17)**	**(0.26)**	**(10.04)**	**(14.47)**

Notes to Financial Statements

During the year ended 31-Mar-2019

₹ in Crores

Particulars	Cash flow hedge reserve	FVTOCI reserve	Retained Earnings	Total
Foreign Exchange Forward Contracts	4.91	-	-	4.91
Loss on FVTOCI Financial Assets	-	(2.34)	-	(2.34)
Re-measurement losses on Defined Benefit Plans	-	-	(1.57)	(1.57)
Total	**4.91**	**(2.34)**	**(1.57)**	**1.00**

Note 31. Earnings Per Share

The following reflects the Profit and Share data used in the basic and diluted EPS computations:

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Profit After Tax (₹ in Crores)	330.55	243.51
Weighted average number of Shares *		
- Basic	18,77,88,247	18,69,56,619
- Diluted	18,81,26,842	18,71,60,005
Earning Per Share of ₹1 each		
- Basic	17.60	13.02
- Diluted	17.57	13.01
Weighted average number of Equity Shares in calculating Basic Earnings Per Share	18,77,88,247	18,69,56,619
Dilution - Stock Options granted under ESOP	3,38,595	2,03,386
Weighted average number of Equity Shares in calculating Diluted EPS	18,81,26,842	18,71,60,005

* The weighted average number of shares takes into account the effect of Treasury shares held through Employee welfare trust in the previous year.

Note 32. 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 judgement, which has significant effect on the amounts recognised in the Standalone 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 including Investment in Subsidiaries

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. Revenue from Contract with Customers

The Company estimates variable considerations to be included in the transaction price for the sale of goods with rights of return and volume rebates. The Company's expected volume rebates are analysed on a per customer basis for contracts that are subject to volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer's rebates entitlement and accumulated purchases to date.

iv. Allowances for slow / Non moving Inventory and obsolescence

An allowance for Inventory is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory allowance is estimated taking into account various factors, including prevailing sales prices of inventory item and losses associated with obsolete / slow-moving / redundant inventory items. The Company has, based on these assessments, made adequate provision in the books.

v. 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. In determining the appropriate discount rate, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. 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 35.

vi. 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 41 for further disclosures.

vii. Leases

Determining the lease term of contracts with renewal and termination options - Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

Notes to Financial Statements

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow.

Refer Note 39 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Note 33. Standards issued but not yet effective

There were no Standards issued but not effective as at 31st March 2020.

Note 34. Stock Options

During the year, the Nomination and Remuneration Committee of the Board of Directors of the Company, at its meeting held on 24th July 2019, approved the grant of 38,684 Stock Options to eligible employees of the Company.

In this regard, the Company has recognised expense amounting to ₹3.06 Cr. (Previous Year - ₹4.93 Cr.) for employees services received during the year, shown under Salaries, Wages and Bonus (Refer Note 23).

The movement in Stock Options are given below:

Particulars	Date of Grant	Options outstanding	During the Year 2019-20			Options outstanding	Options vested but not exercised
		As at 31-Mar-2019	Options Granted	Options Cancelled/ lapsed	Options Exercised and allotted	As at 31-Mar-2020	As at 31-Mar-2020
Grant 1	21-Nov-17	29,542	-	18,328	2,250	8,964	8,964
Grant 2	21-Nov-17	-	-	-	-	-	-
Grant 3	21-Nov-17	16,416	-	-	8,208	8,208	8,208
Grant 4	21-Nov-17	-	-	-	-	-	-
Grant 5	21-Nov-17	-	-	-	-	-	-
Grant 6	21-Nov-17	88,610	-	-	39,130	49,480	49,480
Grant 7	12-Feb-18	6,34,535	-	-	1,14,560	5,19,975	2,91,947
Grant 8	12-Feb-18	2,62,200	-	1,04,880	-	1,57,320	62,928
Grant 9	27-Mar-19	62,562	-	-	-	62,562	15,549
Grant 10	24-Jul-19	-	38,684	-	-	38,684	-
Total		**10,93,865**	**38,684**	**1,23,208**	**1,64,148**	**8,45,193**	**4,37,076**

Particulars	Date of Grant	Options outstanding	During the Year 2018-19			Options outstanding	Options vested but not exercised
		As at 31-Mar-2018	Options Granted	Options Cancelled/ lapsed	Options Excercised and allotted	As at 31-Mar-2019	As at 31-Mar-2019
Grant 1	21-Nov-17	46,844	-	-	17,302	29,542	29,542
Grant 2	21-Nov-17	-	-	-	-	-	-
Grant 3	21-Nov-17	16,416	-	-	-	16,416	16,416
Grant 4	21-Nov-17	15,112	-	-	15,112	-	-
Grant 5	21-Nov-17	7,344	-	-	7,344	-	-
Grant 6	21-Nov-17	2,22,610	-	-	1,34,000	88,610	88,610
Grant 7	12-Feb-18	10,86,480	-	4,50,790	1,155	6,34,535	1,78,470
Grant 8	12-Feb-18	2,62,200	-	-	-	2,62,200	52,440
Grant 9	27-Mar-19	-	62,562	-	-	62,562	-
Total		**16,57,006**	**62,562**	**4,50,790**	**1,74,913**	**10,93,865**	**3,65,478**

Notes to Financial Statements

The details of Stock Options granted to certain employees for 2019-20 and 2018-19 are given below:

2019-20	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	-	18,328	2,250	8,964	-	21-Nov-17	1.09
Grant 2	21-Nov-17	17.61	-	-	-	-	-	21-Nov-17	-
Grant 3	21-Nov-17	43.42	-	-	8,208	8,208	-	21-Nov-17	0.83
Grant 4	21-Nov-17	43.42	-	-	-	-	-	21-Nov-17	-
Grant 5	21-Nov-17	13.78	-	-	-	-	-	21-Nov-17	-
Grant 6	21-Nov-17	187.29	-	-	39,130	49,480	-	15-Mar-18	2.96
Grant 7	12-Feb-18	270.20	-	-	1,14,560	2,91,947	2,28,028	Partially vested on 12-Feb19 & 12-Feb-20	3.87
Grant 8	12-Feb-18	270.20	-	1,04,880	-	62,928	94,392		4.87
Grant 9	27-Mar-19	378.25	-	-	-	15,549	47,013	Partially vested on 27-Mar-20	4.50
Grant 10	24-Jul-19	384.20	38,684	-	-	-	38,684	-	5.82
Total			**38,684**	**1,23,208**	**1,64,148**	**4,37,076**	**4,08,117**		

2018-19	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	-	-	17,302	29,542	-	21-Nov-17	2.09
Grant 2	21-Nov-17	17.61	-	-	-	-	-	21-Nov-17	-
Grant 3	21-Nov-17	43.42	-	-	-	16,416	-	21-Nov-17	1.84
Grant 4	21-Nov-17	43.42	-	-	15,112	-	-	21-Nov-17	-
Grant 5	21-Nov-17	13.78	-	-	7,344	-	-	21-Nov-17	-
Grant 6	21-Nov-17	187.29	-	-	1,34,000	88,610	-	15-Mar-18	3.96
Grant 7	12-Feb-18	270.20	-	4,50,790	1,155	1,78,470	4,56,065	Partially vested on 12-Feb-19	4.87
Grant 8	12-Feb-18	270.20	-	-	-	52,440	2,09,760		5.88
Grant 9	27-Mar-19	378.25	62,562	-	-	-	62,562	-	5.50
Total			**62,562**	**4,50,790**	**1,74,913**	**3,65,478**	**7,28,387**		

Notes to Financial Statements

The following tables list the inputs to the Black Scholes model used for the plans for the year ended 31st March 2020:

Particulars	Grant Date	Risk-free Interest Rate % (p.a)	Expected Life (Years)	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 (₹)
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	-	270.20	117.98
Grant 8	12-Feb-18	7.41	5.21	38.19	-	270.20	125.66
Grant 9	27-Mar-19	6.99	4.61	50.72	0.46	378.25	199.60
Grant 10	24-Jul-19	6.24	4.01	49.32	0.65	384.20	167.53

Note 35. 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

A.	Change in defined benefit obligation	31-Mar-2020	31-Mar-2019
1.	Defined benefit obligation at beginning of period	56.71	53.17
2.	Service cost		
	a. Current service cost	3.18	2.99
3.	Interest expenses	4.29	4.25
4.	Cash flows		
	a. Benefit payments from plan	(4.10)	(5.88)
5.	Remeasurements		
	a. Effect of changes in demographic assumptions	6.15	0.63
	b. Effect of experience adjustments	3.44	1.27
6.	Transfer In /Out	(0.07)	0.28
7.	Defined benefit obligation at end of period	69.60	56.71

₹ in Crores

B.	Change in fair value of plan assets	31-Mar-2020	31-Mar-2019
1	Fair value of plan assets at beginning of period	56.79	54.03
2	Interest income	4.76	4.32
3	Cash flows		
	a. Total employer contributions	11.85	4.55
	b. Benefit payments from plan assets	(4.10)	(5.88)
4	Remeasurements		
	a. Return on plan assets (excluding interest income)	(0.53)	(0.51)
5	Transfer In / Out	(0.07)	0.28
6	Fair value of plan assets at end of period	68.70	56.79

Notes to Financial Statements

₹ in Crores

C.	Amounts recognized in the Balance Sheet	31-Mar-2020	31-Mar-2019
1	Defined benefit obligation	69.60	56.71
2	Fair value of plan assets	(68.70)	(56.79)
3.	Funded status	0.90	(0.08)
4.	Net defined benefit liability (asset)	0.90	(0.08)

₹ in Crores

D.	Components of defined benefit cost	31-Mar-2020	31-Mar-2019
1.	Service cost		
	a. Current service cost	3.18	2.99
2.	Net interest cost		
	a. Interest expense on DBO	4.29	4.25
	b. Less - Interest income on plan assets	4.76	4.32
	c. Total net interest cost	(0.47)	(0.07)
3.	Remeasurements (recognized in OCI)		
	a. Effect of changes in financial assumptions	6.15	0.63
	b. Effect of experience adjustments	3.44	1.27
	c. Less - (Return) on plan assets (excluding interest income)	(0.53)	(0.51)
	d. Total remeasurements included in OCI	10.12	2.41
4.	Total defined benefit cost recognized in P&L and OCI	12.83	5.33

₹ in Crores

E.	Re-measurement	31-Mar-2020	31-Mar-2019
	a. Actuarial Loss on DBO	9.59	1.90
	b. Less - Returns above Interest Income	0.53	0.51
	Total Re-measurements (OCI)	10.12	2.41

₹ in Crores

F.	Employer Expense (P&L)	31-Mar-2020	31-Mar-2019
	a. Current Service Cost	3.18	2.99
	b. Interest Cost on net DBO	(0.47)	(0.07)
	c. Total P&L Expenses	2.71	2.92

₹ in Crores

G.	Net defined benefit liability (asset) reconciliation	31-Mar-2020	31-Mar-2019
1.	Net defined benefit asset	(0.08)	(0.86)
2.	Defined benefit cost included in P&L	2.71	2.92
3.	Total remeasurements included in OCI	10.12	2.41
4.	Employer contributions	(11.85)	(4.55)
5.	Net benefit paid from plan assets	-	-
6.	Net defined benefit liability (asset) as of end of period	0.90	(0.08)

₹ in Crores

H.	Reconciliation of OCI (Re-measurement)	31-Mar-2020	31-Mar-2019
1.	Recognised in OCI during the period	10.12	2.41
2.	Recognised in OCI at the end of the period	10.12	2.41

Notes to Financial Statements

₹ in Crores

I.	Sensitivity analysis - DBO end of Period	31-Mar-2020	31-Mar-2019
1.	Discount rate +1%	64.79	52.66
2.	Discount rate - 1%	75.06	61.27
3.	Salary Increase Rate +1%	74.89	61.17
4.	Salary Increase Rate -1%	64.84	52.67
5.	Attrition Rate +1%	69.97	57.40
6.	Attrition Rate -1%	69.21	55.96

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

J.	Significant Actuarial Assumptions	31-Mar-2020	31-Mar-2019
1.	Discount rate Current Year	6.55%	7.85%
2.	Discount rate Previous Year	7.85%	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

₹ in Crores

K.	Data	31-Mar-2020	31-Mar-2019
1.	No.	3,297	3,279
2.	Avg. Age (years)	41	40
3.	Avg. Past Service (years)	14	14
4.	Avg. Sal. Monthly (₹)	25,170	23,863
5.	Weighted average duration of DBO	10	14

₹ in Crores

L.	Expected cash flows for following year	31-Mar-2020	31-Mar-2019
1.	Expected employer contributions / Additional. Provision Next Year	3.39	3.02
2.	Expected total benefit payments		
	Year 1	6.58	4.47
	Year 2 to Year 5	24.25	22.53
	Year 6 to Year 10	35.62	32.32
	More than 10 Years	57.35	57.02

₹ in Crores

M.	Defined benefit obligation at end of period	31-Mar-2020	31-Mar-2019
	Current Obligation	6.38	4.47
	Non-Current Obligation	63.22	52.24
	Total	69.60	56.71

Notes to Financial Statements

SUMMARY			₹ in Crores
	Assets / Liabilities	**31-Mar-2020**	**31-Mar-2019**
1.	Defined benefit obligation at end of period	69.60	56.71
2.	Fair value of plan assets at end of period	68.70	56.79
3.	Net defined benefit liability (asset)	0.90	(0.08)
4.	Defined benefit cost included in P&L	2.71	2.92
5.	Total remeasurements included in OCI	10.12	2.41
6.	Total defined benefit cost recognized in P&L and OCI	12.83	5.33

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. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee. The Company's Provident Fund is exempted under Section 17 of the The Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee.

The Company has obtained the actuarial valuation of interest rate obligation in respect of provident fund and a loss of ₹4.35 Cr. on re-measurement of the defined benefit plan is recognised in financial statements. As at 31st March 2019, the Company had a net asset position and the same was not recorded in the financial statements as these assets are held by the trust and are not the assets of the Company.

The Company has provided ₹3.29 Cr. being the change in re-measurement of the defined benefit plans, in other comprehensive income towards probable incremental employee benefit liability that may arise on the Company on account of any likely shortfall of the Trust in meeting its obligations.

₹ in Crores

A.	Change in defined benefit obligation	31-Mar-20	31-Mar-19
1.	Defined benefit obligation at the beginning of the period	141.98	136.56
2.	Service cost		
	a. Current service cost	7.08	7.35
3.	Interest expenses	12.16	11.12
4.	Employees' Contribution	13.25	13.54
5.	Cash flows		
	a. Benefit payments from plan	(23.09)	(26.99)
6.	Remeasurements		
	a. Effect of changes in demographic assumptions	-	-
	b. Effect of financial adjustments	0.51	-
	b. Effect of experience adjustments	4.86	0.16
7.	Transfer In /Out	1.37	0.24
8.	Defined benefit obligation at end of period	**158.12**	**141.98**

₹ in Crores

B.	Change in Fair Value of Plan Assets	31-Mar-20	31-Mar-19
1.	Fair value of plan assets at beginning of period	143.10	140.58
2.	Interest income	11.10	12.02
3.	Cash flows		
	a. Total employer contributions	7.08	7.35
	b. Benefit payments from plan assets	(23.09)	(26.99)
4.	Employee contributions	13.25	13.54
5.	Remeasurement on Plan assets	0.96	2.98
6.	Transfer In /Out	1.37	(6.38)
7.	Fair value of plan assets at end of period	**153.77**	**143.10**

₹ in Crores

C.	Components of Defined Benefit Cost	31-Mar-20	31-Mar-19
1.	Interest cost on obligation	12.16	11.12
2.	Interest income on Plan assets	(11.10)	(12.02)
3.	Current Service cost	7.08	7.35
4.	Defined Benefit Cost recognized in P&L	**8.14**	**6.45**

₹ in Crores

D.	Remeasurement	31-Mar-20	31-Mar-19
1.	Remeasurements on Plan assets	(0.96)	(2.98)
2.	Remeasurements for Change in financial assumption	0.51	-
3.	Remeasurements towards Experience variance	4.86	0.16
		4.41	**(2.82)**

₹ in Crores

E.	Net Defined Benefit Liability (Asset) Reconciliation	31-Mar-20	31-Mar-19
1.	Net defined benefit asset	(1.12)	(4.02)
2.	Defined benefit cost included in P&L	8.14	6.44
3.	Total remeasurements included in OCI	4.41	(2.82)
4.	Contributions to the fund	(7.08)	(7.35)
5.	Net transfers in	-	6.63
6.	Net Defined Benefit Liability (Asset) at the end of the period	**4.35**	**(1.12)**

₹ in Crores

F.	Proportion of Total Asset Categories	31-Mar-20	Expected Return
1.	Government of India securities	10.22%	7.50%
2.	State Government securities	52.50%	7.50%
3.	High quality corporate bonds	21.61%	8.00%
4.	Equity	3.46%	10.00%
5.	Special Deposits	12.21%	8.00%
6.	Bank balance and others	0.00%	0.00%
7.	Funds managed by Insurer	0.00%	0.00%
	Total	**100.00%**	**7.76%**

Notes to Financial Statements

₹ in Crores

G.	Funded Status	31-Mar-20	31-Mar-19
1.	Fair Value of Plan assets	153.77	143.10
2.	Present value of obligation	158.12	141.98
3.	**Net Liability/(Asset)**	**(4.35)**	**1.12**

₹ in Crores

H.	Current and Non-Current liability	31-Mar-20	31-Mar-19
1.	Current Liability (Less than 1 year)	17.97	9.44
2.	Non-current liability (More than 1 year)	140.15	132.54

₹ in Crores

I.	Sensitivity analysis on Interest rate Guarantee Liability	Liability	Change
1.	Best estimate - Base scenario	8.65	0%
2.	Discount Rate - Increased by 0.5%	8.41	-3%
3.	Discount Rate - Decreased by 0.5%	8.90	3%
4.	Return on Gov.Securities - Increased by 1.00%	0.61	-93%
5.	Return on Gov.Securities - Decreased by 1.00%	7.12	-18%
6.	Return on Equities - Increased by 1.00%	3.68	-57%
7.	Return on Equities - Decreased by 1.00%	4.04	-53%
8.	Return on Bonds - Increased by 1.00%	2.74	-68%
9.	Return on Bonds - Decreased by 1.00%	4.99	-42%

J.	Significant actuarial assumptions	31-Mar-20	31-Mar-19
1.	Discount rate	7.75%	6.65%
2.	Interest rate guarantee	8.65%	8.50%
3.	Attrition Rate	3.0% (AGE 0 - 29) 2.0% (AGE 30 - 39) 1.0% (AGE - 40 - 58)	3.0% (AGE 0 - 29) 2.0% (AGE 30 - 39) 1.0% (AGE - 40 - 58)
4.	Retirement Age	58	58
5.	Pre-retirement mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

₹ in Crores

K.	Membership Data - Summary Statistics	31-Mar-20	31-Mar-19
1.	Number of employees	17,123	17,312
2.	Employee contribution	13.25	13.54
3.	Employer contribution	7.08	7.35
4.	Average attained age	32 years	33 years
5.	Average Past Service	-	-

Notes to Financial Statements

c. Long Term Compensated Absences

The assumption used for computing the long term accumulated compensated absences on actuarial basis are as follows:

₹ in Crores

Assumptions	31-Mar-2020	31-Mar-2019
Discount Rate	6.65%	7.75%
Future Salary Increase (%)	5.00%	5.00%
Attrition Rate	1 to 3%	1 to 3%

d. Contributions to Defined Contribution Plans

During the year, the Company recognised ₹7.21 Cr. (Previous Year - ₹5.05 Cr.) to Provident Fund under Defined Contribution Plan, ₹6.30 Cr. (Previous Year - ₹6.40 Cr.) for Contributions to Superannuation Fund and ₹1.02 Cr. (Previous Year - ₹1.52 Cr.) for Contributions to Employee State Insurance Scheme in the Statement of Profit and Loss.

Note 36a. Contingent Liabilities

₹ in Crores

	Particulars	As at 31-Mar-2020	As at 31-Mar-2019
(i)	Disputed Income-Tax demands under appeal / remand pending before various appellate/ assessing authorities against the Demerged Company (including interest and penalty).	28.94	39.40
(ii)	Disputed Service Tax, Excise and Customs duty demand pertaining to financial years 2001-02 to 2002-2003 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
(iii)	Claims against the Company not acknowledged as debts	1.02	1.02
(iv)	Amounts payable to employees with respect to retrospective applicability of amendments to the Payment of Bonus Act, 1965 in respect of FY 2014-15, pending at High Court under a writ petition. The Management is of the opinion that the above retrospective amendment is not sustainable.	2.61	2.61

Notes:

(a) Draft Assessment Orders received from IT Authorities and Show Cause Notices received from various other government authorities, pending adjudication, have been assessed by the management and considered appropriately in the financial statements.

(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.

Notes to Financial Statements

Note 36b. Commitments

₹ in Crores

	Particulars	As at 31-Mar-2020	As at 31-Mar-2019
(i)	Estimated amount of contracts remaining to be executed on capital expenditure and not provided for	80.45	60.99
(ii)	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.	3.82	4.69

Note 37. 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

d. Creative Cycles (Private) Limited

II. Joint Venture Company

a. TI Tsubamex Private Limited

b. TI Absolute Concepts Private Limited (till 4th June 2018)

III. Company having Significant Influence

a. Ambadi Investments Limited

b. Parry Enterprises India Limited

IV. Key Management Personnel (KMP)

a. Mr. Vellayan Subbiah - Managing Director w.e.f 13th August 2018 (Managing Director Designate till 13th August 2018)

b. Mr. L Ramkumar - Managing Director (Till 13th August 2018)

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 (Till 13th August 2018)

c. Mr. Pradeep V Bhide

d. Mr. S Sandilya (Till 13th August 2018)

e. Ms. Madhu Dubhashi

f. Mr. Ramesh K B Menon

g. Mr. Sanjay Johri (from 14th August 2018)

h. Mr. Mahesh Chhabria (from 5th February 2019)

VI. Post Employment Benefit Funds

a. T.I.I. (Subsidiaries) Employees Provident Fund

b. TI Employees Provident Fund India Ltd

c. Tube Products Of India Employees Provident Fund

Notes to Financial Statements

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	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Services Received	Parry Enterprises India Limited	9.36	6.61
Dividend Paid	Ambadi Investments Limited	29.26	15.36
	Mr. Vellayan Subbaiah	-	0.10
	Mr. M M Murugappan	0.21	0.18
	Mr. Mahesh Chhabria	0.01	-
Dividend Received	Shanthi Gears Limited	16.22	28.65
	Financiere C10 SAS	-	4.78
Proceeds received on Equity Shares tendered for buy back scheme	Shanthi Gears Limited	45.35	-
Sale of Equity Shares	TI Absolute Concepts Private Limited	-	3.00
Sales and Services rendered	Shanthi Gears Limited	2.25	2.25
	Creative Cycles (Private) Limited	0.68	-
	Sedis SAS	18.34	19.85
Purchases and Services received	Shanthi Gears Limited	1.38	0.60
	Sedis SAS	0.22	0.09
	Great Cycles (Private) Limited	1.13	3.11
	Creative Cycles (Private) Limited	7.31	55.89
Purchase of Fixed Asset	TI Tsubamex Private Limited	0.05	-
Remuneration (Refer note i below)	Key Management Personnel	9.23	10.25
Fair value Cost of Stock options granted (Refer note i below)	Key Management Personnel	0.43	0.73
Sitting Fees and Commission	Non executive directors	1.92	1.64
Reimbursement of Expenses - Received	Shanthi Gears Limited	0.74	0.91
Bad debts written off	TI Tsubamex Private Limited	-	1.01
Contribution to Post Employment Benefit Funds	T.I.I.(Subsidiaries) Employees Provident Fund	1.94	2.19
	TI Employees Provident Fund India Ltd	1.96	1.85
	Tube Products Of India Employees Provident Fund	3.19	3.03

₹ in Crores

Balances	Related Party	As at 31-Mar-2020	As at 31-Mar-2019
Payable	Parry Enterprises India Limited	0.18	0.21
	Shanthi Gears Limited	0.13	0.40
	Sedis SAS	0.03	0.06
	Great Cycles (Private) Limited	-	0.38
	Creative Cycles (Private) Limited	-	4.61
	Key Managerial Personnel	2.26	2.35

₹ in Crores

Balances	Related Party	As at 31-Mar-2020	As at 31-Mar-2019
	T.I.I.(Subsidiaries) Employees Provident Fund	0.44	0.42
	TI Employees Provident Fund India Ltd	0.45	0.46
	Tube Products Of India Employees Provident Fund	0.78	0.72
Receivable	Shanthi Gears Limited	0.83	0.02
	Creative Cycles (Private) Limited	0.68	-
	Sedis SAS	0.81	1.57
Advance Paid	Great Cycles (Private) Limited	0.02	-
	Creative Cycles (Private) Limited	0.57	-
Dividend Receivable	Financiere C10 SAS	2.45	4.78

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 2020, the Company has not recorded any impairment of receivables relating to amounts owed by Related Parties.

i) **Details of remuneration to Key Managerial Personnel are given below:**

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
- Salaries and Allowances	5.71	6.46
- Provident Fund and Super Annuation	0.65	0.72
- Perquisites	0.61	0.72
- Incentive	2.26	2.35
- Fair value Cost of Stock options granted	0.43	0.73
- Sitting Fees and Commission paid to Non executive directors	1.92	1.64
Total	**11.58**	**12.62**

The above figures do not include provisions for encashable leave and gratuity as separate actuarial valuation is not available.

Note 38. 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.

Notes to Financial Statements

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

₹ in Crores

PARTICULARS	CYCLES AND ACCESSORIES		ENGINEERING		METAL FORMED PRODUCTS		ELIMINATIONS		TOTAL	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
REVENUE										
External Sales	775.94	1,232.11	1,939.38	2,465.18	1,337.35	1,285.76	-	-	4,052.67	4,983.05
Inter-Segment Sales	-	-	162.29	210.56	1.97	0.33	(164.26)	(210.89)	-	-
Other Operating Revenue	4.91	6.26	156.49	220.23	59.54	73.81	-	-	220.94	300.30
Unallocated Corporate Income	-	-	-	-	-	-	-	-	2.48	2.38
Total Revenue	**780.85**	**1,238.37**	**2,258.16**	**2,895.97**	**1,398.86**	**1,359.90**	**(164.26)**	**(210.89)**	**4,276.09**	**5,285.73**
Unallocated Corporate Expenses net of Income	-	-	-	-	-	-	-	-	13.47	(1.36)
RESULTS										
Operating Profit	25.76	11.27	264.11	253.43	122.83	122.33	-	-	426.17	385.67
Profit / (Loss) on Sale of Property, Plant and Equipment	(0.13)	(0.02)	0.26	0.26	0.29	0.66	-	-	0.42	0.90
Net Operating Profit	**25.63**	**11.25**	**264.37**	**253.69**	**123.12**	**122.99**			**426.59**	**386.57**
Dividend Income	-	-	-	-	-	-	-	-	16.88	34.30
Finance Costs	-	-	-	-	-	-	-	-	(28.79)	(51.68)
Tax Expense	-	-	-	-	-	-	-	-	(87.31)	(118.57)
Exceptional Items										
- Provison/Reversal of Impairment on Investments in Joint Venture (Net)	-	-	-	-	-	-	-	-	-	(9.00)
- Profit on Shares tendered through buyback	-	-	-	-	-	-	-	-	19.11	-
- Provision for Employee Voluntary Retirement Scheme	-	-	(11.42)	-	(10.55)	-	-	-	(21.97)	-
Profit on Sale of Current Investments (Net)	-	-	-	-	-	-	-	-	6.04	1.89
Net Profit	**25.63**	**11.25**	**252.95**	**253.69**	**112.57**	**122.99**	**-**	**-**	**330.55**	**243.51**
ASSETS										
Segment Assets	268.74	479.78	1,016.26	1,129.17	752.05	737.03	(39.36)	(37.10)	1,997.69	2,308.88
Unallocated Corporate Assets	-	-	-	-	-	-	-	-	767.75	661.84
Total Assets	**268.74**	**479.78**	**1,016.26**	**1,129.17**	**752.05**	**737.03**	**(39.36)**	**(37.10)**	**2,765.44**	**2,970.72**
LIABILITIES										
Segment Liabilities	120.59	290.16	377.29	442.52	283.11	286.55	(39.36)	(37.10)	741.63	982.13
Unallocated Corporate Liabilities	-	-	-	-	-	-	-	-	30.46	14.39
Total Liabilities	**120.59**	**290.16**	**377.29**	**442.52**	**283.11**	**286.55**	**(39.36)**	**(37.10)**	**772.09**	**996.52**
OTHER INFORMATION										
Capital Expenditure	1.93	6.27	85.52	83.95	107.43	78.26	-	-	194.88	168.48
Unallocated Corporate Capital Expenditure	-	-	-	-	-	-	-	-	1.99	3.34
Depreciation and Amortisation expense	17.62	14.39	81.60	73.73	56.55	47.94	-	-	155.77	136.06
Unallocated Corporate Depreciation	-	-	-	-	-	-	-	-	4.94	4.14

Notes to Financial Statements

Revenue from external customers

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
India	3,929.08	4,869.40
Outside India	347.01	416.33
Total Revenue per Statement of Profit or Loss	**4,276.09**	**5,285.73**

There are no sales to external customers more than 10% of Total Revenue.

Non-Current operating assets

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
India	1,651.84	1,615.85
Outside India	84.60	84.60
Total	**1,736.44**	**1,700.45**

Reconciliation of Segment assets and liabilities to amounts reflected in the Standalone Financial Statements

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Segment Assets	2,765.44	2,970.72
Add: Derivative Instruments	1.06	9.28
Total Assets	**2,766.50**	**2,980.00**

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Segment Liabilities	772.09	996.52
Add: Deferred Tax Liabilities (Note 14)	13.61	41.92
Add: Long term and Short term Borrowings (Note 13a and Note 15a)	165.93	415.71
Add: Current maturities of Long term Borrowings (Note 15d)	101.97	100.83
Add: Derivative Instruments	0.36	-
Total Liabilities	**1,053.96**	**1,554.98**

Notes to Financial Statements

Note 39. Leases

The Company has lease contracts for Land and Building used for the purpose of Warehouses and Factories. Leases of such assets generally have lease terms between 2 and 95 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Company also has certain leases of machinery with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

The carrying amounts of right-of-use assets recognised and the movements during the period is explained in Note No.4b

Set out below are the carrying amounts of lease liabilities included under financial liabilities and the movements during the period:

Movement of Lease Liability ₹ in Crores

Particulars	As at 31-Mar-2020
Opening Balance	-
Add: Additions during the year	46.18
Add / Less: Accretion of Interest	3.31
Less: Payments during the year	(8.20)
Closing Balance	**41.29**
Current	5.75
Non Current	35.54

Maturity Analysis of Lease Liability

Year Ended	Less than 1 Year	1 - 5 Years	More than 5 Years
31-Mar-2020	8.85	23.31	35.73

The effective interest rate for lease liabilities is 8%.

The following are the amounts recognised in profit or loss:

₹ in Crores

Particulars	Year Ended 31-Mar-2020
Depreciation expense of right-of-use assets	7.32
Interest expense on lease liabilities	3.31
Expense relating to short-term leases (included in other expenses)	6.63
Expense relating to variable leases (included in other expenses)	0.17
Income from right-of-use assets (included in other expenses)	(0.20)
Total	**17.23**

The Company had total cash outflows for leases of ₹14.62 Cr. in 31st March 2020. The Company also had non-cash additions to right-of-use assets and lease liabilities of ₹46.18 Cr. in 31st March 2020. There are no future cash outflows relating to leases that have not yet commenced.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 32).

Notes to Financial Statements

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

Particulars	Within 3 years	More than 3 years	Total
Extension options expected not to be exercised	-	-	-
Termination options expected to be exercised	3.20	-	3.20
Total	**3.20**	**-**	**3.20**

Note 40. 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-2020		As at 31-Mar-2019	
	Assets	Liabilities	Assets	Liabilities
Fair Value of Foreign Exchange Forward Contracts	1.06	0.36	9.28	-

Disclosure of effects of Hedge accounting

As at 31-Mar-2020

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
	Asset	Liability	Asset	Liability					
Foreign Currency Forward Contracts	5	116	51.16	235.15	15-Apr-2020 to 31-Mar-2022	1:1	1 USD - ₹77.47 1 EUR - ₹88.02 1 JPY - ₹0.72	0.83	(0.83)

Cash Flow Hedge	Change in the value of Hedging Instrument recognised in Other Comprehensive Income	Hedge Ineffectiveness 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	1.25	-	(7.79)	Other Expenses

As at 31-Mar-2019

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
	Asset	Liability	Asset	Liability					
Foreign Currency Forward Contracts	37	30	122.10	98.95	02-Apr-2019 to 31-Mar-2021	1:1	1 USD-₹70.70 1 EUR-₹82.26	7.37	(7.37)

Notes to Financial Statements

Cash Flow Hedge	Change in the value of Hedging Instrument recognised in Other Comprehensive Income	Hedge Ineffectiveness 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	6.18	-	1.36	Other Income

Note 41.1. 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-2020	31-Mar-2019	31-Mar-2020	31-Mar-2019
Financial assets				
FVTOCI Investments	16.48	8.60	16.48	8.60
FVTPL Investments	90.00	-	90.00	-
Other Financial Assets - Non Current	17.67	18.24	17.67	18.24
Loans	3.09	1.58	3.09	1.58
Trade Receivables	439.15	528.63	439.15	528.63
Cash & Bank balances	23.53	29.75	23.53	29.75
Derivative Instruments	1.06	9.28	1.06	9.28
Other Financial Assets - Current	19.78	24.37	19.78	24.37
Total	**610.76**	**620.45**	**610.76**	**620.45**
Financial liabilities				
Borrowings - Non-Current	-	101.95	-	100.47
Borrowings - Current	165.93	313.76	165.93	313.76
Trade Payables	630.98	851.33	630.98	851.33
Lease Liability - Non Current	35.54	-	35.54	-
Lease Liability - Current	5.75	-	5.75	-
Derivative Instruments	0.36	-	0.36	-
Other Financial Liabilities - Current	135.11	153.99	135.11	153.99
Total	**973.67**	**1,421.03**	**973.67**	**1,419.55**

The management assessed that Cash and Cash Equivalents, Trade Receivables, Loans, Current Investments, Other 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 41.2. Fair Values Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2020:

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 Investments	16.48	7.56	-	8.92
FVTPL Investments	90.00	90.00	-	-
Foreign Exchange Forward Contracts	1.06	-	1.06	-
Assets for which fair values are disclosed:				
Investment Properties *	7.11	-	-	7.11

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 hierarchy for liabilities as at 31st March 2020:

Particulars	Total	Fair Value Measurement using		
		Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Foreign Exchange Forward Contracts	0.36	-	0.36	-

There have been no transfers between the level 1 and level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2019:

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 Investments	8.60	-	-	8.60
Foreign Exchange Forward Contracts	9.28	-	9.28	-
Assets for which fair values are disclosed:				
Investment Properties *	6.90	-	-	6.90

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 hierarchy for liabilities as at 31st March 2019:

Particulars	Total	Fair Value Measurement using		
		Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Long term Borrowings	100.47	-	100.47	-

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 2020 and 31st March 2019 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 31st March 2020	DCF Model	Discount Rate	15%	5% sensitivity 2019-20- Discount Rate-20%, ₹(2.26) Cr. Discount Rate-10%, ₹4.64 Cr.
Unquoted FVTOCI equity investments As at 31st March 2019	DCF Model	Discount Rate	15%	5% sensitivity 2018-19- Discount Rate-20%, ₹(1.57) Cr. Discount Rate-10%, ₹3.16 Cr.
Investment Property As at 31st March 2020	Professional valuer	Price per Sq. feet	₹4000 - ₹13,000 per Sq. ft.	5% sensitivity 2019-20 - Rate per Sq. ft - 5%, ₹0.36 Cr.
Investment Property As at 31st March 2019	Professional valuer	Price per Sq. feet	₹4000 - ₹13,000 per Sq. ft.	5% sensitivity 2018-19 - Rate per Sq. ft - 5%, ₹0.34 Cr.

Reconciliation of Fair Value Measurement of Unquoted FVTOCI Equity Investments **₹ in Crores**

Unquoted FVTOCI Equity Investments	As at 31-Mar-2020	As at 31-Mar-2019
As at the beginning of the period	8.60	8.75
Re-measurement recognised in OCI	(0.59)	(0.30)
Purchases	0.91	0.15
Sales	-	-
As at the end of the period	**8.92**	**8.60**

Note 42. 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 Company.

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.

As at	Nature	Increase/ (Decrease) in PBT for change in USD rates	Increase/ (Decrease) in PBT for change in EURO rates
31-Mar-2020	Receivables	2.14	0.98
	Payables	(0.93)	(0.01)
31-Mar-2019	Receivables	2.59	1.49
	Payables	(2.07)	(0.27)

Derivative Contracts

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-2020	Derivative Contracts	(0.89)	(1.32)	(1.84)	(9.23)	2.44
31-Mar-2019	Derivative Contracts	0.23	(1.17)	5.73	(4.41)	-

Conversely, 5% depreciation in the USD and Euro rates against the significant foreign currencies as at 31st March 2020 and 31st March 2019 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, of only ₹8.92 Cr. as at 31st March 2020. (As at 31st March 2019 – ₹8.60 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 ₹601.83 Cr. as at 31st March 2020 and ₹611.80 Cr. as at 31st March 2019, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, derivative instruments, mutual fund investments and other financial assets excluding equity investments.

As at 31st March 2020, the company had 110 customers (as at 31st March 2019 - 141 customers) that owed the Company more than ₹1 Crore each and accounted for approximately 99% (as at 31st March 2019 - 94%) of the total trade receivables outstanding. There were 9 customers (as at 31st March 2019 - 10 Customers) with balances greater than ₹10 Crores accounting for around 31% of the trade receivables (Previous year – 27%).

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, ₹70.88 Cr. (Previous year – ₹73.02 Cr.) is backed by Export Credit Guarantee Cover / Letter of Credit as at 31st March 2020.

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 also invests 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 2020, the Company has undrawn committed lines of ₹359.07 Cr. (As at 31st March 2019 - ₹211.24 Cr.)

The table below provides details regarding the contractual maturities of financial liabilities based on Contractual undiscounted payments:

Particulars	On demand	Less than 3 months	3 to 12 months	> 1 year	Total
Year Ended 31-Mar-2020					
Borrowings	0.03	165.90	107.56	-	273.49
Other Financial Liabilities	1.89	31.25	-	-	33.14
Trade and Other Payables	80.23	543.74	7.01	-	630.98
Derivatives	-	-	-	0.36	0.36
Lease Liabilities	-	2.26	6.59	59.04	67.89
Total	**82.15**	**743.15**	**121.16**	**59.40**	**1,005.86**
Year Ended 31-Mar-2019					
Borrowings	64.56	175.02	189.30	107.59	536.47
Other Financial Liabilities	0.88	52.28	-	-	53.16
Trade and Other Payables	200.09	647.95	3.29	-	851.33
Total	**265.53**	**875.25**	**192.59**	**107.59**	**1,440.96**

Notes to Financial Statements

Note 43. 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**

Particulars	**As at 31-Mar-2020**	**As at 31-Mar-2019**
Borrowings		
- Long term	-	101.95
- Short term	165.93	313.76
- Other Current liabilities (Current maturities of Long term Borrowing)	101.97	100.83
Total Debt	**267.90**	**516.54**
Equity Share Capital	18.79	18.77
Other Equity	1,693.75	1,406.25
Equity	**1,712.54**	**1,425.02**
Debt Equity ratio	**0.16**	**0.36**

Note 44. Previous Year's figures

The Company has reclassified / regrouped previous year figures to conform to this year's classification.

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
27th May 2020

On behalf of the Board
For **Tube Investments of India Limited**

S Vellayan
Managing Director

M M Murugappan
Chairman

K Mahendra Kumar
Chief Financial Officer

S Suresh
Company Secretary

Independent Auditor's Report

To the Members of Tube Investments of India Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

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 its joint ventures comprising of the Consolidated Balance sheet as at March 31 2020, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

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 Companies Act, 2013, as amended ("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 and its joint ventures as at March 31, 2020, their Consolidated profit including other comprehensive income, their Consolidated cash flows and the Consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 4b of the Consolidated Financial Statement which describes the impact of Covid-19 pandemic, and its possible consequential implications, on the Group's operations. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Ind AS financial statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Timing of Revenue recognition (as described in Note 5.12 and Note 21 of the Consolidated Ind AS financial statements)</td></tr>
<tr><td>The Holding Company has 3 operating segments, namely, Cycles and Accessories Segment, Engineering Segment and Metal Formed Products Segment. The type of customers varies across these segments, ranging from small dealers and Government in respect of the Cycles Segment to Original Equipment Manufacturers and Industrial Customers in respect of the Metal Formed Products and Engineering Segments.

The Holding Company recognizes revenue from sale of goods at a point in time based on the terms of the contract with customers which may vary case to case. Terms of sales arrangements with various customers within each of the operating segments, including Incoterms determine the timing of transfer of control and require judgment in determining timing of revenue recognition.

Due to the judgement relating to determination of point of time in satisfaction of performance obligations with respect to sale of products, this matter is considered as Key Audit Matter.</td><td>Our audit procedures included:
We understood the Holding Company's revenue process, including design and implementation of controls and tested the operating effectiveness of the controls in relation to revenue recognition.
We read and understood the Holding Company's accounting policy for revenue recognition.
On a sample basis, we tested contracts with customers, including Incoterms, purchase orders issued by customers, and sales invoices raised by the Holding Company to determine the timing of transfer of control and the timing of revenue recognition in respect of such contracts.
We performed various analytical procedures to identify any unusual trends for further testing.
We analyzed revenue transactions near the reporting date duly considering the closure of operations on account of COVID-19 and tested whether the revenue was recognized in the appropriate period with reference to shipping records, sales invoices etc for sample transactions and also tested the management assessment involved in this process, wherever applicable.</td></tr>
<tr><td colspan="2">Existence of Inventories and allowance of Slow / Non-Moving Inventory and Obsolescence (as described in Note 5.11 and Note 10 of the Consolidated Ind AS financial statements)</td></tr>
<tr><td>Inventories pertaining to the Holding Company represent 13% of total assets of the Group as at March 31, 2020. Such inventories is held across various factories and warehouses as at the reporting date. Considering the number of locations and the level of inventory held across its factories and warehouses, as well as the physical verification of these inventories at these locations are conducted on different dates, the risk of existence of such inventory and the identification of non-moving, obsolete / damaged inventory is a significant area of audit importance.

The inventory valuation also requires management estimates towards write-down of inventory items to its net realizable value (wherever applicable) and allowance for slow moving or non-moving inventory including obsolescence.

Considering the relative significance of the Inventory to the Consolidated Financial Statements, we have considered the existence of Inventory and allowance of slow / non-moving inventory and obsolescence as key audit matter.</td><td>Our audit procedures included:
We tested the existence of inventories consisting of testing the relevant internal controls, including in specific the testing of the inventory physical verification process that is performed annually by management at various locations. Further the testing of automated recording of revenue and purchase transactions in the IT system (three-way-match) were tested by our IT specialists.
We observed the physical verification of Inventory conducted by management at certain locations selected by us. Our procedures in this regard included:
- Inquiring that the stock count instructions were sent by management personnel to appropriate personnel in the relevant location and steps taken by management to ascertain the existence of inventory on the date of the count (including identification of non-moving and obsolete / damaged inventory);</td></tr>
</table>

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td></td><td>- Performing independent inventory counts on sample basis and reconciling the same to the management counts;
- On a sample basis, we tested the reconciliation of the differences in inventory quantity between the physical count and the books of accounts, including accounting of such variance basis management approval; and
- We performed roll-forward procedures on sample basis from date of count to the reporting date as the physical verification of inventory was undertaken by management on different dates across various locations during the year.
• On a sample basis, we performed testing of purchase and revenue transactions near the reporting date to assess whether transactions were recorded in the correct period by testing shipping records, sales / purchase invoices (as applicable).
• We tested whether the adjustments to bring down the cost of inventory items to their net realisable value and allowance for slow moving or non-moving inventory and obsolescence at the reporting date is appropriate by assessing the methodology and assumptions adopted by management in this regard including the related adjustments by testing a sample of inventory items as at the reporting date.</td></tr>
<tr><td colspan="2">Valuation of inventory Work in Progress (as described in Note 5.11 and Note 10 of the Consolidated Ind AS financial statements)</td></tr>
<tr><td>The auditors of Shanthi Gears Limited, a subsidiary of the Holding Company have reported Valuation of inventory work in progress as a Key Audit Matter.

The valuation of inventory work in progress are complex as it includes inputs for overheads from various process, each overhead is allocated to inventory work in progress based on different basis for allocation. Inventory work in progress are valued at lower of cost or net realizable value, and is dependent on establishing appropriate valuation processes. Management uses Information Technology System (Oracle) for calculating and apportioning the overheads cost in inventory work in progress.</td><td>The procedures performed by the auditors of Shanthi Gears Limited, as reported by them, was a combination of test of internal controls and substantive procedures which included the following:
• Obtained an understanding of the determination and allocation of the overheads values to inventory work in progress and assessed and tested the appropriateness of capturing the overhead from various process, basis of allocation of overheads.
• Evaluated the design of internal controls relating to the overhead allocation in inventory work in progress and tested the operating effectiveness of the controls relating to overhead allocation of inventory work in progress. Tested the controls placed in Information Technology for overheads allocation in inventory work in progress using the experts.</td></tr>
</table>

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td></td><td>Traced on a sample basis, the cost of overheads considered for inventory work in progress to the actual cost of expenses accounted in the financial statements.
Verified on a sample basis, the cost of inventory and sales value agreed for inventory in the sales contract.
Verified on a sample basis, the evidences to support inventory is held at lower of cost and net realizable value by auditing the excess and obsolete provisions held against inventory.
Used Information technology expert to validate the Information system configurations that are relevant to allocation of overheads to the inventory work in progress.</td></tr>
<tr><td colspan="2">Significant judgement relating to assessment of impairment of Goodwill (as described in Note 2; Note 5.2 and Note 6d of the Consolidated Ind AS Financial Statements)</td></tr>
<tr><td>As at March 31, 2020, the Group has goodwill of Rs. 309.22 Crores on consolidation pertaining to historical acquisitions.

The management assesses at least annually the existence of impairment of goodwill in accordance with Ind AS 36. Further in respect one subsidiary, there has been a decrease in the fair value of shares requiring such consideration in the overall Impairment assessment.

Considering the complexity of the assumptions used in the impairment assessment of goodwill, judgement required for estimating the future cash flows and the related uncertainties involved due to COVID-19 situation, this has been considered as a Key Audit Matter.</td><td>Our audit procedures included:
We obtained an understanding of the Group's policy on assessment of impairment on Goodwill and assumptions used by the management including design and implementation of Controls. Testing the operating effectiveness of these controls.
We assessed the methodology used by the management to estimate the recoverable value of goodwill and consistency with accounting standards.
We analyzed and examined the business plans approved along with assumptions and estimates used by management including the effect of COVID-19 on its projections.
We Compared projections with historical performance of the Subsidiary to assess the appropriateness of Business Plans.
We assessed the recoverable value headroom by performing sensitivity testing of key assumptions used.
We tested the arithmetical accuracy of the models prepared by the management.
We assessed the appropriateness of the related disclosures in Note 6d to the Consolidated Ind AS financial statements.</td></tr>
</table>

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Consolidated Ind AS financial statements and our auditor's report thereon.

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

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

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS financial statements in terms of the requirements of 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 the 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. The respective Board of Directors of the companies included in the Group and 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; 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 Consolidated Ind AS 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.

In preparing the Consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures of which we are the independent auditors, to express an opinion on the Consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the Consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of 7 subsidiaries (including 3 Sub subsidiaries), whose Ind AS financial statements include total assets of Rs. 560.87 Crores as at March 31, 2020, and total revenues of Rs. 508.44 Crores and net cash outflows/(inflows) of Rs. 11.72 Crores for the year ended on that date. These Ind AS financial statement 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 profit of Rs. Nil for the year ended March 31, 2020, as considered in the Consolidated Ind AS financial statements, in respect of 1 joint venture, 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 venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture, is based solely on the report(s) of such other auditors.

Our opinion above on the Consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, 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.

Our opinion above on the Consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, 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.

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 report 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 purposes 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, the 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 Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 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, none of the directors of the Group's companies, and its joint ventures, incorporated in India, is disqualified as on March 31, 2020 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 with reference to these Consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, and joint ventures, incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company, its subsidiaries and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) 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, as amended, 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 joint ventures in its Consolidated Ind AS financial statements – Refer Note 35a 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 March 31, 2020;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and joint ventures, incorporated in India during the year ended March 31, 2020.

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

per Subramanian Suresh
Partner
Membership Number: 083673
UDIN: 20083673AAAAAV7504
Place of Signature: Chennai
Date: May 27, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF TUBE INVESTMENTS OF INDIA LIMTED

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

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 March 31, 2020, 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 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 with reference to these Consolidated Ind AS financial statements 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 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 with reference to these Consolidated financial statements 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 over financial reporting with reference to these Consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements, 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 Consolidated Ind AS 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 over financial reporting with reference to these Consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these Consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS 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 Consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements were operating effectively as at March 31, 2020, 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.

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: May 27, 2020

Consolidated Balance Sheet

₹ in Crores

Particulars	Notes	As at 31-Mar-2020	As at 31-Mar-2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	6a	1,120.48	1,097.57
Right-of-use assets	6b	62.07	-
Capital Work-in-Progress		58.49	68.86
Investment Property	7	12.10	12.02
Intangible Assets	6c	10.73	10.11
Goodwill on Consolidation	6d	309.22	309.13
Financial Assets			
(a) Investments	8a	44.15	22.76
(b) Other Financial Assets	8b	28.71	29.64
(c) Derivative Instruments		-	2.12
Deferred Tax Assets	16	10.57	9.80
Non-Current Tax Assets		29.43	21.13
Other Non-Current Assets	9	43.19	52.05
		1,729.14	**1,635.19**
Current Assets			
Inventories	10	558.62	814.79
Financial Assets			
(a) Loans	11a	3.13	1.63
(b) Trade Receivables	11b	524.64	648.13
(c) Investments	11c	141.65	109.69
(d) Derivative Instruments		1.06	7.16
(e) Cash and Cash Equivalents	11d	34.99	33.47
(f) Bank Balances other than (e) above	11e	2.82	22.54
(g) Other Financial Assets	11f	31.17	24.27
Current Tax Assets		1.53	-
Other Current Assets	12	62.09	62.32
		1,361.70	**1,724.00**
Total Assets		**3,090.84**	**3,359.19**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	18.79	18.77
Other Equity	14	1,714.91	1,456.63
Equity Attributable to equity holders of the Parent		**1,733.70**	**1,475.40**
Non-Controlling Interests	39	72.58	96.20
Total Equity		**1,806.28**	**1,571.60**
Non-Current Liabilities			
Financial Liabilities			
(a) Long Term Borrowings	15a	15.79	122.91
(b) Lease Liabilities	15b	37.09	-
(c) Derivative Instruments		0.36	-
Long term Liabilities	15c	-	9.00
Deferred Tax Liabilities	16	18.14	47.91
		71.38	**179.82**
Current Liabilities			
Financial Liabilities			
(a) Short Term Borrowings	17a	253.64	387.55
(b) Trade Payables	17b		
- total outstanding dues of micro enterprises and small enterprises		3.99	0.75
- total outstanding dues of creditors other than micro enterprises and small enterprises		691.95	928.14
(c) Lease Liabilities	38	5.75	-
(d) Other Financial Liabilities	17c	136.30	154.87
Government Grants	20c	3.57	3.21
Short Term Provisions	18	63.98	73.51
Other Current Liabilities	19	54.00	59.74
		1,213.18	**1,607.77**
Total Liabilities		**1,284.56**	**1,787.59**
Total Equity and Liabilities		**3,090.84**	**3,359.19**
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

per **Subramanian Suresh**
Partner
Membership No : 083673

Chennai
27th May 2020

On behalf of the Board
For **Tube Investments of India Limited**

S Vellayan
Managing Director

M M Murugappan
Chairman

K Mahendra Kumar
Chief Financial Officer

S Suresh
Company Secretary

Consolidated Statement of Profit and Loss

₹ in Crores

Particulars	Notes	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Revenue from Contracts with Customers	21		
Revenue from Operations		4,520.30	5,461.94
Other Operating Revenues		230.09	311.11
		4,750.39	**5,773.05**
Other Income	22	62.32	53.65
Total Income		**4,812.71**	**5,826.70**
Expenses			
Cost of Materials Consumed	23	2,425.47	3,328.92
Purchase of Stock-in-Trade - Cycles/Components and Metal Formed Products		135.50	243.06
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	142.83	(38.60)
Employee Benefits Expense	25	587.40	605.37
Depreciation and Amortisation Expense	26	185.27	161.58
Finance Costs	27	30.37	52.82
Other Expenses	27a	880.69	1,090.06
Total Expenses		**4,387.53**	**5,443.21**
Profit Before Share of Loss from Joint Ventures, exceptional items and Tax		**425.18**	**383.49**
Share of Loss from Joint Ventures (net of tax)		-	(8.85)
Profit Before Exceptional Items and Tax		**425.18**	**374.64**
Exceptional Items	27b	(21.97)	3.00
Profit Before Tax		**403.21**	**377.64**
Income Tax Expense	28		
- Current Year		119.85	122.79
- Adjustment of tax relating to earlier years		(5.48)	(2.66)
- Deferred Tax (Net) (Refer Note 16)		(24.43)	6.68
		89.94	**126.81**
Profit for the year (I)		**313.27**	**250.83**
Other Comprehensive Income:	29		
Other Comprehensive Income to be reclassified to Statement of Profit and Loss in subsequent periods:			
Movement on Cash Flow Hedges		(6.54)	7.54
Income Tax Effect		2.37	(2.63)
		(4.17)	**4.91**
Exchange Difference on Translation of Foreign Subsidiaries		3.04	0.09
Income Tax Effect		(0.13)	(0.03)
		2.91	**0.06**
Other Comprehensive Income not to be reclassified to Statement of Profit and Loss in subsequent periods:			
Re-measurement Loss on Defined Benefit Obligations (Net)		(14.21)	(2.16)
Income Tax Effect		3.74	0.77
		(10.47)	**(1.39)**
Net Loss on FVTOCI Equity Securities		(0.39)	(2.45)
Income Tax Effect		0.13	0.11
		(0.26)	**(2.34)**
Other Comprehensive Income/(Loss) for the Year, Net of Tax (II)		**(11.99)**	**1.24**
Total Comprehensive Income for the Year, Net of Tax (I + II)		**301.28**	**252.07**
Profit for the year attributable to :			
- Equity holders of the Parent Company		306.34	240.42
- Non-Controlling Interest		6.93	10.41
Other Comprehensive Income for the year attributable to :			
- Equity holders of the Parent Company		(11.60)	1.19
- Non-Controlling Interest		(0.39)	0.05
Total Comprehensive Income for the year attributable to :			
- Equity holders of the Parent Company		294.74	241.61
- Non-Controlling Interest		6.54	10.46
Earnings Per Equity Share of ₹1 each	30		
Basic		16.31	12.86
Diluted		16.28	12.85

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

S Vellayan
Managing Director

M M Murugappan
Chairman

Chennai
27th May 2020

K Mahendra Kumar
Chief Financial Officer

S Suresh
Company Secretary

Consolidated Statement of Changes in Equity

a. Equity Share Capital:

Particulars	No. of shares	₹ in Crores
As at 31st March 2018		
Equity shares of ₹1 each issued, subscribed and fully paid	**18,75,36,368**	**18.75**
Issue of Share Capital	1,74,913	0.02
As at 31st March 2019		
Equity shares of ₹1 each issued, subscribed and fully paid	**18,77,11,281**	**18.77**
Issue of Share Capital	1,64,148	0.02
As at 31st March 2020	**18,78,75,429**	**18.79**

b. Other Equity

For the year ended 31st March 2020

Particulars	Reserves and Surplus							Items of OCI				Total Other Equity	Non-Controlling Interest (NCI) (Note 39)	Total Other Equity and NCI
	Securities Premium (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)	Treasury Shares (Note 14)	Foreign Currency Translation Reserve (Note 14)	FVTOCI Reserve (Note 14)			
As at 1st April 2019	3.60	7.95	1,019.72	50.00	0.01	0.49	361.77	4.79	(0.25)	4.25	4.30	**1,456.63**	96.20	**1,552.83**
Profit for the Year	-	-	306.34	-	-	-	-	-	-	-	-	**306.34**	6.93	**313.27**
Other comprehensive income for the Year (Note 29)	-	-	(9.71)	-	-	-	-	(4.17)	-	3.02	(0.74)	**(11.60)**	(0.39)	**(11.99)**
Receipt of subsidy	-	-	-	-	-	0.11	-	-	-	-	-	**0.11**	-	**0.11**
Exercise of share options	5.33	(2.06)	0.16	-	-	-	0.42	-	-	-	-	**3.85**	-	**3.85**
Share-based payments	-	3.18	-	-	-	-	-	-	-	-	-	**3.18**	-	**3.18**
Payment to NCI on account of Buyback of equity shares of Subsidiary (Refer Note 14a)	-	-	-	-	-	-	-	-	-	-	-	**-**	(24.65)	**(24.65)**
Net effect of change in Holding on account of Buyback of equity shares by Subsidiary (Refer Note 14a)	-	-	-	-	-	-	(2.68)	-	-	-	-	**(2.68)**	2.68	**-**
DRR transferred to Retained Earnings (Net)	-	-	25.00	(25.00)	-	-	-	-	-	-	-	**-**	-	**-**
Dividend and Dividend Distribution Tax paid during the year	-	-	(97.73)	-	-	-	-	-	-	-	-	**(97.73)**	(8.19)	**(105.92)**
Adjustment relating to Employee benefit trust (Refer Note 14i)	-	-	56.56	-	-	-	-	-	0.25	-	-	**56.81**	-	**56.81**
As at 31st March 2020	**8.93**	**9.07**	**1,300.34**	**25.00**	**0.01**	**0.60**	**359.51**	**0.62**	**-**	**7.27**	**3.56**	**1,714.91**	**72.58**	**1,787.49**

Consolidated Statement of Changes in Equity

For the year ended 31st March 2019

Particulars	Reserves and Surplus							Items of OCI				Total Other Equity	Non-Controlling Interest (NCI) (Note 39)	Total Other Equity and NCI
	Securities Premium (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)	Treasury Shares (Note 14)	Foreign Currency Translation Reserve (Note 14)	FVTOCI Reserve (Note 14)			
As at 1st April 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**
Effect of adoption of Ind AS 115	-	-	(0.49)	-	-	-	-	-	-	-	-	**(0.49)**	-	**(0.49)**
Profit for the Year	-	-	240.42	-	-	-	-	-	-	-	-	**240.42**	10.41	**250.83**
Other comprehensive income for the Year (Note 29)	-	-	(1.44)	-	-	-	-	4.91	-	0.06	(2.34)	**1.19**	0.05	**1.24**
Receipt of subsidy	-	-	0.32	-	-	-	-	-	-	-	-	**0.32**	-	**0.32**
Exercise of share options	3.50	(2.41)	1.49	-	-	-	-	-	-	-	-	**2.58**	-	**2.58**
Share-based payments	-	4.93	-	-	-	-	-	-	-	-	-	**4.93**	-	**4.93**
Sale of FVTOCI Investments	-	-	1.47	-	-	-	-	-	-	-	-	**1.47**	-	**1.47**
DRR transferred to Retained Earnings (Net)	-	-	62.50	(62.50)	-	-	-	-	-	-	-	**-**	-	**-**
Dividend and Dividend Distribution Tax paid during the year	-	-	(50.91)	-	-	-	-	-	-	-	-	**(50.91)**	(14.74)	**(65.65)**
Adjustment relating to Employee benefit trust (Refer Note 14i)	-	-	3.81	-	-	-	-	-	(0.25)	-	-	**3.56**	-	**3.56**
As at 31st March 2019	**3.60**	**7.95**	**1,019.72**	**50.00**	**0.01**	**0.49**	**361.77**	**4.79**	**(0.25)**	**4.25**	**4.30**	**1,456.63**	**96.20**	**1,552.83**

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
27th May 2020

On behalf of the Board
For **Tube Investments of India Limited**

S Vellayan
Managing Director

M M Murugappan
Chairman

K Mahendra Kumar
Chief Financial Officer

S Suresh
Company Secretary

Consolidated Cash Flow Statement

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
A. Cash Flow from Operating Activities:		
Profit Before Tax	**403.21**	**377.64**
Less : Share of Loss from Joint Ventures (net of tax)	-	(8.85)
Profit Before Tax	**403.21**	**386.49**
Adjustments to reconcile Profit Before Tax to Net Cash Flows:		
Depreciation on Property, Plant and Equipment	171.46	160.62
Depreciation on Right-of-use assets	12.64	-
Depreciation on Investment Properties	0.16	0.19
Amortisation of Intangible assets	1.01	0.77
Share based payment expenses	3.18	4.93
Profit on Property Plant and Equipment sold/discarded (Net)	(5.29)	(7.62)
Profit on Sale of Investments carried at FVTPL	(6.10)	(3.94)
Impairment allowance for receivables and advances (Net) (includes bad debts written off)	6.84	2.18
Net Foreign Exchange differences including impact of foreign currency translation	1.50	7.83
Finance Income (including Fair Value changes in Financial Instruments)	(2.23)	(5.69)
Finance Costs	30.37	52.82
Liabilities / Provisions no longer payable written back	(9.70)	(1.75)
Provision for Impairment of Investments	-	(3.26)
Loss on sale of joint venture	-	0.26
Dividend Income	(4.85)	(7.56)
Operating Profit before Working Capital / Other Changes	**602.20**	**586.27**
Adjustments for :		
(Decrease) / Increase in Long Term Liabilities	(7.62)	9.00
(Decrease) / Increase in Provisions and Government Grants	(34.22)	0.76
(Decrease) in Trade and Other Payables	(231.46)	(16.20)
(Decrease) / Increase in Other Financial Liabilities	(4.16)	2.09
(Decrease) in Other Current Liabilities	(5.68)	(2.74)
Decrease / (Increase) in Other Non-Current Assets	10.19	(24.72)
Decrease in Other Financial and Current Assets	6.44	76.03
Decrease in Trade and Other Receivables	126.18	31.70
Decrease / (Increase) in Inventories	256.53	(50.56)
Cash Generated From Operations	**718.40**	**611.63**
Income Tax paid (Net of refunds)	(122.34)	(118.24)
Net Cash Flow from Operating Activities	**596.06**	**493.39**

Consolidated Cash Flow Statement

₹ in Crores

Particulars		Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
B.	**Cash Flow from Investing Activities:**		
	Capital Expenditure (Including Capital Work In Progress and Capital Advances)	(221.90)	(194.19)
	Proceeds from Sale of Property, Plant and Equipment	2.80	10.70
	(Purchase) of Current Investments (Net) (Refer Note 11c)	(32.56)	(9.25)
	Sale of Non Current Investments	-	2.56
	(Purchase) of Non Current Investments	(21.78)	-
	Proceeds / (Investment) in deposits having a original maturity of more than 3 months (Net)	19.96	(21.56)
	Receipt of Subsidy	-	0.32
	Interest Income received	2.74	8.22
	Dividend received	4.85	7.56
	Net Cash Used in Investing Activities	**(245.89)**	**(195.64)**
C.	**Cash Flow from Financing Activities: (Refer Note 11d)**		
	Proceeds from issue of shares	3.99	2.61
	Repayment of Long Term Borrowings	(105.24)	(258.75)
	Proceeds / (Repayment) from Short Term Borrowings (Net) (Refer Note 17a)	(69.20)	104.50
	Buy back of equity shares in respect of Non-controlling interest in Subsidiary	(24.65)	-
	Proceeds from sale of Treasury Shares	56.81	-
	Payment of Lease Liabilities	(11.81)	-
	Finance Costs Paid	(28.10)	(63.08)
	Dividends Paid (Including Net Dividend Distribution Tax)	(105.92)	(65.65)
	Net Cash Used in Financing Activities	**(284.12)**	**(280.37)**
	Net Increase in Cash and Cash Equivalents [A+B+C]	66.05	17.38
	Cash and Cash Equivalents at the Beginning of the Year	**(31.09)**	**(48.47)**
	Cash and Cash Equivalents at the End of the Year (Refer Note 11d)	**34.96**	**(31.09)**

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
27th May 2020

On behalf of the Board
For **Tube Investments of India Limited**

S Vellayan
Managing Director

M M Murugappan
Chairman

K Mahendra Kumar
Chief Financial Officer

S Suresh
Company Secretary

Notes to Consolidated Financial Statements

1. Corporate Information

General Information

Tube Investments of India Limited ("the Company") with CIN No: L35100TN2008PLC069496, 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") approved by NCLT (National Company Law Tribunal), the Manufacturing Business Undertaking of the Demerged Company was vested in / transferred to the Company with effect from 1st August 2017 and the appointed date was 1st April 2016. The name of the Company was changed to "Tube Investments of India Limited" (Resulting Company).

The Consolidated Financial Statements ("CFS") relates to Tube Investments of India Limited ("the Company"), its Subsidiary Companies (together, "the Group").

The Group has several manufacturing locations and has four product segments namely, Cycles and Accessories, Engineering, Metal Formed Products and Gear and Gear 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 and TI Tsubamex Private Limited.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on 27th May 2020.

2. Principles of Consolidation

The financial statements of the subsidiaries and joint ventures used in the Consolidation are drawn 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 gives 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

Notes to Consolidated Financial Statements

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 off 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 (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. 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.

Notes to Consolidated Financial Statements

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 2020	As at 31st March 2019
Financiere C10 SAS (FC 10)	Subsidiary – Metal Formed Products	31st December	France	100.00%	100.00%
Subsidiaries of FC 10					
- Sedis SAS			France		
- Sedis GmbH			Germany		
- Sedis Co. Ltd			United Kingdom		
Shanthi Gears Limited (SGL)	Subsidiary – Gear and Gear Products	31st March	India	70.47%	70.12%
Great Cycles (Private) Limited	Subsidiary – Cycles and Accessories	31st March	Sri Lanka	80.00%	80.00%
Creative Cycles (Private) Limited	Subsidiary – Cycles and Accessories	31st March	Sri Lanka	80.00%	80.00%
TI Tsubamex Private Limited (TTPL)	Joint Venture – Manufacture of Dies	31st March	India	78.33%	78.33%

4. Basis of Preparation

a) 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.

The consolidated financial statements are presented in INR, which is its functional currency and all values are rounded to the nearest crore, except when otherwise indicated.

b) Impact of COVID-19 Pandemic

The outbreak of COVID-19 pandemic and the resulting lockdown enforced from 23rd March 2020 has affected the Group's regular operations. Accordingly, the Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, goodwill, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these consolidated financial statements has used internal and external information which are relevant in determining sources on the expected future performance of the Group. The Group has evaluated its liquidity position, recoverability of such assets and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's consolidated financial statements may differ from that estimated as at the date of approval of these consolidated 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 intended 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;

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.

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 Group has determined its operating cycle as twelve months for the above purpose of classification as current and 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 to 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.

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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 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 re-measured 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 (Refer Note 41.1).

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 (Refer Note 41.2).

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 and cash equivalents comprise 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 are as defined above, net of outstanding bank overdrafts as they are considered an integral part of the cash management of the Group.

5.7 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated 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 is 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 de-recognition of the asset (calculated as the difference between the net disposal proceeds

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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 (Refer Note 5.19).

Pursuant to transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment as per the previous GAAP as its deemed cost on the transition date.

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, net of accumulated impairment loss if any. Cost comprises direct cost and attributable interest. Once it becomes available for use, their cost is re-classified to appropriate caption and subjected to depreciation.

5.8 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

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.

Pursuant to transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties as per the previous GAAP as its deemed cost on the transition date.

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 de-recognition.

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 calculations 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 five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth 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.

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 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.

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.

Cost of traded goods includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

5.12 Revenue from Contracts with Customers

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, 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.

However, Goods and Services tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by

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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 and Services:

Revenue from sale of goods is recognised when control of the goods is transferred to the Customers. The normal credit term is 30 to 120 days from the invoice date. 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.

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

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.

Contract Balances:

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the Customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade Receivable represents the Group's right to an amount of consideration that is unconditional. Refer to accounting policies of financial assets in Note 5.28.A.

Contract liability is the obligation to transfer goods or services to a Customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Cost to obtain a contract:

The Group pays sales commission to agents for obtaining the contract. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions because the amortisation period of the asset that the Group otherwise would have used is one year or less.

Warranty obligations:

The Group provides warranties for certain products and these warranties are accounted for under Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in Note 5.22 - Provisions and Contingencies.

5.13 Other Income

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.

Royalty Income:

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

5.14 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.

5.15 Employee Benefits

I. Defined Contribution Plans

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 Plans

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.

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

Eligible employees of the Group receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Group make monthly contributions to the provident

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fund plan equal to a specified percentage of the covered employee's salary. The Group contributes a portion to the Group's Employee Provident Fund Trusts. The trust invests in specific designated instruments as permitted by the Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which annual interest is payable to the beneficiaries by the trust is administered by the government. 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.

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 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.

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.

5.16 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment. Right-of-use assets mainly consists of land and building, having a lease term of 2 to 95 years.

b) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in financial liabilities.

c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Operating Lease as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

5.17 Foreign Currency Transactions

Initial recognition

Transactions in foreign currencies entered are accounted at the exchange rates prevailing on 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.

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

The translation of financial statements of the foreign subsidiaries from their respective functional currencies to the presentation currency (INR) is performed for assets and liabilities using the exchange rates prevailing at the reporting date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under OCI.

When a subsidiary is disposed of, in full, the relevant amount is transferred to net profit in the consolidated statement of profit and loss. However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Any goodwill arising in the acquisition / business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets

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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.

5.18 Derivative Instruments and Hedge Accounting

Cash flow Hedge

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.

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 by applying the hedge accounting principles set out in Ind AS 109 - "Financial Instruments". 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.

5.19 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

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

Description of Assets	Useful life
Plant and Machinery - used in cycle / gear and gear products segments	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
Software	3 Years - 5 Years
Lease Hold Rights	19 Years -71 Years

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.

5.20 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 5.19 above.

5.21 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 DTA is recognised for MAT credit available 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 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.

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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 one or more entities in the Group are entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary 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.

5.22 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 embodying economic benefits 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.

5.23 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.

5.24 Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of parent company 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 of parent company and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

5.25 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.

5.26 Cash Dividend

The Group recognises a liability to make cash distributions to equity holders, when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

5.27 Treasury Shares

The Group had an Employee Benefit Trust, having Company's shares, for providing share-based payment to its employees. The Group treats Trust as its extension and shares held by Trust were treated as treasury shares.

Own equity instruments (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, on sale, is recognised in equity.

During the year, the Trust had, in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014, sold these shares as they were not backed by ESOP grants.

5.28 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.

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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.

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 / 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.

Debt instruments at FVTOCI

The Company subsequently classifies its financial assets as FVTOCI, only if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; 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.

Debt instruments included within the FVTOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit and loss.

On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to profit and loss.

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 de-recognised 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. 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. This amount is reflected under the head 'other expenses' in the P&L. The balance sheet

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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 and 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 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.

5.29 Changes in accounting policies and disclosures

New and amended standards and interpretations

Ind AS 116

Ind AS 116 supersedes Ind AS 17 - Leases, including Appendix A of Ind AS 17 - Operating Leases-Incentives, Appendix B of Ind AS 17 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17 - Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 remains unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Group is the lessor.

The Group adopted Ind AS 116 using the modified retrospective method of adoption in accordance with Para C8 (c) (ii) to Ind AS 116 with the date of initial application being 1st April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1st April 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

The Group has lease contracts for various items of Land and Building. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases. Refer to Note 5.16 - Leases for the accounting policy beginning 1st April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from 1st April 2019.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at 1st April 2019:

- Right-of-use assets of ₹59.47 Cr. were recognised and presented separately in the balance sheet.
- Corresponding lease liabilities of ₹59.47 Cr. were recognised.

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The lease liabilities as at 1st April 2019 can be reconciled to the operating lease commitments as of 31st March 2019, as follows:

Assets	₹ in Crores
Operating lease commitments as at 31st March 2019	69.52
Adjustments:	
Commitments relating to short-term leases and discounting effect	10.05
Lease liabilities as at 1st April 2019	**59.47**

Appendix C to Ind AS 12 - Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 - Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a multinational environment, it assessed whether the Appendix had an impact on its financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions. The Group determined, based on its tax compliance, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Appendix did not have an impact on the financial statements of the Group.

Note 6a. Property, Plant and Equipment

₹ in Crores

Particulars	Gross Block at Cost						Depreciation						Net Block	
	As at 31-Mar-2019	Re-classification	Exchange Fluctuation pertaining to Foreign Subsidiaries	Additions	Deletions	As at 31-Mar-2020	As at 31-Mar-2019	Re-classification	Exchange Fluctuation pertaining to Foreign Subsidiaries	For the Year	On Deletions	As at 31-Mar-2020	As at 31-Mar-2020	As at 31-Mar-2019
Land (Freehold)	**135.31**	-	**0.02**	**0.71**	-	**136.04**	-	-	-	-	-	-	**136.04**	**135.31**
	(129.16)	(-)	(0.19)	(5.96)	(-)	(135.31)	(-)	(-)	(-)	(-)	(-)	(-)	(135.31)	(129.16)
Land (Leasehold) (Refer Note d)	**17.53**	**17.53**	-	-	-	-	**13.44**	**13.44**	-	-	-	-	-	**4.09**
	(14.94)	(-)	(0.58)	(2.01)	(-)	(17.53)	(11.95)	(-)	(0.49)	(1.00)	(-)	(13.44)	(4.09)	(2.99)
Buildings	**372.50**	**0.24**	**0.18**	**52.52**	**0.05**	**424.91**	**69.18**	-	**0.10**	**17.11**	**0.01**	**86.38**	**338.53**	**303.32**
	(334.41)	(-)	(0.82)	(37.64)	(0.37)	(372.50)	(53.11)	(-)	(1.12)	(15.14)	(0.19)	(69.18)	(303.32)	(281.30)
Plant and Machinery	**1,124.99**	-	**0.63**	**140.51**	**7.22**	**1,258.91**	**491.13**	-	**0.59**	**146.75**	**6.38**	**632.09**	**626.82**	**633.86**
	(951.36)	(-)	(6.43)	(181.31)	(14.11)	(1,124.99)	(363.24)	(-)	(4.87)	(135.05)	(12.03)	(491.13)	(633.86)	(588.12)
Railway Siding	**0.01**	-	-	-	-	**0.01**	-	-	-	-	-	-	**0.01**	**0.01**
	(0.01)	(-)	(-)	(-)	(-)	(0.01)	(-)	(-)	(-)	(-)	(-)	(-)	(0.01)	(0.01)
Office Equipment	**25.24**	-	**0.03**	**3.93**	**0.77**	**28.43**	**17.86**	-	**0.02**	**3.55**	**0.28**	**21.15**	**7.28**	**7.38**
	(22.24)	(-)	(0.30)	(3.68)	(0.98)	(25.24)	(13.93)	(-)	(0.24)	(4.66)	(0.97)	(17.86)	(7.38)	(8.31)
Furniture and Fixtures	**12.86**	-	-	**0.74**	**0.29**	**13.31**	**5.04**	-	-	**1.46**	**0.11**	**6.39**	**6.92**	**7.82**
	(11.92)	(-)	(-)	(0.99)	(0.05)	(12.86)	(3.59)	(-)	(-)	(1.50)	(0.05)	(5.04)	(7.82)	(8.33)
Vehicles	**12.21**	-	**0.01**	**2.18**	**2.59**	**11.81**	**6.43**	-	-	**2.59**	**2.09**	**6.93**	**4.88**	**5.78**
	(13.27)	(-)	0.03	(1.64)	(2.67)	(12.21)	(5.02)	(-)	(-)	(3.27)	(1.86)	(6.43)	(5.78)	(8.25)
Total	**1,700.65**	**17.77**	**0.87**	**200.59**	**10.92**	**1,873.42**	**603.08**	**13.44**	**0.71**	**171.46**	**8.87**	**752.94**	**1,120.48**	**1,097.57**
	(1,477.31)	(-)	(8.29)	(233.23)	(18.18)	(1,700.65)	(450.84)	(-)	(6.72)	(160.62)	(15.10)	(603.08)	(1,097.57)	(1,026.47)

Notes to Consolidated Financial Statements

Note 6b. Right-of-Use Assets

₹ in Crores

Particulars	Gross Block at Cost						Depreciation						Net Block	
	As at 31-Mar-2019	Re-classification	Exchange Fluctuation pertaining to Foreign Subsidiaries	Additions	Deletions	As at 31-Mar-2020	As at 31-Mar-2019	Re-classification	Exchange Fluctuation pertaining to Foreign Subsidiaries	For the Year	On Deletions	As at 31-Mar-2020	As at 31-Mar-2020	As at 31-Mar-2019
Land (Leasehold) (Refer Note d)	-	17.53	0.06	7.36	-	24.95	-	13.44	0.07	1.83	-	15.34	9.61	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Buildings	-	-	-	61.36	-	61.36	-	-	0.04	9.83	-	9.87	51.49	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Vehicles	-	-	-	1.97	-	1.97	-	-	0.02	0.98	-	1.00	0.97	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total	-	17.53	0.06	70.69	-	88.28	-	13.44	0.13	12.64	-	26.21	62.07	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

NOTE 6c. Intangible Assets

₹ in Crores

Particulars	Gross Block at Cost						Depreciation						Net Block	
	As at 31-Mar-2019	Re-classification	Exchange Fluctuation pertaining to Foreign Subsidiaries	Additions	Deletions	As at 31-Mar-2020	As at 31-Mar-2019	Re-classification	Exchange Fluctuation pertaining to Foreign Subsidiaries	For the Year	On Deletions	As at 31-Mar-2020	As at 31-Mar-2020	As at 31-Mar-2019
Software	1.67	0.24	-	1.48	-	3.39	1.22	0.03	-	0.47	-	1.72	1.67	0.45
	(1.28)	(-)	(-)	(0.39)	(-)	(1.67)	(1.02)	(-)	(-)	(0.20)	(-)	(1.22)	(0.45)	(0.26)
Fair Value of Lease Contracts	10.27	(0.24)	0.15	-	-	10.18	0.61	(0.03)	-	0.54	-	1.12	9.06	9.66
	(10.68)	(-)	(-0.65)	(0.24)	(-)	(10.27)	(0.04)	(-)	(-)	(0.57)	(-)	(0.61)	(9.66)	(10.64)
Total	11.94	-	0.15	1.48	-	13.57	1.83	-	-	1.01	-	2.84	10.73	10.11
	(11.96)	(-)	(-0.65)	(0.63)	(-)	(11.94)	(1.06)	(-)	(-)	(0.77)	(-)	(1.83)	(10.11)	(10.90)

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 building.

c) Previous year figures are given in brackets.

d) Land (leasehold) is reclassified from Property, Plant and Equipment to Right-of-use Asset in line with Ind AS 116.

Notes to Consolidated Financial Statements

Note 6d. Goodwill on Consolidation

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Opening Balance as at beginning of the year	309.13	308.17
Effect of Foreign Currency Translation	0.09	0.96
Closing Balance as at end of the year	**309.22**	**309.13**
Impairment		
Opening Balance as at beginning of the year	-	-
Impairment during the year	-	-
Closing Balance as at end of the year	**-**	**-**
Goodwill as at end of the year	**309.22**	**309.13**

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 recoverable amount of the Investments has been determined based on Value in Use calculation using cash flow projections from financial budgets approved by the senior management covering a five year period. The cash flow projections have been updated to reflect the impact of COVID-19. The discount rate applied to cash flow projections for Impairment testing during the current year is 12% and cash flow beyond the five years are extrapolated using a growth rate of 7% that is the same as the long term average growth rate for the industry in which the Group operates. It was concluded that the fair value less costs of disposal did not exceed the value in use and the recoverable amounts exceeded their carrying amount. The calculation of value in use for SGL is relatively sensitive to the assumptions relating to gross margin, discount rate and growth rate.

Goodwill recognised at the time of acquisition of other entities

The remaining goodwill relating to other Subsidiary, viz., Financiere C10 has been evaluated based on the cash flow forecasts of the related CGUs and the recoverable amounts of these CGUs exceeded their carrying amount.

Note 7. Investment Property

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Opening Balance as at beginning of the year	12.63	12.54
Additions during the year	0.24	0.09
Closing Balance as at end of the year	**12.87**	**12.63**
Depreciation and Impairment		
Opening Balance as at beginning of the year	0.61	0.42
Depreciation during the year	0.16	0.19
Closing Balance as at end of the year	**0.77**	**0.61**
Net Block as at the end of the year	**12.10**	**12.02**

Notes to Consolidated Financial Statements

Information regarding Income and Expenditure of Investment property:

₹ in Crores

Particulars	31-Mar-2020	31-Mar-2019
Rental Income derived from Investment Properties	1.22	0.95
Direct Operating Expenses (including repairs and maintenance)	-	-
Profit arising from Investment Properties before Depreciation and Indirect Expenses	**1.22**	**0.95**
Depreciation	(0.16)	(0.19)
Profit arising from Investment Properties before Indirect Expenses	**1.06**	**0.76**

The Group's investment property consists of properties in Chennai, Mumbai and Coimbatore.

As at 31st March 2020, the fair value of the properties is ₹30.30 Cr. (31st March 2019 - ₹16.77 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 3 of the fair value hierarchy. (Refer Note 41.2)

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.

Reconciliation of Fair value

₹ in Crores

Particulars	31-Mar-2020	31-Mar-2019
Opening Balance as at beginning of the year	16.77	14.91
Fair value difference	13.53	1.86
Closing Balance as at end of the year	**30.30**	**16.77**

Note 8a. Financial assets - Investments

Particulars	Nominal Value ₹ per unit	Number of shares		₹ in Crores	
		As at 31-Mar-2020	As at 31-Mar-2019	As at 31-Mar-2020	As at 31-Mar-2019
Investments at Fair Value Through Other Comprehensive Income (FVTOCI):					
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	7.86	6.04
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
Watsun Infrabuild Private Limited (Refer Note below)	10	10,55,913	1,50,663	1.06	0.15
Bond - Quoted					
Tax Free Bonds	1,000	70,000		7.56	-
Total				**16.48**	**8.60**

Investments at FVTOCI (fully paid) reflect investment in quoted and unquoted equity investments. Refer Note 41.1 for determination of their fair value.

Notes to Consolidated Financial Statements

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Quoted		
Cost	7.36	-
Market value	7.56	-
Unquoted		
Cost	3.54	2.63

Notes:

a) Investments at FVTOCI (fully paid) reflect investment in quoted and unquoted equity investments. Refer Note 41.1 for determination of their fair value.

b) Investments at fair value through OCI (fully paid) reflect investment in unquoted equity securities and quoted debt securities. These equity shares are designated as FVTOCI as they are not held for trading purpose.

c) During the year, the Group subscribed to 9,05,250 equity shares of face value of ₹10 each of Watsun Infrabuild Private Limited at face value, amounting to ₹0.91 Cr.

d) During the year, the Group purchased 70,000 Nos of quoted tax free bonds of face value ₹1000 each for an amount of ₹7.36 Cr.

Particulars	Nominal Value ₹ per unit	Number of shares As at 31-Mar-2020	Number of shares As at 31-Mar-2019	₹ in Crores As at 31-Mar-2020	₹ in Crores As at 31-Mar-2019
Investments at Amortised Cost:					
Investments in Tax Free Bonds - Quoted					
PFC Tax Free Bonds	1,000	12,567	2,567	1.31	0.26
IRFC Tax Free Bonds	1,000	36,783	26,783	3.96	2.75
NHAI Tax Free Bonds	1,000	71,428	11,428	8.01	1.14
IREDA Tax Free Bonds	1,000	23,624	23,624	2.41	2.41
HUDCO Tax Free Bonds	1,000	41,442	21,442	4.28	2.19
NABARD Tax Free Bonds	1,000	4,008	4,008	0.40	0.40
RECL Tax Free Bonds	1,000	28,000	8,000	3.23	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
SBI - Perpetual Bonds	20,00,000	20	20	1.99	1.99
				27.67	**14.16**
Total				**44.15**	**22.76**

Notes:

Investments at amortised cost reflect investments in quoted tax free bonds. Refer Note 41.1 for determination of their fair value.

Notes to Consolidated Financial Statements

Note 8b. Other Financial Assets

(At amortised cost, considered good, unsecured unless stated otherwise)

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Electricity and Other deposits	20.96	21.21
Others	7.75	8.43
Total	**28.71**	**29.64**

Note 9. Other Non-Current Assets

(Considered good, unsecured unless stated otherwise)

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Capital Advances		
- Secured	5.49	4.66
- Unsecured		
Considered Good	12.34	8.88
Considered Doubtful	0.18	0.18
	18.01	**13.72**
Less: Provision for Doubtful Advance	(0.18)	(0.18)
	17.83	**13.54**
Balance with Customs, Excise and Sales Tax Authorities	25.21	29.39
Contract Assets	-	8.91
Rental Advance	0.15	0.13
Prepaid Expense	-	0.08
Total	**43.19**	**52.05**

Note 10. Inventories

(Lower of cost and net realisable value)

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Raw Materials	157.16	234.64
Work-in-Progress	213.94	192.23
Finished Goods	124.05	237.49
Stock-in-Trade	36.15	77.80
Stores and Spare Parts	8.24	6.50
Goods-in-Transit		
- Raw Materials	18.26	55.86
- Stock-in-Trade	0.82	10.27
Total	**558.62**	**814.79**

During the year ended 31st March 2020, ₹3.61 Cr. was recognised as an expense to bring the inventories to record them at Net Realisable Value. (31st March 2019 - ₹11.13 Cr.)

Notes to Consolidated Financial Statements

Note 11a. Loans

(Considered good, unsecured unless stated otherwise)

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Loan to Employees	3.13	1.63
Total	**3.13**	**1.63**

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-2020	As at 31-Mar-2019
Considered Good	512.26	646.84
Provision for Receivables	(3.98)	(1.52)
	508.28	**645.32**
Trade Receivables which have significant increase in credit risk	21.41	3.69
Provision for Receivables	(5.05)	(0.88)
	16.36	**2.81**
Trade Receivables - credit impaired	2.96	6.68
Provision for Impairment on Receivables	(2.96)	(6.68)
	-	**-**
Total		
Considered Good	512.26	646.84
Trade Receivables which have significant increase in credit risk	21.41	3.69
Trade Receivables - credit impaired	2.96	6.68
	536.63	**657.21**
Provision for Doubtful / Impairment on Receivables	(11.99)	(9.08)
Total	**524.64**	**648.13**

Trade Receivables are non-interest bearing and generally have credit period to a maximum of 120 days. There are no debts due by directors or other officers of the Group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

Reconciliation of Provision / Impairment for Receivables

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Opening Balance as at beginning of the year	9.08	11.80
Created / (Reversed) during the year	2.91	(2.72)
Closing Balance as at end of the year	**11.99**	**9.08**

Notes to Consolidated Financial Statements

Note 11c. Investments

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Quoted Investments - FVTPL		
Investments in Mutual Funds	141.65	109.69
Total	**141.65**	**109.69**

During the year, the Group has invested an aggregate amount of ₹1,685.59 Cr (Previous Year - ₹735.67 Cr) in the units of various Cash Management Schemes of Mutual funds, for the purpose of deployment of temporary cash surplus and has ₹141.65 Cr (Previous Year - ₹109.69 Cr) in mutual funds as at year end. The total consideration received on the sale of units during the year was ₹1,659.73 Cr (Previous Year - ₹726.42 Cr).

Note 11d. Cash and Cash Equivalents

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Balances with Banks in Current Account	28.11	27.66
Fixed Deposits	3.93	3.51
Cash on Hand	2.95	2.30
Total	**34.99**	**33.47**
Cash Credit facility (Secured)	(0.03)	(64.56)
Total Cash and Cash Equivalents as per Statement of Cash Flow	**34.96**	**(31.09)**

As at 31st March 2020, the Group has undrawn committed lines of ₹359.07 Cr. (As at 31st March 2019 - ₹211.24 Cr). Changes in liabilities arising from financial activities are only on account of changes in the cash flows.

Note 11e. Balances with Banks other than 11d above

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Unpaid Dividend Accounts	2.82	1.57
Deposits with original maturity of more than 3 months but less than 12 months	-	0.20
Bank Deposits with original maturity of more than 12 months	-	3.27
Deposit in Buyback Escrow account	-	17.50
Total	**2.82**	**22.54**

There are restrictions in the balances in unpaid dividend accounts and deposit in buyback escrow account. In the previous year, pursuant to Rule 9(xi) of Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, 25% of the consideration payable on buyback of shares by shanthi gears limited has been deposited in the escrow account.

Notes to Consolidated Financial Statements

Note 11f. Other Financial Assets

(At amortised cost, considered good, unsecured unless stated otherwise)

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Interest Accrued	2.37	0.66
Claims Recoverable		
- Goods and Services	0.35	3.18
- Employee Related	0.11	0.65
Balance in Fixed Deposit Accounts	11.40	3.00
Other Deposits	7.30	4.02
Government Grants	8.32	11.54
Others	1.32	1.22
Total	**31.17**	**24.27**

Note 12. Other Current Assets

(Considered good, unsecured unless stated otherwise)

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Advances Recoverable		
- Goods and Services	31.29	22.80
- Employee Related	13.83	10.74
- Prepaid Expenses	6.07	7.84
- Gratuity Fund (Net of Provision)	-	0.36
- Others	-	0.01
	51.19	**41.75**
Balances with Customs, Excise, Sales Tax and GST Authorities	14.60	15.85
Contract Assets	-	4.72
	65.79	**62.32**
Provision for Doubtful advances for Goods and Services	(3.70)	-
Total	**62.09**	**62.32**

Note 13. Equity Share Capital

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Authorised Capital		
25,00,00,000 Equity Shares of ₹1 each	25.00	25.00
Issued, Subscribed and Paid-up Capital		
18,78,75,429 Equity Shares of ₹1 each fully paid up (31st March 2019: 18,77,11,281 Equity Shares of ₹1 each fully paid up)	18.79	18.77
Total	**18.79**	**18.77**

Notes to Consolidated Financial Statements

a) The reconciliation of share capital is given below:

Particulars	As at 31-Mar-2020		As at 31-Mar-2019	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	18,77,11,281	18.77	18,75,36,368	18.75
Issue of Share Capital	1,64,148	0.02	1,74,913	0.02
At the end of the year	**18,78,75,429**	**18.79**	**18,77,11,281**	**18.77**

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. 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-2020		As at 31-Mar-2019	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Ambadi Investments Limited (Face Value ₹1 each)	6,89,66,595	36.71%	6,82,66,595	36.37%

d) Status on Global Depository Receipts (GDRs)

The aggregate number of GDRs deemed to be outstanding as at 31st March 2020 is 9,300 (As at 31st March 2019 – 22,30,630) each representing one equity share of ₹1 face value. GDR % against total number of shares is 0.005% (Previous year - 1.19%). 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-2020	As at 31-Mar-2019
General Reserve	359.51	361.77
Securities Premium	8.93	3.60
Retained Earnings	1,300.34	1,019.72
Other Reserves		
Share Options Outstanding Account	9.07	7.95
Cash Flow Hedge Reserve	0.62	4.79
Foreign Currency Translation Reserve	7.27	4.25
FVTOCI Reserve	3.56	4.30
Capital Reserve	0.60	0.49
Treasury Shares	-	(0.25)
Capital Redemption Reserve	0.01	0.01
Debenture Redemption Reserve	25.00	50.00
Total	**1,714.91**	**1,456.63**

a) **General Reserve** - Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013. Additions to the general reserve during the year are on account of cancellation of share options post vesting period.

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Balance at the beginning of the year	361.77	361.77
Additions during the year	0.42	-
Transfer to Non-Controlling Interest on buy-back of equity shares (Refer Note below)	(2.68)	-
Balance at the end of the year	**359.51**	**361.77**

Note:

During the year, the Company tendered 49 lakh shares in the Buyback Scheme announced by its subsidiary Shanthi Gears Limited (SGL) to all its eligible shareholders at a consideration of ₹140/- per share, of which, 32.39 lakh equity shares were accepted on a proportionate basis by SGL. The Company received a consideration of ₹45.35 Cr and the same has been taken to Other Equity since there was no loss of control. Pursuant to execution of the buyback scheme, the holding % of the Company in SGL is revised to 70.47% from 70.12% previously.

b) **Securities Premium -** 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-2020	As at 31-Mar-2019
Balance at the beginning of the year	3.60	0.10
Additions during the year	5.33	3.50
Balance at the end of the year	**8.93**	**3.60**

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 may not be distributable in entirety.

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Balance at the beginning of the year	1,019.72	762.55
Profit for the Year	306.34	240.42
Effect of adoption of Ind AS 115	-	(0.49)
Other comprehensive income for the Year (Note 29)	(9.71)	(1.44)
Transferred from DRR (Net)	25.00	62.50
Receipt of subsidy	-	0.32
Exercise of share options	0.16	1.49
Sale of FVTOCI Investments	-	1.47
Dividend paid during the year	(79.82)	(42.23)
Dividend Distribution tax paid during the year	(12.60)	(2.79)
Dividend and Dividend Distribution Tax paid by Subsidiary	(5.31)	(5.89)
Adjustment relating to Employee benefit trust (Refer Note i below)	56.56	3.81
Balance at the end of the year	**1,300.34**	**1,019.72**

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.

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Balance at the beginning of the year	7.95	5.43
Additions during the year	3.18	4.93
Deductions during the year	(2.06)	(2.41)
Balance at the end of the year	**9.07**	**7.95**

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 and loss only when the hedged transaction affects the profit and loss, or included as a basis adjustment to the non-financial hedged item.

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Balance at the beginning of the year	4.79	(0.12)
Other comprehensive income for the Year (Note 29)	(4.17)	4.91
Balance at the end of the year	**0.62**	**4.79**

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 (i.e., 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-2020	As at 31-Mar-2019
Balance at the beginning of the year	4.25	4.19
Movement during the year (Net of tax)	3.02	0.06
Balance at the end of the year	**7.27**	**4.25**

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-2020	As at 31-Mar-2019
Balance at the beginning of the year	4.30	6.64
Additions / (Deductions) during the year	(0.74)	(2.34)
Balance at the end of the year	**3.56**	**4.30**

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) 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-2020	As at 31-Mar-2019
Balance at the beginning of the year	0.49	0.49
Additions during the year	0.11	-
Balance at the end of the year	**0.60**	**0.49**

i) Treasury Shares - The Company and its Subsidiaries Employees Share Purchase Scheme ("Trust") was holding 7,03,680 equity shares of ₹2 each of the erstwhile Tube Investments of India Limited ("Demerged Company") (presently, Cholamandalam Financial Holdings Limited). Consequent to the demerger of the manufacturing business from the Demerged Company, the Trust was allotted 7,03,680 equity shares of ₹1 each of the Demerged Company and 7,03,680 equity shares of ₹1 each of the Company (being the Resulting Company under demerger). These shares are treated as treasury shares in the financial statements of the Group. During the year, the Trust had, in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014, sold these shares as they were not backed by ESOP grants. The net gain from sale of such shares aggregating to ₹56.56 Cr. (net of taxes) has been credited to retained earnings.

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Balance at the beginning of the year	(0.25)	-
Adjustment relating to Employee Benefit Trust	0.25	(0.25)
Balance at the end of the year	**-**	**(0.25)**

j) Capital Redemption Reserve

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Balance at the beginning of the year	0.01	0.01
Additions during the year	-	-
Balance at the end of the year	**0.01**	**0.01**

k) 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-2020	As at 31-Mar-2019
Balance at the beginning of the year	50.00	112.50
Additions during the year	-	-
Deletions during the year	(25.00)	(62.50)
Balance at the end of the year	**25.00**	**50.00**

Notes to Consolidated Financial Statements

Note 15a. Long Term Borrowings

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Secured		
Secured, Listed and Rated Non-Convertible Debentures (NCD)		
7.56% Privately Placed NCD	-	101.95
Term Loan from Banks	15.79	20.96
Total	**15.79**	**122.91**

a) All NCDs are secured by a pari passu first charge on certain immovable properties of the Group.

Coupon Rate	Effective Interest Rate	Outstanding Amount in ₹ Cr.	Maturity date and Redemption particulars
7.56% *	7.56%	100	28-Dec-20

* Classified as "Other Financial Liabilities" (Refer Note 17c)

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. Other Long Term Liabilities

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Lease Liability (Refer Note 38)	37.09	-
Total	**37.09**	**-**

Note 15c. Other Non Current Liability

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Contract Liability	-	9.00
Total	**-**	**9.00**

Note 16. Deferred Tax Assets and Liabilities

₹ in Crores

Particulars	**Balance Sheet**		**Statement of Profit and Loss**	
Nature - (Liability) / Asset	**31-Mar-2020**	**31-Mar-2019**	**31-Mar-2020**	**31-Mar-2019**
Deferred Tax Liabilities				
Difference between depreciation as per books of accounts and the Income Tax Act, 1961	(36.30)	(60.40)	(24.10)	2.45
Deferred tax on proportionate share in proposed dividend of a subsidiary	-	(1.10)	(1.10)	1.10
Deferred tax on fair valuation of assets on acquisition of subsidiaries	-	-	-	(2.18)
Deferred tax on foreign currency translation reserve	(2.45)	(2.32)	0.13	0.03
Others	-	(2.24)	(2.24)	(0.41)
Deferred Tax Liabilities - A	**(38.75)**	**(66.06)**	**(27.31)**	**0.99**

₹ in Crores

Particulars	Balance Sheet		Statement of Profit and Loss	
Nature - (Liability) / Asset	**31-Mar-2020**	**31-Mar-2019**	**31-Mar-2020**	**31-Mar-2019**
Deferred Tax Assets				
Provision for Doubtful / impairment on Receivables	3.93	3.03	(0.90)	0.98
Provision for employee benefits	6.52	6.74	0.22	2.30
On expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	9.00	16.48	7.48	4.19
Effect of cash flow hedge and fair value of equity investments through oci	1.25	(4.99)	(6.24)	2.52
MAT credit entitlement	-	-	-	6.25
Others	10.48	6.69	(3.79)	(1.74)
Deferred Tax Assets - B	**31.18**	**27.95**	**(3.23)**	**14.50**
Deferred Tax (Income) / Expense (A+B)			**(30.54)**	**15.49**
Net Deferred Tax Liabilities (A+B)	**(7.57)**	**(38.11)**		

₹ in Crores

Summary	As at 31-Mar-2020	As at 31-Mar-2019
Deferred Tax Assets	10.57	9.80
Deferred Tax Liabilities	(18.14)	(47.91)
Deferred Tax Liabilities (Net)	**(7.57)**	**(38.11)**

Reconciliation of Deferred Tax Liabilities (Net)

₹ in Crores

Particulars	31-Mar-20	31-Mar-19
Opening balance	(38.11)	(22.62)
Tax expense during the period recognised in statement of profit and loss	17.30	(9.92)
MAT credit utilised	-	(6.25)
Tax (income) / expense during the period recognised in OCI	6.24	(2.52)
Tax on proportionate share in proposed dividend of a subsidiary	1.10	(1.10)
Tax on foreign currency translation reserve	(0.13)	(0.03)
Tax on fair valuation of assets on acquisition of subsidiaries	-	2.18
Others	6.03	2.15
Closing balance	**(7.57)**	**(38.11)**

At 31 March 2020, there was no recognised deferred tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries or joint venture except for an amount of ₹Nil (Previous year ₹1.10 Cr.). The Group has determined that undistributed profits of its subsidiaries and joint venture will not be distributed in the foreseeable future. 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 2020 and 31st March 2019, 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-2020	As at 31-Mar-2019
Secured Borrowings (secured by *pari passu* first charge on Inventories and Trade Receivables)		
From Banks		
Working Capital Loans	128.91	193.44
Cash Credit	0.03	64.56
	128.94	**258.00**
Unsecured Borrowings		
Working Capital Loans	124.70	129.55
	124.70	**129.55**
Total	**253.64**	**387.55**

Note:

Short term borrowings have a maturity of up to 6 months with an interest rate range of 6.5%-10%.

During the current year, the Group has borrowed fresh short term loans amounting to ₹1,015.27 Cr. (Previous year - ₹1,699.35 Cr.) and repaid loans to the tune of ₹1,084.65 Cr. (Previous year - ₹1,594.85 Cr.) relating to Packing Credit, Commercial Paper and other Short Term Working Capital Loans.

Note 17b. Trade Payables

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Trade Payables		
- Dues to Micro, Small and Medium Enterprises	3.99	0.75
- Others	691.95	928.14
Total	**695.94**	**928.89**
* Includes Dues to		
Key Managerial Personnel	2.26	2.35

Note 17c. Other Financial Liabilities

(At amortised cost)

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Current maturities of Long Term Borrowings		
Secured, Listed and rated Non-Convertible Debentures (NCD)		
7.55% Privately Placed NCD	-	100.83
7.56% Privately Placed NCD *	101.97	-
Unpaid Dividends #	2.82	1.57
Advances and Deposits from Customers / Others	6.98	9.57
Dues to Directors	1.65	1.50
Other liabilities		
- Recoveries from Employees	3.79	3.77
- Capital Creditors	18.26	36.81
- Others	0.83	0.82
Total	**136.30**	**154.87**

* Refer Note 15a for security and repayment terms

Amount to be credited to Investor Education and Protection Fund towards unpaid dividends ₹0.07 Cr. (Previous Year - ₹0.06 Cr.)

Notes to Consolidated Financial Statements

Note 18. Short Term Provisions

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Provision for Compensated Absences (Refer Note a below)	19.53	18.86
Gratuity Obligation (Net of Plan Assets) (Refer Note 34a)	0.88	-
Provident Fund (Net of Plan Assets) (Refer Note 34b)	4.35	-
Provision for Warranties (Refer Note b below)	2.24	2.59
Provision for Contingency / Others (Refer Note c below)	24.25	38.96
Others	12.73	13.10
Total	**63.98**	**73.51**

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 34c.

b) Provision for Warranties

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
At the Beginning of the Year	2.59	1.67
Created during the Year	1.51	2.12
Utilized during the Year	(1.86)	(1.20)
At the End of the Year	**2.24**	**2.59**

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-2020	As at 31-Mar-2019
At the Beginning of the Year	38.96	38.57
(Utilised) / Created during the Year	(14.71)	0.39
At the End of the Year	**24.25**	**38.96**

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-2020	As at 31-Mar-2019
Statutory Liabilities	26.38	33.95
Contract Liability	-	4.87
Advances from Customers	27.62	20.92
Total	**54.00**	**59.74**

Notes to Consolidated Financial Statements

Note 20a. Financial Assets

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Financial Assets - Non Current		
At Fair Value		
Investments at FVTOCI	16.48	8.60
Derivative Instruments	-	2.12
At Amortised Cost		
Investments at Amortised Cost	27.67	14.16
Other Financial Assets	28.71	29.64
Total Non Current Financial Assets (A)	**72.86**	**54.52**
Financial Assets - Current		
At Fair Value		
Investments at FVTPL	141.65	109.69
Derivative Instruments	1.06	7.16
At Amortised Cost		
Loans	3.13	1.63
Trade receivables	524.64	648.13
Cash and Cash Equivalents	34.99	33.47
Bank Balances other than Cash and Cash Equivalents	2.82	22.54
Other financial assets	31.17	24.27
Total Current Financial Assets (B)	**739.46**	**846.89**
Total Financial Assets (A + B)	**812.32**	**901.41**

Note 20b. Financial Liabilities

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Financial Liabilities - Non Current		
At Fair Value		
Derivative Instruments	0.36	-
At Amortised Cost		
Long Term Borrowings	15.79	122.91
Lease Liabilities	37.09	-
Total Non Current Financial Liabilities (A)	**53.24**	**122.91**
Financial Liabilities - Current		
At Amortised Cost		
Short Term Borrowings	253.64	387.55
Trade Payables	695.94	928.89
Lease Liabilities	5.75	-
Other Financial Liabilities	136.30	154.87
Total Current Financial Liabilities (B)	**1,091.63**	**1,471.31**
Total Financial Liabilities (A + B)	**1,144.87**	**1,594.22**

Notes to Consolidated Financial Statements

Note 20c. Government Grants

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Opening balance at the beginning of the year	3.21	1.08
Received during the Year	6.66	8.04
Released to the Statement of Profit and Loss	(6.30)	(5.91)
Closing balance at the end of the year	**3.57**	**3.21**
Current	3.57	3.21
Non Current	-	-
Total	**3.57**	**3.21**

Government grants are interest subvention given by RBI on packing credit rupee export loan towards exports of certain products and savings in customs duty on import under EPCG scheme.

Note 20d. Proposed Dividend

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Proposed Dividends on equity shares:		
Dividend for FY 2019-20 - Nil per share (Dividend for FY 2018-19 - ₹0.75 per share)	-	14.08
Dividend Distribution Tax (DDT) on proposed dividend	-	2.87
Total	**-**	**16.95**

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.

Note 21. Revenue from Contract with Customers

₹ in Crores

Particulars	Year Ended 31-Mar-2020					
	Cycles and Accessories	Engineering	Metal Formed Products	Gear and Gear Products	Unallocated Corporate Income	Total
Revenue from Contract with Customers						
Finished Goods	617.04	1,939.38	1,481.22	232.95	-	4,270.59
Traded Goods	159.25	-	90.46	-	-	249.71
Sale of Products (A)	**776.29**	**1,939.38**	**1,571.68**	**232.95**	**-**	**4,520.30**
Other Operating Revenue						
Scrap Sales	2.16	155.64	58.48	4.16	-	220.44
Service Income	-	-	0.41	3.15	-	3.56
Conversion Income	-	0.37	-	-	-	0.37
Others	2.76	0.48	2.25	-	0.23	5.72
Other Operating Revenue (B)	**4.92**	**156.49**	**61.14**	**7.31**	**0.23**	**230.09**
Total (A+B)	**781.21**	**2,095.87**	**1,632.82**	**240.26**	**0.23**	**4,750.39**

Notes to Consolidated Financial Statements

₹ in Crores

Particulars	Year Ended 31-Mar-2019					
	Cycles and Accessories	Engineering	Metal Formed Products	Gear and Gear Products	Unallocated Corporate Income	Total
Revenue from Contract with Customers						
Finished Goods	1,018.60	2,465.18	1,516.94	231.15	-	5,231.87
Traded Goods	214.57	-	15.50	-	-	230.07
Sale of Products (A)	**1,233.17**	**2,465.18**	**1,532.44**	**231.15**	**-**	**5,461.94**
Other Operating Revenue						
Scrap Sales	2.93	220.09	74.90	4.86	-	302.78
Service Income from Subsidiaries	-	-	-	4.21	-	4.21
Conversion Income	-	0.07	-	-	-	0.07
Others	3.38	0.07	0.46	-	0.14	4.05
Other Operating Revenue (B)	**6.31**	**220.23**	**75.36**	**9.07**	**0.14**	**311.11**
Total (A+B)	**1,239.48**	**2,685.41**	**1,607.80**	**240.22**	**0.14**	**5,773.05**

Reconciliation of the revenue from contract with customers with the amounts disclosed in the segment information (Note 37):

₹ in Crores

Particulars	Year Ended 31-Mar-2020					Year Ended 31-Mar-2019				
Revenue	Cycles and Accessories	Engineering	Metal Formed Products	Gear and Gear Products	Unallocated Corporate Income	Cycles and Accessories	Engineering	Metal Formed Products	Gear and Gear Products	Unallocated Corporate Income
External Customers	781.21	2,095.87	1,632.82	240.26	0.23	1,239.48	2,685.41	1,607.80	240.22	0.14
Inter-Segment	-	162.29	1.97	1.38	2.25	-	210.56	0.33	0.60	2.25
	781.21	**2,258.16**	**1,634.79**	**241.64**	**2.48**	**1,239.48**	**2,895.97**	**1,608.13**	**240.82**	**2.39**
Inter Segment Elimination and Adjustment	-	(162.29)	(1.97)	(1.38)	(2.25)	-	(210.56)	(0.33)	(0.60)	(2.25)
Total revenue from contracts with customers	**781.21**	**2,095.87**	**1,632.82**	**240.26**	**0.23**	**1,239.48**	**2,685.41**	**1,607.80**	**240.22**	**0.14**

Timing of Revenue Recognition

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Revenue recognised at a point in time	4,750.39	5,768.81
Revenue recognised over a period of time	-	4.24
Total	**4,750.39**	**5,773.05**

Summary of Contract Balances

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Trade Receivables	524.64	648.13
Contract liability (Refer Note below)	-	13.87
Contract asset (Refer Note below)	-	13.63
Advances from Customers	27.62	20.92

Contract liability and contract asset of ₹13.87 Cr. and ₹13.63 Cr. respectively as at 31st March 2019 have been recognised in the statement of profit and loss during the current year.

Notes to Consolidated Financial Statements

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Revenue as per Contracted Price	4,829.99	5,897.06
Adjustments		
- Discounts	(79.60)	(124.01)
Revenue as per Statement of Profit and loss	**4,750.39**	**5,773.05**

Note 22. Other Income

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Dividend Income from Investments at FVTOCI	0.66	0.87
Dividend Income from Investments at FVTPL	4.19	6.69
Rental Income	1.66	1.44
Royalty Income	0.24	0.61
Gain on Exchange Fluctuation (Net)	12.93	4.39
Profit on Property, Plant and Equipment sold / discarded (Net)	5.29	7.62
Profit on sale of Investments at FVTPL	6.10	2.42
Fair Value Gain on Financial Instruments at FVTPL	0.39	1.52
Liabilities no longer payable written back	9.70	1.75
Claims recovered	0.19	0.52
Government Grants	16.52	21.13
Interest Income from Financial Assets		
Fixed Deposits with Banks	1.90	3.27
Others	2.19	0.52
Others	0.36	0.90
Total	**62.32**	**53.65**

Note 23. Cost of Material Consumed

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Opening Raw Materials	290.50	274.64
Purchases	2,310.39	3,344.78
Closing Raw Materials	(175.42)	(290.50)
Cost of Raw Material and Components Consumed	**2,425.47**	**3,328.92**

Notes to Consolidated Financial Statements

Note 24. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Closing Stock		
Work-in-Progress	213.94	192.23
Finished Goods	124.05	237.49
Stock-in-Trade	36.97	88.07
	374.96	**517.79**
Opening Stock		
Work-in-Progress	192.23	191.34
Finished Goods	237.49	217.75
Stock-in-Trade	88.07	70.10
	517.79	**479.19**
Changes in Inventories		
Work-in-Progress	(21.71)	(0.89)
Finished Goods	113.44	(19.74)
Stock-in-Trade	51.10	(17.97)
Total	**142.83**	**(38.60)**

Note 25. Employee Benefits Expense

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Salaries, Wages and Bonus (Refer Note 33)	485.22	503.44
Gratuity Expenses (Refer Note 34a)	3.42	3.34
Contribution to Provident and Other Funds	45.65	44.46
Staff Welfare Expenses	53.11	54.13
Total	**587.40**	**605.37**

Note 26. Depreciation and Amortization Expense

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Depreciation of Property, Plant and Equipment (Refer Note 6a)	171.46	160.62
Deprecation on Right of use of Assets (Refer Note 6b)	12.64	-
Depreciation of Investment Properties (Refer Note 7)	0.16	0.19
Depreciation of Intangible Assets (Refer Note 6c)	1.01	0.77
Total	**185.27**	**161.58**

Note 27. Finance Costs

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Interest Expense on Borrowings	26.86	52.74
Interest Expense on Lease liability	3.51	-
Other Borrowing Costs	-	0.08
Total	**30.37**	**52.82**

Note: Interest expense on borrowings is net of interest subvention received, amounting to ₹6.30 Cr. (Previous year - ₹5.91 Cr.) on Packing Credit loans.

Notes to Consolidated Financial Statements

Note 27a. Other Expenses

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Consumption of Stores and Spares	197.76	240.20
Conversion Charges	94.83	116.05
Power and Fuel	157.41	194.37
Rent (Net of recoveries)	12.11	24.56
Repairs and Maintenance - Building	4.51	1.87
Repairs and Maintenance - Machinery	71.83	86.95
Insurance	4.80	5.41
Rates and Taxes	5.82	8.85
Travelling and Conveyance	28.05	27.67
Printing, Stationery and Communication	6.37	7.20
Freight, Delivery and Shipping Charges	153.96	229.93
Commission on Sales	18.26	13.69
Advertisement and Publicity	22.64	26.93
Impairment allowance for receivables and advances (Net) (Includes bad debts written off - CY ₹3.93 Cr.; PY - ₹4.90 Cr.)	6.84	2.18
Auditor's Remuneration	3.42	1.89
Commission to Non Whole Time Directors	1.90	1.71
Directors' Sitting Fees	0.36	0.20
Bank Charges	3.28	3.18
Information Technology Expenses	10.07	12.74
Donations to Charitable and Other Institutions (Includes contribution to political trust - CY ₹1.00 Cr.; PY - Nil)	1.41	0.44
Expenditure on Corporate Social Responsibility	5.98	3.65
Other Expenses	69.08	80.39
Total	**880.69**	**1,090.06**

Note 27b. Exceptional Items

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Provision for Employee Voluntary Retirement Scheme (Refer Note a)	(21.97)	-
Loss on sale of investment in Joint Venture (Refer Note b)	-	(0.26)
Reversal of impairment provision in Joint Venture (Refer Note b)	-	3.26
Total	**(21.97)**	**3.00**

Note:

a) During the year, the Group implemented voluntary retirement schemes in certain locations at a cost of ₹21.97 Cr. to improve the productivity and competitiveness of its business.

b) During the previous year, the Group had divested its entire shareholding of 1,37,50,000 shares of ₹10/- each in the joint venture company , TI Absolute Concepts Private Ltd. (TIABS) in favour of the joint venture partner, Absolute Speciality Foods Chennai Private Ltd., for an aggregate consideration of ₹3.00 Cr., against the carrying amount of ₹3.26 Cr. and has exited the joint venture. In the previous year, the Group has provided impairment for ₹3.26 Cr. Accordingly there is a reversal of impairment provision aggregating ₹3.26 Cr. and a loss on sale of investment aggregating to ₹0.26 Cr.

Notes to Consolidated Financial Statements

Note 28. Income Tax Expense

The major components of income tax expense for the year ended 31st March 2020 and 31st March 2019 are:

Statement of Profit and Loss

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Current Tax:		
Current Income Tax charge	119.85	122.79
Adjustments in respect of Current Income Tax of Prior Years	(5.48)	(2.66)
Deferred Tax:		
Relating to the origination and reversal of Temporary Differences	(24.43)	6.68
Income Tax Expense reported in the Statement of Profit and Loss	**89.94**	**126.81**

Other Comprehensive Income (OCI)

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
(Loss) on FVTOCI Equity Investments	(0.13)	(0.11)
Re-measurement (Loss) on Defined Benefit Obligations	(3.74)	(0.77)
Foreign Currency Translation Reserve	0.13	0.03
Movement on Cash Flow Hedges	(2.37)	2.63
Income Tax charged to OCI	**(6.11)**	**1.78**

Reconciliation of tax expense and the accounting profit multiplied by corporate income tax rate applicable for 31st March 2020 and 31st March 2019

The holding company has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, it has recognised provision for income tax for the year and re-measured its deferred tax liability basis the rate prescribed in the said section. If the tax rate had been retained as 34.944%, deferred tax liability for the year and tax charge for the year would have been higher by ₹5.76 Cr. and ₹44.76 Cr. respectively.

The tax on the Group's profit before tax differs from the theoretical amount that would arise on using the standard rate of Corporate tax.

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Accounting Profit Before Tax	**403.21**	**377.64**
Profit before income tax multiplied by standard rate of corporate tax in India of 25.168% (Previous year: 34.944%)	101.48	131.96
Effects of:		
Benefit u/s 35(2AB) of Income Tax Act, 1961	(0.38)	(3.62)
Income - Exempt from tax	(5.47)	(13.94)
Change in Income Tax Rate	(11.29)	-
Dividend income taxed at Special Rate	-	0.84
Benefit u/s 80IA of Income Tax Act, 1961	(1.35)	(1.45)
Dividend Distribution Tax on proposed dividend of subsidiary	-	1.10
Reversal of provision with respect to prior years	(12.86)	(2.66)
Others	19.81	14.58
Net effective Income Tax	**89.94**	**126.81**

Notes to Consolidated Financial Statements

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 2020

₹ in Crores

Particulars	Cash Flow Hedge Reserve	FVTOCI Reserve	Retained Earnings	Foreign Currency Translation Reserve	Total
Currency forward contracts	(4.17)	-	-	-	(4.17)
Loss on FVTOCI financial assets	-	(0.26)	-	-	(0.26)
Re-measurement loss on defined benefit plans	-	-	(10.47)	-	(10.47)
Exchange difference on translation of foreign subsidiaries	-	-	-	2.91	2.91
Total	**(4.17)**	**(0.26)**	**(10.47)**	**2.91**	**(11.99)**

During the year ended 31st March 2019

₹ in Crores

Particulars	Cash Flow Hedge Reserve	FVTOCI Reserve	Retained Earnings	Foreign Currency Translation Reserve	Total
Currency forward contracts	4.91	-	-	-	4.91
Loss on FVTOCI financial assets	-	(2.34)	-	-	(2.34)
Re-measurement loss on defined benefit plans	-	-	(1.39)	-	(1.39)
Exchange difference on translation of foreign subsidiary	-	-	-	0.06	0.06
Total	**4.91**	**(2.34)**	**(1.39)**	**0.06**	**1.24**

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-2020	Year Ended 31-Mar-2019
Profit After Tax - attributable to equity holders of the Parent (₹ in crores)	306.34	240.42
Weighted average number of equity shares		
- Basic	18,77,88,247	18,69,56,619
- Diluted	18,81,26,842	18,71,60,005
Earnings Per Share of ₹1 each		
- Basic	16.31	12.86
- Diluted	16.28	12.85

The weighted average number of shares for the year ended 31st March 2019 takes into account the effect of treasury shares held through employee welfare trust in the previous year.

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.

Notes to Consolidated Financial Statements

a) Judgements

In the process of applying the Group's accounting policies, management has not made any judgement, which has 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 consolidated 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 including Goodwill

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. Revenue from Contract with Customers

The Group estimates variable considerations to be included in the transaction price for the sale of goods with rights of return and volume rebates. The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer's rebates entitlement and accumulated purchases to date.

iv. Allowances for Slow / Non-moving Inventory and Obsolescence

An allowance for Inventory is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory allowance is estimated taking into account various factors, including prevailing sales prices of inventory item and losses associated with obsolete / slow-moving / redundant inventory items. The Group has, based on these assessments, made adequate provision in the books.

v. 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. In determining the appropriate discount rate, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. 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.

vi. 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 41 for further disclosures.

vii. Leases

Determining the lease term of contracts with renewal and termination options - Group as lessee:

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow.

Refer Note 38 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Note 32. Standards issued but not yet effective

There were no Standards issued but not effective as at 31st March 2020.

Note 33. Stock Options

During the year, the Nomination and Remuneration Committee of the Board of Directors of the Company, at its meeting held on 24th July 2019, approved the grant of 38,684 stock options to eligible employees of the Group.

In this regard, the Group has recognised expense amounting to ₹3.18 Cr. (Previous Year ₹4.93 Cr.) for employees services received during the year, shown under Salaries, Wages and Bonus (Refer Note 25)

The movement in Stock Options during 2019-20 and 2018-19 are given below:

Particulars	Date of Grant	Options Outstanding	During the Year 2019-20			Options Outstanding	Options Vested but not Exercised
		As at 31-Mar-2019	Options Granted	Options Cancelled/ Lapsed	Options Exercised and Allotted	As at 31-Mar-2020	As at 31-Mar-2020
Grant 1	21-Nov-17	29,542	-	18,328	2,250	8,964	8,964
Grant 2	21-Nov-17	-	-	-	-	-	-
Grant 3	21-Nov-17	16,416	-	-	8,208	8,208	8,208
Grant 4	21-Nov-17	-	-	-	-	-	-
Grant 5	21-Nov-17	-	-	-	-	-	-
Grant 6	21-Nov-17	88,610	-	-	39,130	49,480	49,480
Grant 7	12-Feb-18	6,34,535	-	-	1,14,560	5,19,975	2,91,947
Grant 8	12-Feb-18	2,62,200	-	1,04,880	-	1,57,320	62,928
Grant 9	27-Mar-19	62,562	-	-	-	62,562	15,549
Grant 10	24-Jul-19	-	38,684	-	-	38,684	-
Total		**10,93,865**	**38,684**	**1,23,208**	**1,64,148**	**8,45,193**	**4,37,076**

Notes to Consolidated Financial Statements

Particulars	Date of Grant	Options Outstanding	During the Year 2018-19			Options Outstanding	Options Vested but not Exercised
		As at 31-Mar-2018	Options Granted	Options Cancelled/ Lapsed	Options Excercised and Allotted	As at 31-Mar-2019	As at 31-Mar-2019
Grant 1	21-Nov-17	46,844	-	-	17,302	29,542	29,542
Grant 2	21-Nov-17	-	-	-	-	-	-
Grant 3	21-Nov-17	16,416	-	-	-	16,416	16,416
Grant 4	21-Nov-17	15,112	-	-	15,112	-	-
Grant 5	21-Nov-17	7,344	-	-	7,344	-	-
Grant 6	21-Nov-17	2,22,610	-	-	1,34,000	88,610	88,610
Grant 7	12-Feb-18	10,86,480	-	4,50,790	1,155	6,34,535	1,78,470
Grant 8	12-Feb-18	2,62,200	-	-	-	2,62,200	52,440
Grant 9	27-Mar-19	-	62,562	-	-	62,562	-
Total		**16,57,006**	**62,562**	**4,50,790**	**1,74,913**	**10,93,865**	**3,65,478**

The details of Stock Options granted to certain employees during the current year and previous year are given below:

2019-20	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	-	18,328	2,250	8,964	-	21-Nov-17	1.09
Grant 2	21-Nov-17	17.61	-	-	-	-	-	21-Nov-17	-
Grant 3	21-Nov-17	43.42	-	-	8,208	8,208	-	21-Nov-17	0.83
Grant 4	21-Nov-17	43.42	-	-	-	-	-	21-Nov-17	-
Grant 5	21-Nov-17	13.78	-	-	-	-	-	21-Nov-17	-
Grant 6	21-Nov-17	187.29	-	-	39,130	49,480	-	15-Mar-18	2.96
Grant 7	12-Feb-18	270.20	-	-	1,14,560	2,91,947	2,28,028	Partially vested on 12-Feb19 & 12-Feb-20	3.87
Grant 8	12-Feb-18	270.20	-	1,04,880	-	62,928	94,392		4.87
Grant 9	27-Mar-19	378.25	-	-	-	15,549	47,013	Partially vested on 27-Mar-20	4.50
Grant 10	24-Jul-19	384.20	38,684	-	-	-	38,684	-	5.82
Total			**38,684**	**1,23,208**	**1,64,148**	**4,37,076**	**4,08,117**		

2018-19	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	-	-	17,302	29,542	-	21-Nov-17	2.09
Grant 2	21-Nov-17	17.61	-	-	-	-	-	21-Nov-17	-
Grant 3	21-Nov-17	43.42	-	-	-	16,416	-	21-Nov-17	1.84
Grant 4	21-Nov-17	43.42	-	-	15,112	-	-	21-Nov-17	-
Grant 5	21-Nov-17	13.78	-	-	7,344	-	-	21-Nov-17	-
Grant 6	21-Nov-17	187.29	-	-	1,34,000	88,610	-	15-Mar-18	3.96
Grant 7	12-Feb-18	270.20	-	4,50,790	1,155	1,78,470	4,56,065	Partially vested on 12-Feb19	4.87
Grant 8	12-Feb-18	270.20	-	-	-	52,440	2,09,760		5.88
Grant 9	27-Mar-19	378.25	62,562	-	-	-	62,562	-	5.50
Total			**62,562**	**4,50,790**	**1,74,913**	**3,65,478**	**7,28,387**		

The following tables list the inputs to the Black Scholes model used for the plans for the year ended 31st March 2020:

Particulars	Grant 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	-	270.20	117.98
Grant 8	12-Feb-18	7.41	5.21	38.19	-	270.20	125.66
Grant 9	27-Mar-19	6.99	4.61	50.72	0.46	378.25	199.60
Grant 10	24-Jul-19	6.24	4.01	49.32	0.65	384.20	167.53

Note 34. Employee Benefits Obligation

Defined Benefit Plan

a) Gratuity

Under the Gratuity plan operated by the Group, 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.

Notes to Consolidated Financial Statements

₹ in Crores

A.	Change in defined benefit obligation	31-Mar-20	31-Mar-19
1.	Defined benefit obligation at beginning of period	61.21	57.33
2.	Service cost		
	a. Current service cost	3.91	3.44
3.	Interest expenses	4.54	4.56
4.	Cash flows		
	a. Benefit payments from plan	(4.49)	(6.01)
5.	Remeasurements		
	a. Effect of changes in demographic assumptions	5.80	0.54
	b. Effect of experience adjustments	4.63	1.07
6.	Transfer In / Out	(0.07)	0.28
7.	Defined benefit obligation at end of period	**75.53**	**61.21**

₹ in Crores

B.	Change in fair value of plan assets	31-Mar-20	31-Mar-19
1.	Fair value of plan assets at beginning of period	61.57	58.63
2.	Interest income	5.03	4.66
3.	Cash flows		
	a. Total employer contributions	13.10	4.55
	b. Benefit payments from plan assets	(4.49)	(6.01)
4.	Remeasurements		
	a. Return on plan assets (excluding interest income)	(0.49)	(0.54)
5.	Transfer In / Out	(0.07)	0.28
6.	Fair value of plan assets at end of period	**74.65**	**61.57**

₹ in Crores

C.	Amounts recognized in the Balance Sheet	31-Mar-20	31-Mar-19
1.	Defined benefit obligation	75.53	61.21
2.	Fair value of plan assets	(74.65)	(61.57)
3.	Funded status	0.88	(0.36)
4.	Net defined benefit liability (asset)	0.88	(0.36)

₹ in Crores

D.	Components of defined benefit cost	31-Mar-20	31-Mar-19
1.	Service cost		
	a. Current service cost	3.91	3.44
2.	Net interest cost		
	a. Interest expense on DBO	4.54	4.56
	b. Less - Interest income on plan assets	5.03	4.66
	c. Total net interest cost	(0.49)	(0.10)
3.	Remeasurements (recognized in OCI)		
	a. Effect of changes in financial assumptions	5.80	0.54
	b. Effect of experience adjustments	4.63	1.07
	c. Less - (Return) on plan assets (excluding interest income)	(0.49)	(0.55)
	d. Total remeasurements included in OCI	10.92	2.16
	Total defined benefit cost recognized in P&L and OCI	**14.34**	**5.50**

Notes to Consolidated Financial Statements

₹ in Crores

E.	Re-measurement	31-Mar-20	31-Mar-19
	a. Actuarial Loss on DBO	10.43	1.61
	b. Less - Returns above Interest Income	0.49	0.55
	Total Re-measurements (OCI)	**10.92**	**2.16**

₹ in Crores

F.	Employer Expense (P&L)	31-Mar-20	31-Mar-19
	a. Current Service Cost	3.91	3.44
	b. Interest Cost on net DBO	(0.49)	(0.10)
	c. Total P&L Expenses	**3.42**	**3.34**

₹ in Crores

G.	Net defined benefit liability / (asset) reconciliation	31-Mar-20	31-Mar-19
1.	Net defined benefit asset	(0.36)	(1.30)
2.	Defined benefit cost included in P&L	3.42	3.34
3.	Total remeasurements included in OCI	10.92	2.16
4.	Employer contributions	(13.10)	(4.55)
5.	Net benefit paid from plan assets	-	-
6.	Net defined benefit liability / (asset) as of end of period	**0.88**	**(0.36)**

₹ in Crores

H.	Reconciliation of OCI (Re-measurement)	31-Mar-20	31-Mar-19
1.	Recognised in OCI during the period	10.92	2.16
2.	Recognised in OCI at the end of the period	10.92	2.16

₹ in Crores

I.	Sensitivity analysis - DBO end of Period	31-Mar-20	31-Mar-19
1.	Discount rate +1%	64.40	52.33
2.	Discount rate - 1%	75.49	61.64
3.	Salary Increase Rate +1%	75.33	61.55
4.	Salary Increase Rate -1%	64.44	52.33
5.	Attrition Rate +1%	70.00	57.44
6.	Attrition Rate -1%	69.17	55.92

Notes to Consolidated Financial Statements

J.	Significant actuarial assumptions	31-Mar-20	31-Mar-19
1.	Discount rate Current Year	6.00%-6.60%	7.50%-8.00%
2.	Discount rate Previous Year	7.50%-8.00%	7.50%-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

K.	Data	31-Mar-20	31-Mar-19
1.	No.	3,823	3,820
2.	Avg. Age (years)	43	41
3.	Avg. Past Service (years)	14	14
4.	Avg. Sal. Monthly (₹)	20,917	22,379
5.	Future Service (years)	17	17
6.	Weighted average duration of DBO	14	14

₹ in Crores

L.	Expected cash flows for following year	31-Mar-20	31-Mar-19
1.	Expected employer contributions / additional provision Next Year	3.95	3.30
2.	Expected total benefit payments		
3.	Year 1	6.99	4.64
4.	Year 2 to Year 5	25.87	23.60
5.	Year 6 to Year 10	37.87	35.00
6.	More than 10 Years	57.35	57.02

₹ in Crores

M.	Defined benefit obligation at end of period	31-Mar-20	31-Mar-19
1.	Current Obligation	6.80	4.81
2.	Non-Current Obligation	68.73	56.40
	Total	**75.53**	**61.21**

₹ in Crores

Summery		31-Mar-20	31-Mar-19
1.	**Assets / Liabilities**		
2.	Defined benefit obligation at end of period	75.53	61.21
3.	Fair value of plan assets at end of period	74.65	61.57
4.	Net defined benefit liability / (asset)	0.88	(0.36)
5.	Defined benefit cost included in P&L	3.42	3.34
6.	Total remeasurements included in OCI	10.92	2.16
7.	Total defined benefit cost recognized in P&L and OCI	14.34	5.50

Notes to Consolidated Financial Statements

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.

iv. The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

b) Provident Fund

The Group's Provident Fund is exempted under Section 17 of the The Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Group or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust (including any decrease in value of investments) and the notified interest rate. The exempt provident fund set up by the Group is a defined benefit plan under Ind AS 19 - Employee Benefits.

The Group has obtained the actuarial valuation of interest rate obligation in respect of provident fund and a loss of ₹4.35 Cr. on re-measurement of the defined benefit plan is recognised in financial statements. As at 31st March 2019, the Group had a net asset position and the same was not recorded in the financial statements as these assets are held by the trust and are not the assets of the Group.

The Group has provided ₹3.29 Cr. being the change in re-measurement of the defined benefit plans, in other comprehensive income towards probable incremental employee benefit liability that may arise on the Group on account of any likely shortfall of the Trust in meeting its obligations.

₹ in Crores

A.	**Change in defined benefit obligation**	**31-Mar-20**	**31-Mar-19**
1.	Defined benefit obligation at the beginning of the period	141.98	136.56
2.	Service cost		
	a. Current service cost	7.08	7.35
3.	Interest expenses	12.16	11.12
4.	Employees' Contribution	13.25	13.54
5.	Cash flows		
	a. Benefit payments from plan	(23.09)	(26.99)
6.	Remeasurements		
	a. Effect of changes in demographic assumptions	-	-
	b. Effect of financial adjustments	0.51	-
	b. Effect of experience adjustments	4.86	0.16
7.	Transfer In /Out	1.37	0.24
8.	Defined benefit obligation at end of period	**158.12**	**141.98**

Notes to Consolidated Financial Statements

₹ in Crores

B.	Change in Fair Value of Plan Assets	31-Mar-20	31-Mar-19
1.	Fair value of plan assets at beginning of period	143.10	140.58
2.	Interest income	11.10	12.02
3.	Cash flows		
	a. Total employer contributions	7.08	7.35
	b. Benefit payments from plan assets	(23.09)	(26.99)
4.	Employee contributions	13.25	13.54
5.	Remeasurement on Plan assets	0.96	2.98
6.	Transfer In /Out	1.37	(6.38)
7.	Fair value of plan assets at end of period	**153.77**	**143.10**

₹ in Crores

C.	Components of Defined Benefit Cost	31-Mar-20	31-Mar-19
1.	Interest cost on obligation	12.16	11.12
2.	Interest income on Plan assets	(11.10)	(12.02)
3.	Current Service cost	7.08	7.35
4.	Defined Benefit Cost recognized in P&L	**8.14**	**6.45**

₹ in Crores

D.	Remeasurement	31-Mar-20	31-Mar-19
1.	Remeasurements on Plan assets	(0.96)	(2.98)
2.	Remeasurements for Change in financial assumption	0.51	-
3.	Remeasurements towards Experience variance	4.86	0.16
		4.41	**(2.82)**

₹ in Crores

E.	Net Defined Benefit Liability (Asset) Reconciliation	31-Mar-20	31-Mar-19
1.	Net defined benefit asset	(1.12)	(4.02)
2.	Defined benefit cost included in P&L	8.14	6.44
3.	Total remeasurements included in OCI	4.41	(2.82)
4.	Contributions to the fund	(7.08)	(7.35)
5.	Net transfers in	-	6.63
6.	Net Defined Benefit Liability (Asset) at the end of the period	**4.35**	**(1.12)**

₹ in Crores

F.	Proportion of Total Asset Categories	31-Mar-20	Expected Return
1.	Government of India securities	10.22%	7.50%
2.	State Government securities	52.50%	7.50%
3.	High quality corporate bonds	21.61%	8.00%
4.	Equity	3.46%	10.00%
5.	Special Deposits	12.21%	8.00%
6.	Bank balance and others	0.00%	0.00%
7.	Funds managed by Insurer	0.00%	0.00%
	Total	**100.00%**	**7.76%**

₹ in Crores

G.	Funded Status	31-Mar-20	31-Mar-19
1.	Fair Value of Plan assets	153.77	143.10
2.	Present value of obligation	158.12	141.98
3.	**Net Liability/(Asset)**	**(4.35)**	**1.12**

₹ in Crores

H.	Current and Non-Current liability	31-Mar-20	31-Mar-19
1.	Current Liability (Less than 1 year)	17.97	9.44
2.	Non-current liability (More than 1 year)	140.15	132.54

₹ in Crores

I.	Sensitivity analysis on Interest rate Guarantee Liability	Liability	Change
1.	Best estimate - Base scenario	8.65	0%
2.	Discount Rate - Increased by 0.5%	8.41	-3%
3.	Discount Rate - Decreased by 0.5%	8.90	3%
4.	Return on Gov.Securities - Increased by 1.00%	0.61	-93%
5.	Return on Gov.Securities - Decreased by 1.00%	7.12	-18%
6.	Return on Equities - Increased by 1.00%	3.68	-57%
7.	Return on Equities - Decreased by 1.00%	4.04	-53%
8.	Return on Bonds - Increased by 1.00%	2.74	-68%
9.	Return on Bonds - Decreased by 1.00%	4.99	-42%

J.	Significant actuarial assumptions	31-Mar-20	31-Mar-19
1.	Discount rate	7.75%	6.65%
2.	Interest rate guarantee	8.65%	8.50%
3.	Attrition Rate	3.0% (AGE 0 - 29) 2.0% (AGE 30 - 39) 1.0% (AGE - 40 - 58)	3.0% (AGE 0 - 29) 2.0% (AGE 30 - 39) 1.0% (AGE - 40 - 58)
4.	Retirement Age	58	58
5.	Pre-retirement mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

₹ in Crores

K.	Membership Data - Summary Statistics	31-Mar-20	31-Mar-19
1.	Number of employees	17,123	17,312
2.	Employee contribution	13.25	13.54
3.	Employer contribution	7.08	7.35
4.	Average attained age	32 years	33 years
5.	Average Past Service	-	-

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:

₹ in Crores

Assumptions	31-Mar-20	31-Mar-19
Discount Rate	6.00% - 6.65%	7.75% - 8.00%
Future Salary Increase (%)	4.00% - 5.00%	5.00%
Attrition Rate	1 to 3%	1 to 3%

d) Contributions to Defined Contribution Plans

During the year, the Group recognised ₹9.29 Cr. (Previous Year - ₹6.63 Cr.) to Provident Fund under Defined Contribution Plan, ₹6.30 Cr. (Previous Year - ₹6.40 Cr.) for Contributions to Superannuation Fund and ₹1.23 Cr. (Previous Year - ₹1.78 Cr.) for Contributions to Employee State Insurance Scheme in the statement of profit and loss.

Note 35a. Contingent Liabilities

₹ in Crores

	Particulars	As at 31-Mar-2020	As at 31-Mar-2019
(i)	Disputed income-tax demands under appeal / remand pending before various appellate / assessing authorities against the Demerged Company (including the interest and penalty)	28.94	39.40
(ii)	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
(iii)	Claims against the Group not acknowledged as debts	1.57	1.57
(iv)	Disputed demand for additional sales tax on CST	0.02	0.02
(v)	Disputed excise duty on interunit transfer of machinery	1.52	1.52
(vi)	Amounts payable to employees with respect to retrospective applicability of amendments to the Payment of Bonus Act, 1965 in respect of Financial Year 2014-15, pending at High Court under a writ petition. The Management is of the opinion that the above retrospective amendment is not sustainable.	2.61	2.61

Notes:

a) Draft Assessment Orders received from IT Authorities and Show Cause Notices received from various other government authorities, pending adjudication, have been assessed by the management and considered appropriately in the financial statements.

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.

Note 35b. Commitments

₹ in Crores

	Particulars	As at 31-Mar-2020	As at 31-Mar-2019
(i)	Estimated amount of contracts remaining to be executed on capital expenditure and not provided for	86.31	65.39
(ii)	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.	3.82	4.69

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 (till 4th June 2018)

II. **Company having Significant Influence and related companies**

a. Ambadi Investments Limited

b. Parry Enterprises India Limited

III. **Key Management Personnel (KMP)**

a. Mr. Vellayan Subbiah - Managing Director w.e.f 13th August 2018 (Managing Director Designate till 13th August 2018)

b. Mr. L Ramkumar - Managing Director (Till 13th August 2018)

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 (Till 13th August 2018)

c. Mr. Pradeep V Bhide

d. Mr. S Sandilya (Till 13th August 2018)

e. Ms. Madhu Dubhashi

f. Mr. Ramesh K B Menon

g. Mr. Sanjay Johri (from 14th August 2018)

h. Mr. Mahesh Chhabria (from 5th February 2019)

V. **Post-Employment Benefit Funds**

a. T.I.I.(Subsidiaries) Employees Provident Fund

b. TI Employees Provident Fund India Ltd

c. Tube Products Of India Employees Provident Fund

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	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Services Received	Parry Enterprises India Limited	9.36	6.61
Dividend Paid	Ambadi Investments Limited	29.26	15.36
	Mr. Vellayan Subbaiah	-	0.10
	Mr. M M Murugappan	0.21	0.18
	Mr. Mahesh Chhabria	0.01	-
Remuneration (Refer note i below)	Key Management Personnel	9.23	10.25
Fair value Cost of Stock options granted	Key Management Personnel	0.43	0.73
Sitting Fees and Commission	Non executive directors	1.92	1.64
Contribution to Post Employment Benefit Funds	T.I.I.(Subsidiaries) Employees Provident Fund	1.94	2.19
	TI Employees Provident Fund India Ltd	1.96	1.85
	Tube Products Of India Employees Provident Fund	3.19	3.03

Notes to Consolidated Financial Statements

₹ in Crores

Balances	Related Party	As at 31-Mar-2020	As at 31-Mar-2019
Payable	Parry Enterprises India Limited	0.18	0.21
	Key Managerial Personnel	2.26	2.35

(i) Details of remuneration to Key Managerial Personnel are given below:

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
- Salaries and Allowances	5.71	6.46
- Provident Fund and Super Annuation	0.65	0.72
- Perquisites	0.61	0.72
- Incentive	2.26	2.35
- Fair value Cost of Stock options granted	0.43	0.73
- Sitting Fees and Commission paid to Non executive directors	1.92	1.64
Total	**11.58**	**12.62**

Terms and Conditions of Transactions 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.

Note 37.Segment Information

For management purposes, the group's operations are organised into four 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 four 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 and 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.

₹ in Crores

Particulars	Cycles and Accessories		Engineering		Metal Formed Products		Gears and Gear Products		Eliminations		Consolidated Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
REVENUE												
External Sales	776.29	1,233.17	1,939.38	2,465.18	1,571.68	1,532.44	232.95	231.15	-	-	4,520.30	5,461.94
Inter-Segment Sales	-	-	162.29	210.56	1.97	0.33	1.38	0.60	(165.64)	(211.49)	-	-
Other Operating Income	4.92	6.31	156.49	220.23	61.14	75.36	7.31	9.07	(2.25)	(2.25)	227.61	308.72
Unallocated Corporate Income	-	-	-	-	-	-	-	-	-	-	2.48	2.39
Total Revenue	**781.21**	**1,239.48**	**2,258.16**	**2,895.97**	**1,634.79**	**1,608.13**	**241.64**	**240.82**	**(167.89)**	**(213.74)**	**4,750.39**	**5,773.05**
Unallocated Corporate Expenses	-	-	-	-	-	-	-	-	-	-	13.47	(1.56)
RESULT												
Operating Profit	22.49	14.38	264.11	253.43	111.16	117.47	27.78	33.46	-	-	439.01	417.18
Profit / (Loss) on Sale of Property, Plant and Equipment	(0.13)	(0.02)	0.26	0.26	4.75	6.60	0.32	0.79	-	-	5.20	7.63
Net Operating Profit	**22.36**	**14.36**	**264.37**	**253.69**	**115.91**	**124.07**	**28.10**	**34.25**	**-**	**-**	**444.21**	**424.81**
Dividend Income	-	-	-	-	-	-	4.19	6.69	-	-	4.85	7.56
Finance Costs	(0.20)	-	-	-	(1.38)	(1.14)	-	-	-	-	(30.37)	(52.82)
Tax Expense	0.28	(0.85)	-	-	3.06	2.82	(7.08)	(9.11)	-	-	(89.94)	(126.81)
Exceptional Items	-	-	-	-	-	-	-	-	-	-		
- Reversal of Impairment on Investments in Joint Venture	-	-	-	-	-	-	-	-	-	-	-	3.00
- Provision for Employee Voluntary Retirement Scheme	-	-	(11.42)	-	(10.55)	-	-	-	-	-	(21.97)	-
Profit on Sale of Current Investments (Net)	-	-	-	-	0.06	0.53	0.39	1.52	-	-	6.49	3.94
Share of Loss from Joint Venture	-	-	-	-	-	-	-	-	-	-	-	(8.85)
Net Profit	**22.44**	**13.51**	**252.95**	**253.69**	**107.10**	**126.28**	**25.60**	**33.35**	**-**	**-**	**313.27**	**250.83**
Other Information												
Segment Assets	298.45	512.41	1,016.26	1,129.17	971.43	977.91	278.90	347.28	(40.32)	(44.15)	2,524.72	2,922.62
Unallocated Corporate Assets	-	-	-	-	-	-	-	-	-	-	245.27	108.36
Total Assets	**298.45**	**512.41**	**1,016.26**	**1,129.17**	**971.43**	**977.91**	**278.90**	**347.28**	**(40.32)**	**(44.15)**	**2,769.99**	**3,030.98**
Segment Liabilities	122.92	292.49	377.29	442.52	349.92	372.99	54.41	50.15	(40.32)	(44.15)	864.22	1,114.00
Unallocated Corporate Liabilities	-	-	-	-	-	-	-	-	-	-	30.44	14.39
Total Liabilities	**122.92**	**292.49**	**377.29**	**442.52**	**349.92**	**372.99**	**54.41**	**50.15**	**(40.32)**	**(44.15)**	**894.66**	**1,128.39**
Capital Expenditure	2.06	7.14	85.52	83.95	114.82	88.14	17.51	11.62	-	-	219.91	190.85
Unallocated Corporate Capital Expenditure	-	-	-	-	-	-	-	-	-	-	1.99	3.34
Depreciation	19.34	16.11	81.60	73.73	71.00	56.98	8.39	10.62	-	-	180.33	157.44
Unallocated Corporate Depreciation	-	-	-	-	-	-	-	-	-	-	4.94	4.14

Notes to Consolidated Financial Statements

Revenue from External Customers

₹ in Crores

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
India	4,024.39	5,038.65
Outside India	726.00	734.40
Total Revenue as per Statement of Profit and Loss	**4,750.39**	**5,773.05**

There are no sales to external customers more than 10% of Total Revenue.

Non-Current Operating Assets

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
India	1,328.19	1,240.16
Outside India	91.73	83.78
Total	**1,419.92**	**1,323.94**

Reconciliation of Segment Assets and Liabilities to amounts reflected in the financial statements

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Segment Assets	2,769.99	3,030.98
Add: Deferred Tax Assets (Note 16)	10.57	9.80
Add: Derivative Instruments	1.06	9.28
Add: Goodwill on Consolidation (Note 6d)	309.22	309.13
Total Assets	**3,090.84**	**3,359.19**

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Segment Liabilities	894.66	1,128.39
Add: Deferred Tax Liabilities (Note 16)	18.14	47.91
Add: Long Term and Short Term Borrowings (Note 15a and Note 17a)	269.43	510.46
Add: Derivative Instruments	0.36	-
Add: Current maturities of Long term Borrowings (Note 17c)	101.97	100.83
Total Liabilities	**1,284.56**	**1,787.59**

Note 38. Leases

The Group has lease contracts for Land and Building used for the purpose of Warehouses and Factories. Leases of such assets generally have lease terms between 2 and 95 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of machinery with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

The carrying amounts of right-of-use assets recognised and the movements during the year is explained in Note No.6b

Notes to Consolidated Financial Statements

Set out below are the carrying amounts of lease liabilities included under financial liabilities and the movements during the year:

Movement of Lease Liability

₹ in Crores

Particulars	As at 31-Mar-2020
Opening Balance	-
Add: Additions during the year	63.33
Add / Less: Accretion of Interest	3.67
Less: Payments during the year	(24.16)
Closing Balance	**42.84**
Current	5.75
Non Current	37.09

Maturity Analysis of Lease Liability

₹ in Crores

Year Ended	Less than 1 Year	1 - 5 Years	More than 5 Years
31-Mar-2020	9.02	24.07	55.36

The effective interest rate for lease liabilities is 1%-13%.

The following are the amounts recognised in profit and loss:

The Group had total cash outflows for leases of ₹20.42 Cr. during the year 31st March 2020. The Group also had non-cash additions to right-of-use assets and lease liabilities of ₹63.33 Cr. during the year. There are no future cash outflows relating to leases that have not yet commenced.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 31).

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

Particulars	Within 3 years	More than 3 years	Total
Extension options expected not to be exercised	-	-	-
Termination options expected to be exercised	3.20	-	3.20
Total	**3.20**	**-**	**3.20**

Note 39.Non-Controlling Interest

Financial information of subsidiaries having non-controlling interest is given below:

As at 31st March 2020 ₹ in Crores

Name of the Subsidiary	Country of Incorporation	As on 31st March 2020	Profit allocated to Non-Controlling Interest	Other Comprehensive Income allocated to Non-Controlling Interest	Accumulated Non-Controlling Interest
Shanthi Gears Limited	India	29.53%	7.44	(0.41)	67.52
Great Cycles (Private) Limited	Sri Lanka	20.00%	(0.12)	0.09	3.89
Creative Cycles (Private) Limited	Sri Lanka	20.00%	(0.39)	(0.07)	1.17

Notes to Consolidated Financial Statements

As at 31st March 2019 **₹ in Crores**

Name of the Subsidiary	Country of Incorporation	As on 31st March 2019	Profit allocated to Non-Controlling Interest	Other Comprehensive Income allocated to Non-Controlling Interest	Accumulated Non-Controlling Interest
Shanthi Gears Limited	India	29.88%	9.96	0.05	90.26
Great Cycles (Private) Limited	Sri Lanka	20.00%	0.23	-	4.28
Creative Cycles (Private) Limited	Sri Lanka	20.00%	0.22	-	1.66

The summarised financial information of the subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

As at 31st March 2020

Summarised Statement of Profit and Loss **₹ in Crores**

Particulars	Shanthi Gears Limited	Great Cycles (Private) Limited	Creative Cycles (Private) Limited
Income	248.81	4.16	8.23
Expenses	216.13	5.42	10.44
Profit Before Tax	32.68	(1.26)	(2.21)
Tax Expense	7.50	(0.64)	(0.09)
Profit for the Year	25.18	(0.62)	(2.12)
- attributable to the equity holders of the parent	17.74	(0.50)	(1.73)
- attributable to the non-controlling interest	7.44	(0.12)	(0.39)
Other Comprehensive Income	(0.89)	0.45	(0.35)
- attributable to the equity holders of the parent	(0.48)	0.36	(0.28)
- attributable to the non-controlling interest	(0.41)	0.09	(0.07)
Total Comprehensive Income	24.29	(0.17)	(2.47)
- attributable to the equity holders of the parent	17.26	(0.14)	(2.01)
- attributable to the non-controlling interest	7.03	(0.03)	(0.46)

Summarised Balance Sheet **₹ in Crores**

Particulars	Shanthi Gears Limited	Great Cycles (Private) Limited	Creative Cycles (Private) Limited
Non-Current Asset	107.74	10.61	8.05
Current Asset	175.29	11.13	7.37
Non-Current Liabilities	1.54	1.93	1.70
Current Liabilities	52.87	0.37	7.86
Total Equity	228.62	19.44	5.86
- attributable to the equity holders of the parent	161.10	15.55	4.69
- attributable to the non-controlling interest	67.52	3.89	1.17

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	54.41	0.85	4.48
Net cash outflow from investing activities	25.58	(0.13)	-
Net cash inflow in financing activities	(97.74)	(0.09)	(0.08)
Net Increase / (Decrease) in Cash and Cash equivalents	(17.75)	0.63	4.40

As at 31st March 2019

Summarised Statement of Profit and Loss ₹ in Crores

Particulars	Shanthi Gears Limited	Great Cycles (Private) Limited	Creative Cycles (Private) Limited
Income	254.77	17.10	55.20
Expenses	212.31	15.42	53.77
Profit Before Tax	42.46	1.68	1.43
Tax Expense	9.11	0.52	0.33
Profit for the Year	33.35	1.16	1.10
- attributable to the equity holders of the parent	23.39	0.93	0.88
- attributable to the non-controlling interest	9.96	0.23	0.22
Other Comprehensive Income	0.18	-	-
- attributable to the equity holders of the parent	0.13	-	-
- attributable to the non-controlling interest	0.05	-	-
Total Comprehensive Income	33.53	1.16	1.10
- attributable to the equity holders of the parent	23.52	0.93	0.88
- attributable to the non-controlling interest	10.01	0.23	0.22

Summarised Balance Sheet ₹ in Crores

Particulars	Shanthi Gears Limited	Great Cycles (Private) Limited	Creative Cycles (Private) Limited
Non-Current Asset	83.67	11.02	7.59
Current Asset	268.95	11.32	9.03
Non-Current Liabilities	1.07	0.06	0.54
Current Liabilities	49.47	0.87	7.78
Total Equity	302.08	21.41	8.30
- attributable to the equity holders of the parent	211.82	17.13	6.64
- attributable to the non-controlling interest	90.26	4.28	1.66

Summarised Cash Flow Statement ₹ in Crores

Particulars	Shanthi Gears Limited	Great Cycles (Private) Limited	Creative Cycles (Private) Limited
Net cash inflow in operating activities	71.77	0.58	(3.60)
Net cash outflow from investing activities	(4.25)	(0.72)	(0.15)
Net cash inflow in financing activities	(49.26)	-	-
Net Increase / (Decrease) in Cash and Cash equivalents	18.26	(0.14)	(3.75)

Notes to Consolidated Financial Statements

Note 40. Interest in Joint Venture

As at 31st March 2020, the Group has interest in joint venture namely TI Tsubamex Private Limited (TTPL) at 78.33%.

The Group's interest is accounted using the equity method in the consolidated financial statements. Summarised financial information of the joint venture based on their Ind AS financial statements is given below:

As at 31st March 2020

Summarised Statement of Profit and Loss ₹ in Crores

Particulars	TTPL
Income	1.10
Expenses	0.17
Profit Before Tax	0.93
Tax Expense	-
Profit for the Year	0.93
Other Comprehensive Income	-
Total Comprehensive Income	0.93
Proportion of Group's ownership	78%
Group's share in Total Comprehensive Income	-

Summarised Balance Sheet ₹ in Crores

Particulars	TTPL
Non-Current Asset	-
Current Asset	0.08
Non-Current Liabilities	-
Current Liabilities	0.08
Total Equity	-
Proportion of Group's ownership	78%
Group's share in Total Equity	-

As at 31st March 2019

Summarised Statement of Profit and Loss ₹ in Crores

Particulars	TTPL
Income	7.35
Expenses	17.98
Profit Before Tax	(10.63)
Tax Expense	-
Profit for the Year	(10.63)
Other Comprehensive Income	-
Total Comprehensive Income	(10.63)
Proportion of Group's ownership	78%
Group's share in Total Comprehensive Income	(8.85)

Summarised Balance Sheet ₹ in Crores

Particulars	TTPL
Non-Current Asset	-
Current Asset	5.25
Non-Current Liabilities	-
Current Liabilities	6.19
Total Equity	(0.94)
Proportion of Group's ownership	78%
Group's share in Total Equity	(0.74)

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.

Particulars	As at 31-Mar-2020		As at 31-Mar-2019	
	Assets	Liabilities	Assets	Liabilities
Fair Value of Foreign Exchange Forward Contracts	1.06	0.36	9.28	-

Disclosure of effects of Hedge accounting

As at 31-Mar-2020 ₹ in Crores

Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments		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	5	116	51.16	235.15	15-Apr-2020 to 31-Mar-2022	1:1	1 USD - ₹77.47 1 EUR - ₹88.02 1 JPY - ₹0.72	0.83	(0.83)

₹ in Crores

Cash Flow Hedge	Change in the value of Hedging Instrument recognised in Other Comprehensive Income	Hedge Ineffectiveness recognised in Profit and Loss	Amount reclassified from Cash Flow Hedge Reserve to Profit and Loss	Line item affected in Statement of Profit and Loss because of the Reclassification
Foreign Exchange Risk	1.25	-	(7.79)	Other Expenses

Notes to Consolidated Financial Statements

As at 31-Mar-2019 **₹ in Crores**

Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments		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	37	30	122.10	98.95	02-Apr-2019 to 31-Mar-2021	1:1	1 USD-₹70.70 1 EUR-₹82.26	7.37	(7.37)

Cash Flow Hedge	Change in the value of Hedging Instrument recognised in Other Comprehensive Income	Hedge Ineffectiveness 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	6.18	-	1.36	Other Income

Note 41.1 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-2020	31-Mar-2019	31-Mar-2020	31-Mar-2019
Financial assets				
FVTOCI Equity Investments	8.92	8.60	8.92	8.60
FVTOCI Debt Investments	7.56	-	7.56	-
Investments at amortised cost	27.67	14.16	27.67	14.16
Derivative Instruments - Non Current	-	2.12	-	2.12
Other Financial Assets - Non Current	28.71	29.64	28.71	29.64
Loans	3.13	1.63	3.13	1.63
Trade Receivables	524.64	648.13	524.64	648.13
FVTPL Investments in Mutual Funds	141.65	109.69	141.65	109.69
Derivative Instruments - Current	1.06	7.16	1.06	7.16
Cash and Bank Balances	37.81	56.01	37.81	56.01
Other Financial Assets - Current	31.17	24.27	31.17	24.27
Total	**812.32**	**901.41**	**812.32**	**901.41**
Financial liabilities				
Non-current Borrowings	15.79	122.91	15.79	121.43
Lease Liabilities - Non Current	37.09	-	37.09	-
Derivative Instruments - Non Current	0.36	-	0.36	-
Current Borrowings	253.64	387.55	253.64	387.55
Trade Payables	695.94	928.89	695.94	928.89
Lease Liabilities - Current	5.75	-	5.75	-
Other Financial Liabilities - Current	136.30	154.87	136.30	154.87
Total	**1,144.87**	**1,594.22**	**1,144.87**	**1,592.74**

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 41.2 Fair Values Hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

As at 31-Mar-2020

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 Investments	16.48	7.56	-	8.92
FVTPL Investments	169.32	169.32	-	-
Foreign Exchange forward Contracts	1.06	-	1.06	-
Assets for which fair values are disclosed:				
Investment Properties *	30.30	-	-	30.30

* Fair value of investment property is calculated based on valuation given by external independent valuer

There have been no transfers between level 1 and level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31-Mar-2020:

Particulars	Total	Fair Value Measurement using		
		Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Long term Borrowings	15.79	-	15.79	-

There have been no transfers between level 1 and level 2 during the period.

Notes to Consolidated Financial Statements

As at 31-Mar-2019

Particulars	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value:				
Derivative Financial Assets:				
Foreign Exchange forward Contracts	9.28	-	-	-
FVTOCI Equity investments	8.60	-	-	8.60
FVTPL Investments	123.85	123.85	-	-
Assets for which fair values are disclosed:				
Investment Properties *	16.77	-	-	16.77

* Fair value of investment property is calculated based on valuation given by external independent valuer.

There have been no transfers between level 1 and level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31-Mar-2019:

Particulars	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Long term Borrowings	121.43	-	121.43	-

There have been no transfers between 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 2020 and 31st March 2019 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 31-Mar-2020	DCF Model	Discount Rate	15%	5% sensitivity 2019-20- Discount Rate-20%, ₹(2.26) Cr. Discount Rate-10%, ₹4.64 Cr.
Unquoted FVTOCI equity investments As at 31-Mar-2019	DCF Model	Discount Rate	15%	5% sensitivity 2018-19- Discount Rate-20%, ₹(1.57) Cr. Discount Rate-10%, ₹3.16 Cr.
Investment Property As at 31-Mar-2020	Professional valuer	Price per Sq. feet	₹4000 - ₹13,000 per Sq. ft.	5% sensitivity 2019-20 - Rate per Sq. ft - 5%, ₹0.36 Cr.
Investment Property As at 31-Mar-2019	Professional valuer	Price per Sq. feet	₹4000 - ₹13,000 per Sq. ft.	5% sensitivity 2018-19 - Rate per Sq. ft - 5%, ₹0.34 Cr.

₹ in Crores

Unquoted FVTOCI Equity Investments	As at 31-Mar-2020	As at 31-Mar-2019
As at the beginning of the period	8.60	8.75
Re-measurement recognised in OCI	(0.59)	(0.30)
Purchases	0.91	0.15
Sales	-	-
As at the end of the period	**8.92**	**8.60**

Note 42.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.

Notes to Consolidated Financial Statements

₹ 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-20	Receivables	2.14	0.98
	Payables	(0.93)	(0.01)
31-Mar-19	Receivables	2.59	1.49
	Payables	(2.07)	(0.27)

Derivative Contracts

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-20	Derivative Contracts	(0.89)	(1.32)	(1.84)	(9.23)	2.44
31-Mar-19	Derivative Contracts	0.23	(1.17)	5.73	(4.41)	-

Conversely, 5% depreciation in the USD and Euro rates against the significant foreign currencies as at 31st March 2020 and 31st March 2019 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 Group has investments in other equity investments, routed through FVTOCI of only ₹8.92 Cr. as at 31-Mar-2020. (As at 31-Mar-2019 - ₹8.60 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 ₹800.45 Cr. as at 31st March 2020 and ₹890.50 Cr. as at 31st March 2019, 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.

As at 31st March 2020, the Group had 110 customers (as at 31st March 2019 - 141 customers) that owed the Group more than ₹1 Crore each and accounted for approximately 83% (as at 31st March 2019 - 82%) of the total trade receivables outstanding. There were 9 customers (as at 31st March 2019 - 10 Customers) with balances greater than ₹10 Crores accounting for around 26% of the trade receivables (Previous year - 23%).

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, ₹70.88 Cr. (Previous year - ₹73.02 Cr.) is backed by Export Credit Guarantee Cover / Letter of Credit as at 31st March 2020.

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 also invests 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.

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 2020, the Company has undrawn committed lines of ₹359.07 Cr. (As at 31st March 2019 - ₹211.24 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-20					
Borrowings	87.74	165.90	107.56	15.79	376.99
Other Financial Liabilities	2.92	31.41	-	1.38	35.71
Trade and Other Payables	80.23	617.37	7.01	-	704.61
Derivatives	-	-	-	0.36	0.36
Lease Liabilities	-	2.26	6.76	79.43	88.45
Total	**170.89**	**816.94**	**121.33**	**96.96**	**1,206.12**
Year ended 31-Mar-19					
Borrowings	138.35	175.02	189.30	128.55	631.22
Other Financial Liabilities	1.67	52.37	-	-	54.04
Trade and Other Payables	232.59	738.66	3.29	-	974.54
Derivatives	-	-	-	-	-
Total	**372.61**	**966.05**	**192.59**	**128.55**	**1,659.80**

Note 43.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.

Notes to Consolidated Financial Statements

The following table summarizes the Capital of the Group:

₹ in Crores

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Borrowings		
- Long Term	15.79	122.91
- Short Term	253.64	387.55
- Other Current liabilities (Current maturities of Long Term Borrowings)	101.97	100.83
Total Debt	**371.40**	**611.29**
Equity Share Capital	18.79	18.77
Other Equity	1,714.91	1,456.63
Equity	**1,733.70**	**1,475.40**
Debt Equity ratio	0.21	0.41

Note 44.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 2020 and 31st March 2019

Year Ended 31st March 2020

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	82%	1,483.13	94%	295.21	118%	(14.14)	93%	281.07
II. Subsidiaries								
a) Indian								
Shanthi Gears Limited	9%	161.81	6%	18.04	4%	(0.48)	6%	17.56
b) Foreign								
Financiere C10 SAS (Refer Note)	4%	67.85	-1%	(4.38)	-25%	3.02	0%	(1.36)
Great Cycles Private Limited	1%	15.55	0%	(0.83)	0%	-	0%	(0.83)
Creative Cycles Private Limited	0%	5.37	-1%	(1.70)	0%	-	-1%	(1.70)
Non Controlling Interest								
I. Subsidiaries								
a) Indian								
Shanthi Gears Limited	4%	67.51	2%	7.56	2%	(0.28)	2%	7.28
b) Foreign								
Great Cycles Private Limited	0%	3.89	0%	(0.21)	0%	(0.04)	0%	(0.25)
Creative Cycles Private Limited	0%	1.17	0%	(0.42)	1%	(0.07)	0%	(0.49)

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)
Joint Ventures								
I. Indian								
TI Tsubamex Private Limited	0%	-	0%	-	0%	-	0%	-
Total		**1,806.28**		**313.27**		**(11.99)**		**301.28**

Year Ended 31st March 2019

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	74%	1,168.20	88%	220.77	81%	1.00	88%	221.77
II. Subsidiaries								
a) Indian								
Shanthi Gears Limited	13%	211.43	9%	23.39	10%	0.13	9%	23.52
b) Foreign								
Financiere C10 SAS (Refer Note)	5%	78.63	1%	3.30	5%	0.06	1%	3.36
Great Cycles Private Limited	1%	15.76	0%	0.93	0%	-	0%	0.93
Creative Cycles Private Limited	0%	1.70	0%	0.88	0%	-	0%	0.88
III. Non Controlling Interest								
Subsidiaries								
a) Indian								
Shanthi Gears Limited	6%	90.26	4%	9.96	4%	0.05	4%	10.01
b) Foreign								
Great Cycles Private Limited	0%	4.04	0%	0.23	0%	-	0%	0.23
Creative Cycles Private Limited	0%	1.58	0%	0.22	0%	-	0%	0.22

Notes to Consolidated Financial Statements

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)
IV. Joint Ventures								
a) Indian								
TI Tsubamex Private Limited	0%	-	-4%	(8.85)	0%	-	-4%	(8.85)
Total		**1,571.60**		**250.83**		**1.24**		**252.07**

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.

Note 45.Previous Year's figures

The Group has reclassified / regrouped previous year figures to conform to this year's classification.

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
27th May 2020

On behalf of the Board
For **Tube Investments of India Limited**

S Vellayan
Managing Director

M M Murugappan
Chairman

S Suresh
Company Secretary

K Mahendra Kumar
Chief Financial Officer

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