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

20th July 2021

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 2021 - Updates –
ISIN INE974X01010

We write to inform that in connection with **the Company's 13th Annual General Meeting (13th AGM) convened to be held on Friday, 13th August 2021 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), we forward herewith electronic/soft copies of the Notice of the 13th AGM and the Annual Report of the Company for FY 2020-21, simultaneously along with sending of the soft copies of the same today viz., 20th July 2021 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). Consequent to the exemptions provided, no physical/hard copies of the above has been or will be sent.

The Company is also facilitating shareholders who have not registered their e-mail 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 at einward.ris@kfintech.com providing their details or to log in directly to the RTA website link and register their e-mail address at https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. 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 13th AGM.

As indicated in the Notice of the 13th 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. National Securities Depository Ltd. (NSDL) to enable the shareholders to cast their votes electronically on all the resolutions forming part of the Notice of the 13th AGM. **The remote e-voting period will commence on Monday, 9th August 2021 (9.00 a.m. IST) and end on Thursday, 12th August 2021 (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, 6th August 2021, may cast their vote by remote e-voting. Further, in accordance with SEBI's circular ref. no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December 2020, Members (individuals holding shares in demat mode) can also avail the remote e-voting facility by using a single log in credential on the websites of the Depositories/Depository Participants (DPs). Necessary details with regard to e-voting are provided in the Notice of the 13th AGM.

Further, the Company has appointed M/s National Securities Depository Limited (NSDL) to provide Video Conferencing facility for conduct of the 13th 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 13th AGM as an e-AGM are provided in the Notice of the 13th AGM.

The detailed instructions with regard to remote e-voting, participating through Video Conferencing in the 13th AGM and the process of e-voting at the 13th 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 13th AGM are provided as part of the Notice of the 13th 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 13th AGM &
Annual Report for FY 2020-21

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 THIRTEENTH ANNUAL GENERAL MEETING of the Members of Tube Investments of India Limited will be held on **Friday, the 13th August 2021 at 3.30 P.M.** through Video Conferencing (VC) or through other permitted audio-visual means (OAVM) to transact the following business (hereinafter referred to as "e-AGM"):

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 Standalone Financial Statements of the Company for the financial year ended 31st March 2021, 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 2021 and the Report of the Auditors thereon, be and are hereby received and adopted.

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

   RESOLVED that out of the profits of the Company for the financial year ended 31st March 2021, a final dividend at the rate of ₹1.50 (Rupee One and paise fifty only) per share on the equity share capital of the Company, as recommended by the Board of Directors, be and the same is hereby declared for the financial year, 2020-21 and that the said dividend be paid to those Members whose names appear on the Register of Members as on 13th August 2021 or their mandates in case the shares are held in physical form, thus making a total dividend of ₹3.50 per equity share of ₹1/- each for the financial year including the interim dividend of ₹2/- per share already paid, which is hereby confirmed.

   RESOLVED FURTHER that in respect of shares held in electronic form, the dividend be paid to the beneficial holders of the dematerialised shares as on 13th August 2021 as per details furnished by the depositories for this purpose.

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 and the Rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Vellayan Subbiah (holding DIN 01138759), who retires by rotation to comply with the provisions of the Companies Act, 2013, be and is hereby re-appointed as a Director of the Company.

SPECIAL BUSINESS

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 the provisions of Sections 152, 161 and other applicable provisions of the Companies Act, 2013 and the Rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. M A M Arunachalam (holding DIN 00202958), Additional Director, who holds office up to the date of this Annual General Meeting, be and is hereby appointed as a non-executive Director of the Company, liable to retire by rotation.

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

   RESOLVED that pursuant to the provisions of Sections 149 read with Schedule IV, 150, 152, 161 and other applicable provisions of the Companies Act, 2013, the Rules thereunder (including any statutory modification(s) of re-enactment thereof for the time being in force) and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Anand Kumar (holding DIN 0818724), Additional Director, who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five years from 24th March 2021 to 23rd March 2026 (both days inclusive).

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 Sections 149 read with Schedule IV, 150, 152, 161 and other applicable provisions of the Companies Act, 2013, the Rules thereunder (including any statutory modification(s) of re-enactment thereof for the time being in force) and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Ms. Sasikala Varadachari (holding DIN 07132398), Additional Director, who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of four years from 17th June 2021 to 16th June 2025 (both days inclusive).

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

RESOLVED that pursuant to the provisions of 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 ₹61,64,384/- to Mr. M M Murugappan (holding DIN 00170478), former Chairman (non-executive, promoter) for the financial year 2020-21.

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.

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

RESOLVED that in accordance with the provisions of Section 197 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) (hereinafter referred to as "the Act") read with the Articles of Association of the Company, the Directors of the Company (including the alternate Directors), who are neither in the whole-time employment of the Company nor are the Managing Director(s)/Manager of the Company, be paid, in respect of each of the financial years of the Company, on and from the financial year which commenced from the 1st April 2021 up to the financial year ending on the 31st March 2026, a remuneration by way of commission not exceeding, in aggregate, an amount equal to one percent of the net profits of the Company as computed under Section 198 of the Act.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to decide, from time to time, the quantum and manner of distribution of the amount of commission to one or more Directors within the limits prescribed and in terms of the Act.

RESOLVED FURTHER that the aforesaid commission shall be exclusive of the fees payable to such Directors for attending the meetings of the Board and the Committees thereof.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to take all such steps as may be necessary, desirable or expedient to give effect to this Resolution.

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

RESOLVED that pursuant to the provisions of Section 186 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other the Rules made thereunder (including any statutory modification thereof for the time being in force and as may be enacted from time to time) ("Act"), consent of the Members, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), to further invest amount(s) not exceeding ₹2 Crores (Rupees Two Crores only) in M/s Watsun Infrabuild Private Limited, from time to time, in one or more tranches, as the Board may, in its absolute discretion, deem beneficial in the interest of the Company notwithstanding that the proposed investment, as aforesaid, when made, taken together with the investments so far made or being made in all other bodies corporate, loans and guarantees so far given or to be given may exceed the limits specified under Section 186 of the Act.

RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, as may be necessary, proper or expedient without being required to seek any further consent or approval of the Company or otherwise to the end and intent that they shall be deemed to have been given all necessary approval thereto expressly by the authority of this Resolution.

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

RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other the rules made thereunder (including any statutory modification thereof for the time being in force and as may be enacted from time to time) ("Act"), consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), to invest such amount(s), from time to time, in one or more tranches, in any start-up companies/body corporate(s) engaged in innovative research and development of new technology/ies in various fields/activities of business interest to the Company, including in the fields of power generators, alternate fuels, environmental sustainability, energy storage systems, Internet of Things (IoT), medical devices, smartphone components, compressors, electric vehicles etc., inter alia with the objective of developing new revenue streams/growth opportunities for the Company, not exceeding a sum of ₹25 Crores (Rupees Twenty Five Crores only), in the aggregate, by way of subscription of, purchase or otherwise in, the securities offered by such start-up companies or such body corporate(s), as the Board may in its absolute discretion deem fit, notwithstanding that the proposed investments, as aforesaid, when made, taken together with the investments so far made or being made in all other bodies corporate, loans and guarantees so far given or to be given, may exceed the limits specified under Section 186 of the Act.

RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, as may be necessary, proper or expedient without being required to seek any further consent or approval of the Company or otherwise to the end and intent that they shall be deemed to have been given all necessary approval thereto expressly by the authority of this Resolution.

12. 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 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 2021-22, amounting to ₹3 Lakhs (Rupees Three Lakhs only) 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

9th July 2021

S Suresh

Company Secretary

NOTES:

(a) Convening of Annual General Meeting through Video Conferencing / other Audio Visual Means facility:

In view of the resurgence of the COVID-19 pandemic, social distancing norm to be followed and lock-down/lock-down like restrictions imposed across the country and pursuant to General Circular Nos. 14/2020, 17/2020, 22/2020, 33/2020 and 02/2021 dated 8th April 2020, 13th April 2020, 15th June 2020 and 28th September 2020 respectively, and also, the General Circular No.02/2021 dated 13th January 2021 issued in continuation thereof by the Ministry of Corporate Affairs (hereinafter collectively referred as "**MCA Circulars**") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 and also Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021 in continuation thereof issued by the Securities and Exchange Board of India ("**SEBI Circular**") and in compliance with the provisions of the Companies Act, 2013 ("**Act**") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), the Annual General Meeting ("**e-AGM**" or "**AGM**" or "**Meeting**") of the Company convened is being conducted through Video Conferencing ("**VC**")/other Audio Visual Means ("**OAVM**") facility, which does not require physical presence of the Members of the Company ("**Members**") at a common venue. Hence, the Members are requested to attend and participate at the ensuing e-AGM through VC/OAVM facility being provided by the Company through National Securities Depository Limited ("**NSDL**").

The deemed venue for the e-AGM shall be the registered office of the Company.

(b) Quorum:

The attendance of the Members attending the e-AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

The Members can join the e-AGM in the VC/OAVM mode 30 (thirty) minutes before the scheduled time of the commencement of the e-AGM. The Company may close the window for joining the VC/OAVM facility 15 (fifteen) minutes after the scheduled time to start the e-AGM. The facility of participation at the e-AGM through VC/OAVM will be made available for 1,000 (one thousand) Members on first-come-first-served basis. This will not include large shareholders (shareholders holding 2% (two per cent) or more shareholding), promoters, institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee and Auditors of the Company, who are allowed to attend the e-AGM without restriction on account of first-come-first served basis.

(c) Proxy(ies):

Pursuant to the provisions of the Act, a Member entitled to attend and vote at an AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member. Since this e-AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the e-AGM and hence the proxy form and attendance slip are not annexed to this Notice.

(d) Explanatory Statement:

An explanatory statement as per Section 102 of the Act in respect of the business under Item Nos. 5 to 12 of this Notice, proposed to be transacted at the e-AGM, is annexed to this Notice.

(e) Corporate Representations:

Pursuant to the provisions of Section 113 of the Act, body corporate Members who intend their authorised representative(s) to attend the e-AGM are requested to send, to the Company, a certified copy of the resolution of its board of directors or other governing body, authorizing such representative(s) along with the respective specimen signature(s) of those representative(s) authorised to attend the e-AGM through VC/OAVM facility and participate thereat and cast their votes through e-voting. The said resolution/authorization shall be sent to the scrutinizer by e-mail through its registered email address to rsaevoting@gmail.com with a copy marked to evoting@nsdl.co.in.

(f) Queries:

Members who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at investorservices@tii.murugappa.com. Questions/queries received by the Company till 5 p.m. (IST) on 10th August 2021 shall only be considered and responded during the e-AGM.

Members who would like to express their views or ask questions during the AGM may register themselves as a Speaker by sending an email to investorservices@tii.murugappa.com any time before 5.00 p.m. (IST) on 10th August 2021, mentioning their name, demat account number/folio number, email id and mobile number. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM, depending on availability of time.

The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the AGM.

(g) Dispatch of Notice through electronic means and inspection of documents:

In terms of Sections 101 and 136 of the Act, read with the rules made thereunder, the listed companies may send the Notice of AGM by electronic mode. Pursuant to the said provisions of the Act read with MCA Circulars, SEBI Circular, electronic copy of the Notice of the e-AGM of the Company is being sent to all the Members whose e-mail address are registered with the Company/RTA (defined below)/ depository participant(s).

The Members may also note that the Notice of the e-AGM will also be available on the Company's website www.tiindia.com and on the website of Stock Exchanges (where the shares of the Company are listed i.e. BSE Limited www.bseindia.com and National Stock Exchange of India Limited www.nseindia.com and also on the website of NSDL www.evoting.nsdl.com for download. Members may note that relevant documents referred in the Notice shall be made available at the registered office of the Company during business hours (9.30 a.m. to 5.30 p.m.) on all working days up to the date of the AGM, in accordance with applicable statutory requirement based on request received by the Company for inspection at investorservices@tii.murugappa.com. The relevant document(s)/registers for inspection during the AGM will be made available electronically.

For Members who have not received the Notice due to change/non-registration of their e-mail address with the Company/RTA (defined below)/depository participants, they may request, for the Notice, by sending an email at evoting@nsdl.co.in. Post receipt of such request and verification of records of the Members, the Members would be provided soft copy of the Notice and the Annual Report. It is clarified that for registration of email address, the shareholders are however requested to follow due procedure for registering their email address with the Company/ RTA (defined below) in respect of physical holdings and with the depository participants in respect of electronic holdings. Those Members who have already registered their email addresses are requested to keep their email addresses validated with their depository participants/RTA(defined below)/Company to enable servicing of notices/documents/annual reports electronically to their email address.

The Members who have not received any communication regarding this e-AGM for any reason whatsoever, and are eligible for vote are also entitled to vote and may obtain the User ID and password or instructions for remote e-voting by contacting NSDL between 09:00 a.m. IST to 05:00 p.m. IST on all working days, except Saturday and Sunday at evoting@nsdl.co.in

Any person becoming a Member after the dispatch of Notice of the AGM and holding shares as on the cut-off date i.e. 6th August 2021 may obtain the User ID and password by referring to the e-voting instructions attached to this Notice and also available on the Company's website www.tiindia.com and the website of NSDL viz., www.evoting.nsdl.com. Alternatively, Member may send request providing the email address, DP ID / Client ID, mobile number, number of shares held and self-attested PAN copy via email to evoting@nsdl.co.in for obtaining the Notice of AGM.

(h) Scrutinizer:

The Board of Directors, at its meeting held on 17th June 2021, has appointed Mr. R Sridharan (FCS 4775) of M/s. R Sridharan & Associates, Practising Company Secretaries (C.P. No. 3239), as the "**Scrutinizer**" to scrutinize the remote e-voting and e-voting at the AGM in a fair and transparent manner.

The Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny of the remote e-voting and e-voting at the e-AGM. The results will be announced by the Chairman of the Company or any director of the Company as may be authorised by the Chairman of the Company within two working days from the conclusion of the AGM and will be posted on the Company's website viz. www.tiindia.com and will also be posted on the website of National Securities Depository Limited ("**NSDL**") at www.evoting.nsdl.com. The results shall also be intimated to the Stock Exchanges where the securities of the Company are listed.

(i) Electronic voting:

In compliance with provisions of Sections 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 ("**Rules**"), Regulation 44 of the Listing Regulations and Secretarial Standard – 2, the Company is providing remote e-voting facility to enable Members to cast their votes electronically on the matters included in this Notice. For this purpose, the Company has engaged the services of NSDL to provide e-voting facility to enable the Members to cast their votes electronically. The facility of casting votes by a Member using remote e-voting system as well as e-voting at the e-AGM will be provided by NSDL. Members are requested to follow the procedure as stated in the instructions of this Notice for casting of votes electronically.

The cut-off date for determining the Members eligible to vote on resolutions proposed to be considered at the meeting is Friday, 6th August 2021. The remote e-voting period will commence on Monday, 9th August 2021 at 9:00 a.m. (IST) and end on Thursday, 12th August 2021 at 5:00 p.m. (IST). The remote e-voting will not be allowed beyond the aforesaid date and time. The remote e-voting module shall be disabled thereafter.

The resolutions will be deemed to have been passed on the date of the meeting, if approved by the requisite majority.

Only those Members whose names are appearing on the 'Register of Members'/'List of Beneficial Owners' of the Company as on the cut-off date, shall be entitled to cast their vote through remote e-voting or voting through VC/OAVM at the e-AGM, as the case may be. A person who is not a Member on the cut-off date should treat this Notice for information purpose only.

The Members who have cast their vote by remote e-voting prior to the AGM may also attend and participate in the proceedings of the AGM through VC/OAVM but shall not be entitled to cast their votes again. The Members can opt for only one mode of voting i.e. remote e-voting or e-voting at the AGM. In case of voting by both the modes, vote cast through remote e-voting will be considered final and e-voting at AGM will not be considered. Members must note that voting by show of hands will not be available at the Meeting in terms of the aforesaid provisions.

(j) Voting Rights:

Voting rights shall be reckoned in proportion to the paid-up equity shares registered in the name of the Member as on the cut-off date being Friday, 6th August 2021.

(k) Route Map:

In view of the extraordinary circumstances due to resurgence of the COVID-19 pandemic prevailing in the country, the Company will hold the AGM through VC/OAVM, without the physical presence of the Members in terms of MCA and SEBI Circulars. Hence, the route map is not annexed to this Notice.

(l) Dematerialization of Shares:

Attention is drawn to Regulation 40 of Listing Regulations which has mandated that transfer of securities would be carried out only in dematerialized form.

Members are therefore requested to dematerialize their physical holdings. For any clarification, assistance or information relating to dematerialization of Company's shares, please contact the Registrar & Share Transfer Agents ("RTA") of the Company viz., M/s. KFin Technologies Private Limited, Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032 at Tel No.040-6716 2222 or e-mail at einward.ris@kfintech.com.

(m) Tax Deducted at Source for dividend:

If the final dividend, as recommended by Board of Directors, is approved by the shareholders, payment of dividend will be subject to deduction of tax at source.

In terms of the Income Tax Act, 1961 ("the Act"), as amended by the Finance Act, 2020, dividend income is taxable in the hands of members effective 1st April 2020 and therefore, the Company is required to deduct tax at source (TDS) at the prescribed rates on dividend payable to members.

In the absence of details of valid Permanent Account Number (PAN) of any member, the Company will have to deduct tax at a higher rate as prescribed under the Act.

Members holding shares in electronic form are requested to submit their PAN details to their Depository Participant with whom they maintain their demat accounts and members holding physical shares are requested to submit their PAN details to our RTA mentioned in point (l) above.

Members not liable to pay income tax are also requested to submit necessary declaration viz., Form 15G, 15H etc. as may be applicable in their case, to avail the benefit of non-deduction of tax at source to investorservices@tii.murugappa.com on or before 20th August 2021.

In terms of the amendment by Finance Act, 2021, to Act, a new section 206AB has been introduced mandating higher rate of deduction in case of non-filers with respect to tax deductions. Accordingly the Company will be using the new functionality, "Compliance Check for Sections 206AB and 206CCA" provided by the Central Board of Direct Taxes through reporting portal of Income Tax Department. In case of non-filers as per the report available under the new functionality, tax will be deducted at twice the prescribed rate or 5% whichever is higher.

Detailed instructions for the reference of Members for remote e-voting and joining the Annual General Meeting of the Company through Video Conferencing are given at the end of this Notice. Members are requested to refer to the same.

ANNEXURE TO THE NOTICE

Details of the Director seeking re-appointment at the 13th Annual General Meeting vide Item no.4 of the Notice dated 9th July 2021

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

The resume of Mr. Vellayan Subbiah, 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. Vellayan Subbiah

Mr. Vellayan Subbiah holds a Master's degree in Business Administration from the University of Michigan. He is a Director of the Company effective 19th August 2017.

Details of other Directorships (excluding foreign companies) and memberships in Committees held by him are as follows:

Chairman	**Director**
Cholamandalam Investment and Finance Company Limited	SRF Limited
CG Power and Industrial Solutions Limited	Shanthi Gears Limited
	Cholamandalam Financial Holdings Limited
	Ambadi Investments Limited
	Cherrytin Online Private Limited
	DOT IOT Technologies Private Limited

Committee Memberships/Chairmanships

Audit Committee	**Risk Management Committee**
Member	**Chairman**
CG Power and Industrial Solutions Limited	CG Power and Industrial Solutions Limited
SRF Limited	**Corporate Social Responsibility Committee**
Stakeholders Relationship Committee	**Chairman**
Chairman	Cholamandalam Investment and Finance Company Limited
CG Power and Industrial Solutions Limited	**IT Strategy Committee**
Nomination and Remuneration Committee	**Member**
Member	Cholamandalam Investment and Finance Company Limited
Cholamandalam Investment and Finance Company Limited	**Business Committee**
CG Power and Industrial Solutions Limited	**Chairman**
	Cholamandalam Investment and Finance Company Limited

Mr. Vellayan Subbiah does not hold any equity shares of the Company.

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

Mr. Vellayan Subbiah is the Managing Director of the Company and holds the said office for a five year term viz., from 2017 to 2022. As per the terms of his appointment, he is not liable to retire by rotation but, would do so, if required for the purpose of compliance with the requirement of Section 152(6) of the Companies Act, 2013. As the requirement has arisen presently, he is retiring at the ensuing Annual General Meeting. The Board, accordingly recommends his re-appointment as a Director for approval by the Members of the Company.

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

Statement in respect of the Special Business under Item nos. 5 to 12 (pursuant to Section 102 of the Companies Act, 2013) of the Notice dated 9th July 2021

Item no. 5

Mr. M A M Arunachalam, holding DIN 00202958, was appointed by the Board of Directors ("Board"), on the recommendation of the Nomination and Remuneration Committee, as an Additional Director of the Company with effect from 11th November 2020 pursuant to Section 161(1) of the Companies Act, 2013 ("the Act") and holds office up to the date of the ensuing Annual General Meeting. The Company has received the requisite consent and disclosure forms from him and also necessary notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director.

Mr. M A M Arunachalam (also known as Arun Murugappan) holds a Master of Business Administration degree from the University of Chicago, USA. A senior member of the Murugappa family, he is an Industrialist and has over 25 years' experience in varied business and industrial activities. He was the Managing Director of Parry Enterprises India Limited, from January 2008 to March 2021, actively driving its business development and strategic initiatives.

Details of other Directorships (excluding foreign companies) and memberships in Committees held by him are as follows:

Chairman	**Director**
Parry Enterprises India Limited	CG Power and Industrial Solutions Limited
Cholamandalam Home Finance Limited	Cholamandalam Investment and Finance Company Limited
	Shanthi Gears Limited
	Coromandel Engineering Company Limited
	Ambadi Investments Limited
	New Ambadi Estates Private Limited
	AR Lakshmi Achi Trust (Sec 8 Company)

Committee Memberships/Chairmanships

Audit Committee	**Nomination and Remuneration Committee**
Member	**Member**
Coromandel Engineering Limited	CG Power and Industrial Solutions Limited
Parry Enterprise India Limited	Parry Enterprise India Limited
Cholamandalam Investment and Finance Company Limited	**Risk Management Committee**
Stakeholders Relationship Committee	**Member**
Chairman	Cholamandalam Investment and Finance Company Limited
Coromandel Engineering Company Limited	**Corporate Social Responsibility Committee**
Cholamandalam Investment and Finance Company Limited	**Member**
Member	Cholamandalam Investment and Finance Company Limited
CG Power and Industrial Solutions Limited	**Business Committee**
	Member
	Cholamandalam Investment and Finance Company Limited

Mr. M A M Arunachalam holds 6,18,820 shares of the Company.

The other details relating to Mr. M A M Arunachalam 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 on the recommendation of the Nomination and Remuneration Committee, recommends his appointment as a Director liable to retire by rotation for approval by the Members of the Company.

Mr. M A M Arunachalam is not related to any of the other Directors and Key Managerial Personnel of the Company and their relatives.

Item no. 6

Mr. Anand Kumar, holding DIN 0818724, was appointed, by the Board of Directors ("Board"), on the recommendation of the Nomination and Remuneration Committee, as an Additional Director of the Company with effect from 24th March 2021 pursuant to Section 161(1) of the Companies Act, 2013 ("the Act") and holds office up to the date of the ensuing Annual General Meeting. The Company has received the requisite consent and disclosure forms from him and also necessary notice in writing from a Member under Section 160 of the Act proposing his candidature for office of Director.

Mr. Anand Kumar is a MBA from Vanderbilt University, U.S.A. He is the co-founder of Gateway Partners, Singapore. He has over 28 years of experience in Investments, Mergers & Acquisitions, Equity Capital Markets and Leveraged Finance in Southeast Asia.

Details of other Directorships (excluding foreign companies) and memberships in Committees held by him are as follows:

Director	**Committee Memberships**
Cholamandalam Investment and Finance Company Limited	**Audit Committee**
TVS Supply Chain Solutions Limited	**Member**
DRSR Logistics Services Private Limited	Cholamandalam Investment and Finance Company Limited
	Nomination and Remuneration Committee
	Chairman
	Cholamandalam Investment and Finance Company Limited

Mr. Anand Kumar does not hold any shares of the Company.

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

In the opinion of the Board, Mr. Anand Kumar satisfies the criteria prescribed in the Act and Rules made thereunder for appointment as an Independent Director of the Company and that he is independent of the Management. Accordingly, the Board, on the recommendation of the Nomination and Remuneration Committee, recommends his appointment as an Independent Director for a term of five years, from the date of his appointment to the Board as an Additional Director (viz., from 24th March 2021). The draft letter of appointment setting out the terms and conditions of his appointment is available on the website of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, the Board recommends the Resolution in relation to the appointment of Mr. Anand Kumar as an Independent Director, for approval of the shareholders of the Company.

Except Mr. Anand Kumar, 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 Independent Director of the Company.

Item no. 7

Ms. Sasikala Varadachari, holding DIN 07132398, has been appointed by the Board of Directors ("Board"), on the recommendation of the Nomination and Remuneration Committee, as an Additional Director of the Company with effect from 17th June 2021 pursuant to Section 161(1) of the Companies Act, 2013 ("the Act") and holds office up to the date of the ensuing Annual General Meeting. The Company has received the requisite consent and disclosure forms from her and also necessary notice in writing from a Member under Section 160 of the Act proposing her candidature for office of Director.

Ms. Sasikala Varadachari holds a Master's degree in Economics and is also a Chartered Associate of Indian Institute of Bankers (CAIIB). She was associated with the State Bank of India (SBI) group since 1977 and was holding several important portfolios in SBI including, Chief Executive Officer of SBI - Tel Aviv, Israel and General Manager – Shares & Bonds, Corporate Centre. She retired from SBI as Chief General Manager, Strategic Training Unit, Corporate Centre.

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

Director	**Committee Memberships**
CG Power and Industrial Solutions Limited Cholamandalam Securities Limited Sundaram Clayton Limited TVS Motor Services Limited TVS Credit Services Limited	**Member** CG Power and Industrial Solutions Limited **Corporate Social Responsibility Committee** **Member** CG Power and Industrial Solutions Limited **Risk Management Committee** **Chairperson** TVS Credit Services Limited **Asset Liability Management Committee** **Member** TVS Credit Services Limited

Ms. Sasikala Varadachari does not hold any shares of the Company.

In the opinion of the Board, Ms. Sasikala Varadachari satisfies the criteria prescribed in the Act and Rules made thereunder for appointment as an Independent Director of the Company and that she is independent of the Management. Accordingly, the Board, on the recommendation of the Nomination and Remuneration Committee, has recommended her appointment as an Independent Director for a term of 4 years, from the date of her appointment to the Board as an Additional Director (viz., from 17th June 2021). The draft letter of appointment setting out the terms and conditions of her appointment is available on the website of the Company.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail her services as an Independent Director. Accordingly, the Board recommends the Resolution in relation to the appointment of Ms. Sasikala Varadachari as an Independent Director, for approval of the shareholders of the Company.

Except Ms. Sasikala Varadachari, 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 her appointment as Independent Director of the Company.

Item no.8

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, former Chairman (non-executive, promoter) on pro rata basis till the end of his period of office towards the affairs of the Company during FY 2020-21, on the recommendations of the Nomination and Remuneration Committee, the Board has proposed that a higher remuneration by way of Commission be paid to him.

The Members may note in this regard that Mr. M M Murugappan had played a very significant role as a Director and, as the Chairman, actively guiding and nurturing the Company with business interests spanning multiple product segments, most of which have emerged to be amongst market leaders. Apart from guiding the Company on governance matters, he had spent significant time in developing and forging business relationships for the Company in India and abroad,contributing in matters concerning existing and evolving technology, identifying opportunities for business growth through expansions and acquisitions, representing the Company in various forums including interactions with the Government and actively promoting the interests of the Company.

Further, as already stated above, under the Act, the NEDs are permitted to be paid up to a maximum of ₹3.64 Cr. for the FY 2020-21, 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 ₹1.09 Cr. only 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.

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 as aforesaid, 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 till the end of his period of office during the FY 2020-21 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.

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.9

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.

The role of non-whole-time Directors is significant in achieving good performance and establishment of good governance. The responsibility of the non-whole time Directors has increased considerably with the far reaching changes in several key corporate legislations.

It is therefore proposed that the Directors of the Company (including alternate Directors), who are neither in the whole-time employment of the Company nor are the Managing Director(s)/Manager of the Company, be paid, for each of the five financial years commencing from the 1st day April 2021 up to the financial year ending on the 31st March 2026, a remuneration not exceeding one per cent per annum of the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013 and the applicable Rules thereunder, if any. This remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board of Directors and subject to any other applicable requirements under the Act and its Rules. This remuneration will be in addition to the fee payable to the Directors for attending the meetings of the Board/the Committees thereof or for any other purpose whatsoever, as may be decided by the Board and the reimbursements of expenses for participating in the Board and other meetings. It may be noted in this regard that although the shareholders approval is sought for the payment of a commission up to one per cent of net profits of the Company for each year, the actual commission paid to the Directors per annum is subjected to a review by the Nomination and Remuneration Committee and the Board and is normally restricted to a fixed sum, which is well below the statutory limit. Presently, the commission paid to the Non-Executive Directors is subject to a maximum of ₹10 Lakhs per annum per Director.

Accordingly, approval of the Members is sought by way of a Special Resolution under the applicable provisions of the Act and the Rules thereunder for the payment of remuneration, by way of Commission, to the Directors of the Company (including alternate Directors), who are neither in the whole-time employment of the Company nor are the Managing Director(s)/Manager of the Company, for a period of five financial years from the 1st April 2021 up to the financial year ending on 31st March 2026, as set out in the Resolution under Item no.9 of the Notice. The Board recommends the Resolution for approval by the Shareholders of the Company.

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 payment of Commission to the NEDs of the Company.

Item no.10

The Company currently sources wind/solar energy for its business requirements from M/s. Watsun Infrabuild Private Limited ("Watsun"), an alternate energy producer, under a captive power purchase agreement with the said producer and has been able to effect savings in its overall power cost through such sourcing. With the increased demand for its products, the Company has estimated an additional requirement of power, which it proposes to source through Watsun in view of the cost advantage. In terms of the Electricity Rules and the Group Captive Power Policy of the Government of India, captive users can consume power from a captive generating plant only in proportion to their shareholding in the producer. The Company has so far invested ₹1.06 Crores in Watsun's share capital.

In respect of the additional requirement which would involve an investment of further sum of about ₹2 Crores in the share capital of Watsun as estimated necessary by the Company from time to time in the coming years depending on the Company's business demand, the Company will have to subscribe further amounts to the share capital of Watsun so that the Company gets entitled to source such additional power from Watsun in accordance with the Group Captive Power Policy viz., in proportion to its shareholding in the said power producer.

Accordingly, the Company seeks the approval of the Shareholders for the investment, in addition to the present investment, in one or more tranches of amount(s) not exceeding in the aggregate ₹2 Crores in the share capital of Watsun as set out in the Resolution under Item no.10 of the Notice of this Annual General Meeting read with the Explanatory Statement as contained herein, notwithstanding that the said investment(s), when made, will be in excess of the aggregate limit for investments, loans and guarantees/securities as computed under Section 186 of the Companies Act, 2013, to facilitate the sourcing of captive power by the Company to supplement energy requirements of its businesses in accordance with the Government Policy and norms.

The Board is of the opinion that the Resolution is in the interest of the Company and therefore, recommends the same for approval by the Shareholders of the Company.

The approval of the Shareholders is therefore sought by way of a Special Resolution under the applicable provisions of the Act and the Rules thereunder for the investment proposed as set out in the Resolution under Item no.10 of the Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives, is concerned or interested, financially or otherwise in the Resolution given under Item no.10 of the Notice for this Annual General Meeting.

Item no.11

The Company is currently looking at various new business opportunities for growth and for maintaining its revenue and profitability trajectory, by developing new growth opportunities/lines of business and revenue streams. In pursuance thereof, the Company has presently identified certain fields of business including electrical vehicles, power generators, alternate fuels, environmental sustainability, energy storage systems, Internet of Things (IoT), medical devices, smartphone components, advanced driver assistance systems (ADAS), micro-grid etc., as offering significant opportunities to the Company to drive its future business growth. In this regard, the Company is looking at various start-ups, agencies, institutions etc., who are into active, innovative and out-of-box research in areas of technology which are of interest to the Company, with the potential to deliver elegant, cost effective and cleaner technological solutions, and can be assimilated and integrated as part of the existing or as new lines of business of the Company.

Presently, the proposals are at various stages of evaluation. Upon the opportunities getting finalised, the Company may have to make the investments as may be necessary in the potential target(s) engaged in the aforementioned sectors, in one or more tranche(s).

Accordingly, the Company has proposed to earmark a sum of ₹25 Crores for investment in Start-ups engaged in research and product development in the aforementioned and other sectors, to start with.

The Company, therefore, seeks the approval of the Shareholders vide the Resolution under Item no.11 of the Notice of the 13th Annual General Meeting read with the Explanatory Statement herein to make investment, under Section 186 of the Companies Act, 2013 ("the Act") for amount(s) not exceeding ₹25 Crores in the aggregate, by way of subscription, purchase or otherwise, in the securities of any other start-up companies or body corporate(s) engaged in active research/product development in sectors/areas of growth potential, in one or more tranches, from time to time, as may be decided by the Board, on a case to case basis, notwithstanding that the said investment(s), when made, will be in excess of the aggregate limit of the limit for investments, loans and guarantees/securities as computed under Section 186 of the Act.

The Board is of the opinion that it is imperative that the Company participates in emerging technological trends in order to continue firmly in the growth path and improve profitability, and therefore, the Resolution being is in the interest of the Company, the Board recommends the same for approval by the Shareholders of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives, is concerned or interested, financially or otherwise in the Resolution given under Item no.11 of the Notice for this Annual General Meeting.

Item no.12

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 2021-22 on the remuneration payable to them as per details furnished under Item no.12 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 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, financially or otherwise, in the aforesaid Resolution.

By Order of the Board

Chennai
9th July 2021

S Suresh
Company Secretary

THE DETAILED INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Monday, the 9th August 2021 at 9.00 A.M. Indian Standard Time (IST) and ends on Thursday, 12th August 2021 at 5.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 6th August 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 6th August 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	**Login Method**
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rsaevoting@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr.Soni Singh, Assistant Manager at email id - evoting@nsdl.co.in.

Process for those shareholders whose e-mail ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this Notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investorservices@tii.murugappa.com

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investorservices@tii.murugappa.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **Step 1 (A**) i.e. **Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investorservices@tii.murugappa.com on or before 5 P.M. on 10th August 2021. The same will be replied by the Company suitably.

REDEFINING THE FUTURE

TUBE INVESTMENTS OF INDIA LIMITED
ANNUAL REPORT 2020-21

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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 results to differ materially from those indicated by such statements.

REDEFINING THE FUTURE

There comes a time in the destiny of a company when it is confronted with a turning point, a point of inflection, when the need to take the quantum leap becomes imperative.

At TII, 2020-21 presented the destiny defining, milestone - marking point of inflection - a transformational direction for a new future. A future, in pursuit of strategic frontiers, exploring exponential possibilities.

Exploring possibilities is what we did as we surmounted the challenges of a turbulent year, building capabilities in process and people, adding scale and scope with acquisitions and adjacencies, leveraging differentiated technologies to expand global footprint, demonstrating our resilient strength in each of our business and recording a strong balance sheet.

It was a defining year when TII emerged as a strong growth engine, shifting gears for a forward-bound journey, for redefining the future.

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 30 businesses, with ten listed companies traded in NSE & BSE. Major companies of the Group include Carborundum Universal Ltd, CG Power & Industrial Solutions Limited, 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

TII is one of India's leading manufacturers of a wide range of precision engineered and metal formed products for major industries such as Automotive, Railway, Construction, Mining, Agriculture, etc. The Company is also a leading manufacturer of bicycles in India, with a range of iconic brands and a strong market presence. The acquisition of CG Power and Industrial Solutions Limited, a major manufacturer of Motors, Transformers, Switch Gears and Railway parts, marked a major step-up for the Company, amplifying its scale and scope of operations.

In line with its strategy of accelerating growth and redefining its future, TII is building capabilities, amplifying its ambit wth adjacencies and acquisitions, and expanding its global footprint with innovative product streams for new and emerging technologies.

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 2020-21

FY 2020-21 was a milestone marking year, when TII demonstrated its resilient strength, consolidating capabilities and rising above the market turbulence of a pandemic year, to record a strong balance sheet. Each of the business displayed its true mettle focusing on benchmark standards in quality, on-time deliveries, efficiency improvement, cost reduction and productivity improvement. The relentless focus on the 4 cardinal metrics of revenue growth, profitability, return on invested capital (ROIC) and free cash flow (FCF) enabled the Company to create shareholder value and pursue greater growth to redefine its future.

REVENUE
-0.5%
4,256
(₹ in Crore)

PBT %
9%
381
(₹ in Crore)

ROIC
31.5%

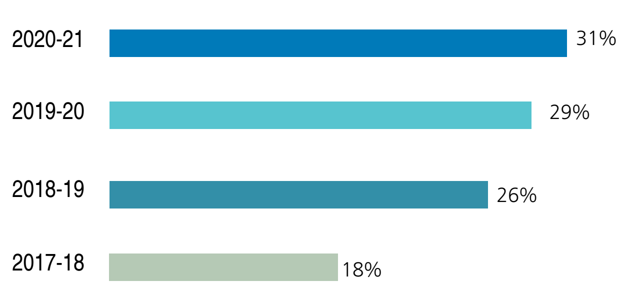
FCF TO PAT %
195%
FCF - 533
(₹ in Crore)

NET REVENUE (₹ in Crore)

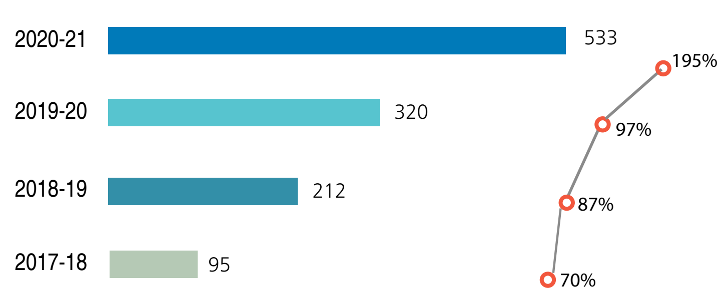
* Q1 FY 21 performance impacted by pandemic.

PBT BEFORE EXCEPTIONAL ITEMS (₹ in Crore)

ROIC % **(pre tax)**



FCF (₹ in Crore) **FCF / PAT %**



Manufacturing facility at Mandideep, Bhopal.

CG POWER ACQUISITION

TII embarked upon a major acquisition of CG Power and Industrial Solutions Limited, enlarging its scale and scope of operations for redefining its future.

A global leader and pioneer in the management and application of electrical energy, CG Power (CG) provides end-to-end products and solutions for the effective and sustainable use of power. With 18 manufacturing facilities spread across the states of Madhya Pradesh, Maharashtra and Goa, the company manufactures a wide range of products under three major verticals: Power, Industrial and the Railway Division.

A market leader in India in its key product lines, CG Power has a strong global presence with exports to more than 80 countries across the world.

Power Business

CG is one of the largest Electric Equipment manufacturers for the Power and Industrial sector offering turnkey solutions in Power Distribution and Generation.

A. Transformers

The company is the first Indian manufacturer to develop and supply coupling transformers for Dynamic Reactive Power Compensation (DRPC) applications like Static Synchronous Compensator (STATCOM) and Static VAR Compensator (SVC) ranging from 160kVA to 1500 MVA, 12kV ~1200kV conforming to IEC, ANSI, IS, BS and other International Standards.

CG is currently also the first manufacturer of 132KV Green Transformers in India. The company manufactures a complete line of transformers - Generator Distribution, Solar, Green, Unit Auxiliary, Shunt Reactors, Furnace, Locomotive and Track side transformers ranging from 160kVA to 1500 MVA, 12kV -1200kV Class.

Power Transformer

LT Motors - Smartor

Railway Signalling Relay

B. Switchgears

CG manufactures Switchgear (Indoor/outdoor) products ranging from Extra High Voltage (EHV) & Medium Voltage Switch gears from 3.6kV - 1200kV, Oil, Gas & Vacuum – Trio Technology Suitable to High Altitude & Seismic Zone. Switchgear Products conform to IEC, IEEE, ANSI & GOST standards, with one of the largest indoor test laboratories of 1600 kV comprising of AC resonance test systems and 3.6 kJ 3600 kV impulse test system.

The Switchgear Basket offers SF6 Circuit Breaker - Live & Dead Tank, Gas Insulated Switchgears (GIS), Oil Filled Current Transformers (CT), Inductive Voltage Transformers (IVT), Capacitive Voltage Transformers (CVT), Surge Arresters, Off Load Disconnectors and Condenser Bushings.

Industrial Business

A. Motors

CG is the largest manufacturer of Low-Tension Motors in India, offering a range of 0.18kW to 710KW in various standard and customized configurations. The company also offers Medium Voltage Motors and Fractional Horse Power Motors for all general purpose applications.

CG is the first company to develop and supply a complete range of IE2, IE3 and IE4 Motors in India.

CG is the only company to have an NABL accredited test laboratory for Motors testing up to 560kW as per IS/IEC 60034-2-1:2014 & IS12615 in India. A forerunner in the electrical vehicles Motors & Controller category, CG's innovative 'Smart Motor' helps customers monitor motor operations and health remotely.

B. Drives & Automation

Drives & Automation business comprises low voltage AC Drives, Soft Starters, Shaft Power Monitor, Solar Drives, PLC and HMI under the 'EMOTRON' brand, well accepted in India and worldwide. The unit has its state-of-the-art Engineering centres in Germany and Netherlands and two manufacturing facilities with in-house capabilities in India and Sweden.

C. Commercial Products

CG's commercial product range is the recent addition to its product basket. It consists of consumer electrical products like domestic & agricultural Pumps and industrial & domestic Exhaust Fans.

Railway Business

CG offers the most comprehensive Rail Vehicle and Rail Traffic Protection portfolio in India, producing a wide and comprehensive range of Traction Motors and Alternators, Traction Converter, Auxiliary Converter, Propulsion System and Train Control and Management System, Railway Signalling products - Relays, Electric point machine, BLDC Carriage Fan, Control Panel for Locomotive, DETC, DEMU, MEMU and Coaches.

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

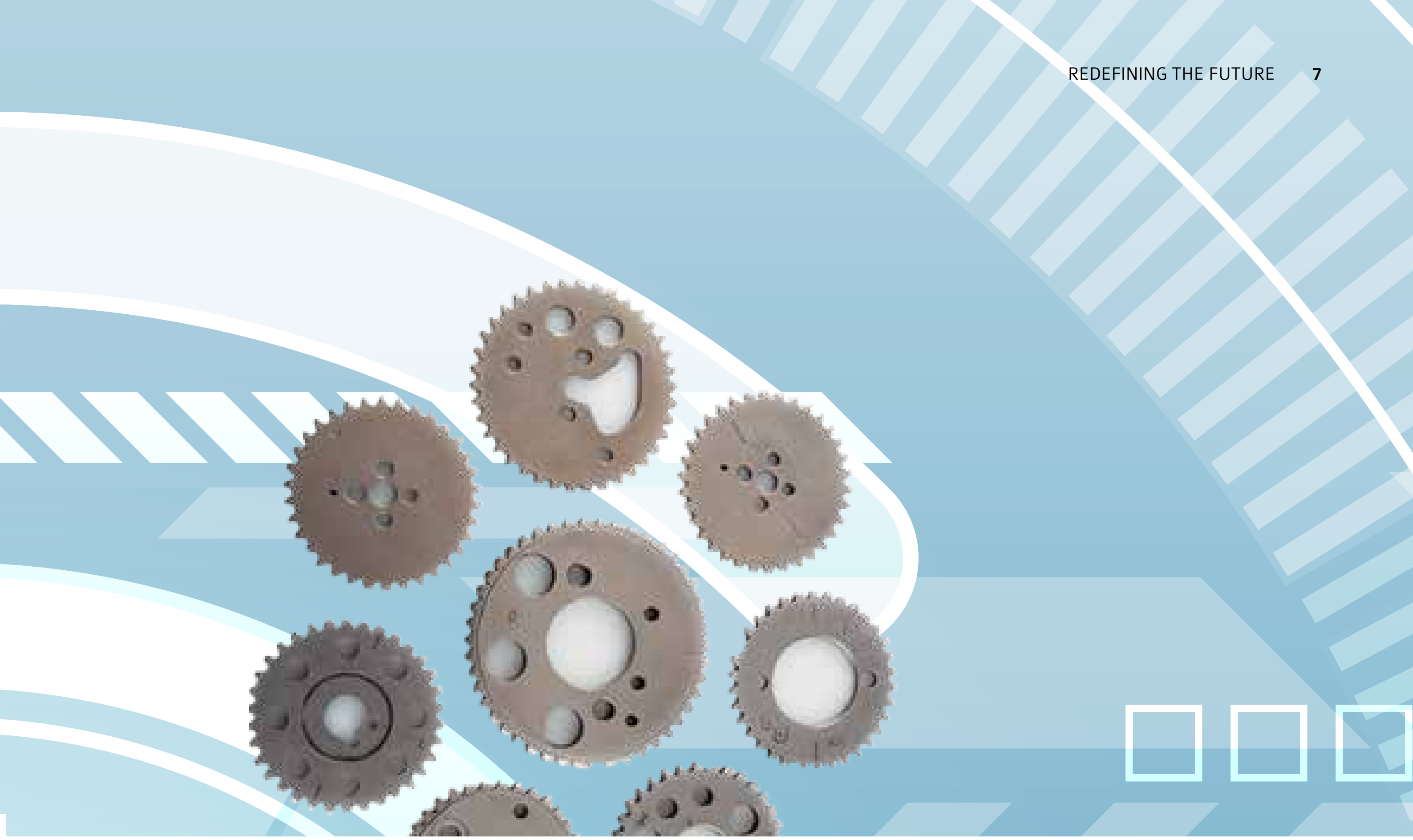
Manufacture and marketing of wide range of Bicycles and accessories from Standard to Premium bicycles, including Performance bicycles for the fitness and adventure space.

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

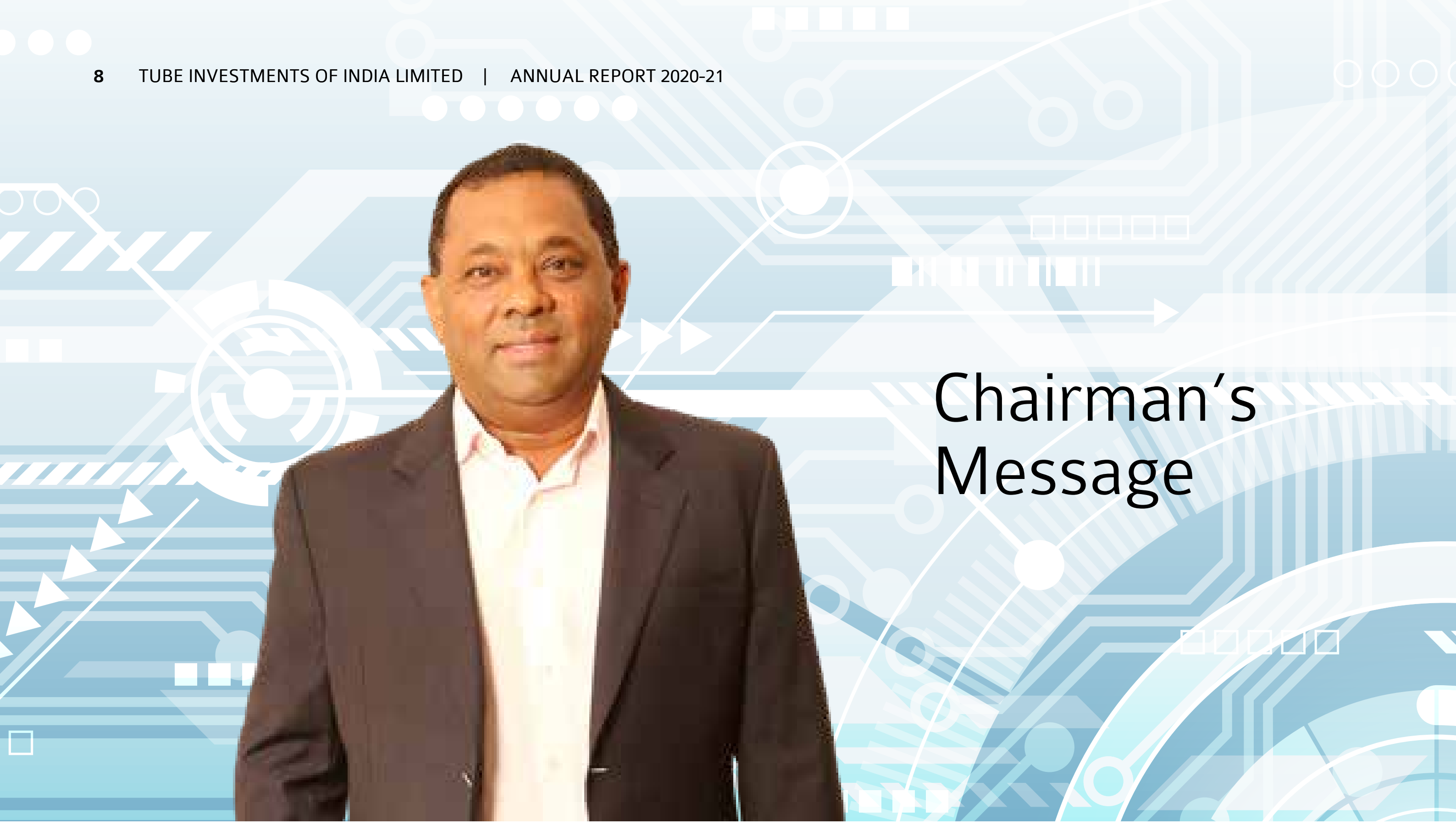
- Two wheeler drive and timing chains, sprockets for Auto OEMs and for the Replacement market.
- Roll-formed car doorframes and fine blanked components.

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.
- 13 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

Dear Shareholders,

I trust your family and you are keeping well amid this unprecedented pandemic. The year 2020 was the most challenging year in the history of our Company. As the country was reeling under a severe pandemic due to the outbreak of the Novel Coronavirus (COVID-19) at the end of March 2020, the nation was facing the twin challenges of not just safeguarding the health of the people but also to scale up the medical infrastructure to treat millions of people affected by this deadly virus.

At TII, as we navigated the turbulent market and the pandemic induced disruption, we serviced our customers despite the challenges, pledged our support to our channel partners and vendors and ensured that our employees and their families were safe and healthy. We served the neighboring communities through various initiatives providing food and succor to the needy, arranging vaccination camps and quarantine centers, lending our support to the Government through contributions to the 'Prime Minister's CARES Fund' and the Tamil Nadu Chief Minister's Relief Fund as well as extending support to hospitals and voluntary organizations engaged in frontline work. We stayed true to our vision by creating value for all our stakeholders, while being anchored to our collective commitment to society as a responsible business organization.

TII was one of the first few companies during the early phase of the outbreak in the year 2020 to cover all its employees including contract and temporary employees under a special COVID Insurance Scheme to meet any medical requirements on account of COVID. We set up a quarantine centre within our premises to treat asymptomatic employees and their family members who were affected by COVID. This isolation facility with around 66 beds provided round-the-clock medical support, with the help of a doctor and paramedical staff. During 2020-21, about 107 patients were treated in this facility.

Global Economy

2020 will long be remembered for the global pandemic and the unprecedented scale of disruption, which impacted people and economies across the world. The sharp contraction in manufacturing and trade plunged global economic growth to (-) 3.3 percent in 2020. Fortunately, GDP rebounded to a sharp V-shaped recovery in the second half of 2020, with a higher than expected growth across both advanced and emerging market economies. According to the IMF, the global economy is projected to grow to 3.3 percent over the medium term before touching 6 percent in 2021. Thereafter, growth is projected to moderate at 4.4 percent in 2022.

Indian Economy

The Indian economy plunged to (-) 8 percent in 2020 with growth deceleration which started the previous year further escalated by the lockdown disrupting operations and paralysing businesses across sectors. Signs of a revival were evident in the second quarter of the year, with manufacturing activity gaining pace, driven by pent-up market demand and supportive Government policies to resurrect the economy.

A challenging business environment sometimes serves as a spur for driving transformational change, for reinventing new methods, for exploring greater possibilities. At TII, the year 2020-21 propelled the Company to take on greater challenges, to forge ahead on a dynamic trajectory of growth for redefining the future.

The IMF in its report on World Economic Outlook has pegged India's growth prospects to 12.5 percent in 2021, tapering to 6.9 percent in 2022. However, the resurgence of the pandemic in a second wave has compelled RBI to revise its earlier projection of GDP growth of 10.5 percent to 9.5 percent for 2021. With no clear window of a complete cessation of the pandemic, economic growth could be further stressed for the long term.

A challenging business environment sometimes serves as a spur for driving transformational change, for reinventing new methods, for exploring greater possibilities. At TII, the year 2020-21 propelled the Company to take on greater challenges, to forge ahead on a dynamic trajectory of growth for redefining the future.

The continued focus on cost and cash management, strict fiscal discipline and paring down debt vulnerabilities contributed to a strong balance sheet. Despite the challenges of a turbulent year, each of the businesses demonstrated great resilience, building new capabilities, and enlarging their customer roster with innovative products and value engineering, to record a creditable performance.

The Indian automotive sector was adversely impacted by the nationwide lockdown causing sales to plummet in April and May across all segments. TII with a large presence in the auto sector recorded a major dip in sales due to weak customer demand and reduced offtake from OEMs in the first quarter of the year. Market demand for personal mobility vehicles gained pace from the second quarter, bringing a steady stream of orders from auto majors both in the passenger vehicles and two-wheeler segments.

As auto companies across the world shift their global supply chain and sourcing points, India could emerge as the world's next auto manufacturing hub. Government initiatives such as the Automotive Mission Plan - 2016-26, the 'Make in India' and 'AatmaNirbhar Bharat Abhiyaan' programmes and the recently announced Productivity Linked Incentive scheme to build the country as a global automotive manufacturing destination augurs well for the growth of the industry.

At TII, the focus during the year, in each of the businesses was on building capabilities to grow in new geographies and emerging technologies. In the Engineering business, advanced manufacturing facilities for high-strength tubes and precision hydraulic cylinders became operational at Rajpura. In Metal Formed Products, a new greenfield facility for optic lens at Sri City, Andhra Pradesh, and expansions of the manufacturing facility for railway parts and sub-assemblies at Kakkalur were established. In Bicycles, work on the new facility for 3W Electric Vehicles was started to mine opportunities in the green mobility space.

The Company continued to expand its global footprint adding to its customer roster in the US, Europe, South East Asia, Russia, etc, across its various business, with a range of differentiated products for new applications and emerging markets. Strategic customer partnering and channel development with a high-value spectrum of precision engineered and safety critical products, addressing niche applications, contributed to the growth of the business in both the domestic and global markets. New distributors and channel partners were added across key geographies for greater market penetration and to increase customer touchpoints.

The Railway sector, a major growth engine for the Company is poised for accelerated growth. The 'National Rail Plan for India' to create a future-ready Railway system by 2030 and the Government of India's large budgetary allocation for the expansion and modernization of the Railway network with a focus on passenger safety coaches, dedicated freight corridors and high-speed trains promise immense opportunities for growth. TII, as a trusted supplier of sub-assemblies, coaches and Metro Rail parts both for the domestic and global markets is well-positioned to mine the growth potential of the sector.

The process for the IRIS certification was also completed during the year. This international accreditation will provide TII the opportunity to manufacture and supply products and solutions to the Railway industry across the world. A major step in the Company's forward-bound, future-ready strategies.

The Bicycles business recorded significant growth in both volume and market share in the domestic market. In addition, the business enhanced its export sales capitalizing on the global focus on health and safety, adopting bicycles as a low-cost, micro-mobility vehicle and fitness option.

Our subsidiary, Shanthi Gears was impacted by muted demand due to deferred projects and capex spends by large industries. The business consolidated its position in the servicing and replacement segment of gears, leveraging its service centres in strategic locations across the country to build a strong order book.

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.

The acquisition of CG Power and Industrial Solutions, a leading player in Motors, Transformers, Switch Gears and Railway parts in India, with a strong global presence, was a major step-up in size, scale, and scope for TII, accelerating the Company's forward bound growth strategies for redefining the future.

In our journey for new milestones and greater growth, our human capital has proven to be our greatest asset. Carrying forward the TQM (Total Quality Management) work culture, our goal-aligned teams have demonstrated great commitment, passion, and agility for building a transformational, future-ready ecosystem to take TII forward.

The need to reinvent new strategies, build new competencies to stay ahead of the curve, is more relevant today than ever. I am confident, TII under the strong leadership of Mr. Vellayan Subbiah and the Senior Management team would rise to the challenge, to take the Company forward to greater growth.

Mr. M M Murugappan, after a long association with the Company, spanning almost two decades, stepped down as the Chairman and also as a Director of the Company, in November 2020, on reaching 65 years of age. As Chairman of the Company, Mr. Murugappan has contributed immensely to TII's growth and global expansion. We at the Board, thank him for his outstanding contribution and wish him the very best.

Mr. Ramesh K B Menon, a Non-Executive Director of the Company resigned during the year to focus on his other interests. The Board further places on record its appreciation of the distinguished services rendered by him during his term of office as a Director of the Company.

Ms. Madhu Dubhashi, Independent Director on our Board, retires in August 2021 on completing her second term. The Board places on record its grateful appreciation of the distinguished services rendered by her during her association with TII, since 2015, before as well as after its demerger. We at the Board, thank her for her involvement and valuable contribution as a senior Member of the Board, as Chairperson of the Corporate Social Responsibility Committee and also as a Member of the Audit and the Nomination & Remuneration Committees and wish her the very best.

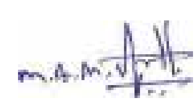
I take this opportunity to welcome Mr. Anand Kumar who was appointed to the Board as an Independent Director in March 2021. He comes with nearly three decades of rich experience in the investment and M&A space.

I further take the opportunity to welcome Ms. Sasikala Varadachari on her appointment to the Board, in June 2021, as an Independent Director. She has held several important portfolios with the State Bank of India Group for over three and a half decades. I am happy that Mr. K R Srinivasan, President of the TII Metal Formed Products Division was inducted to the Board during November 2020 and appointed as President and Whole-time Director of the Company.

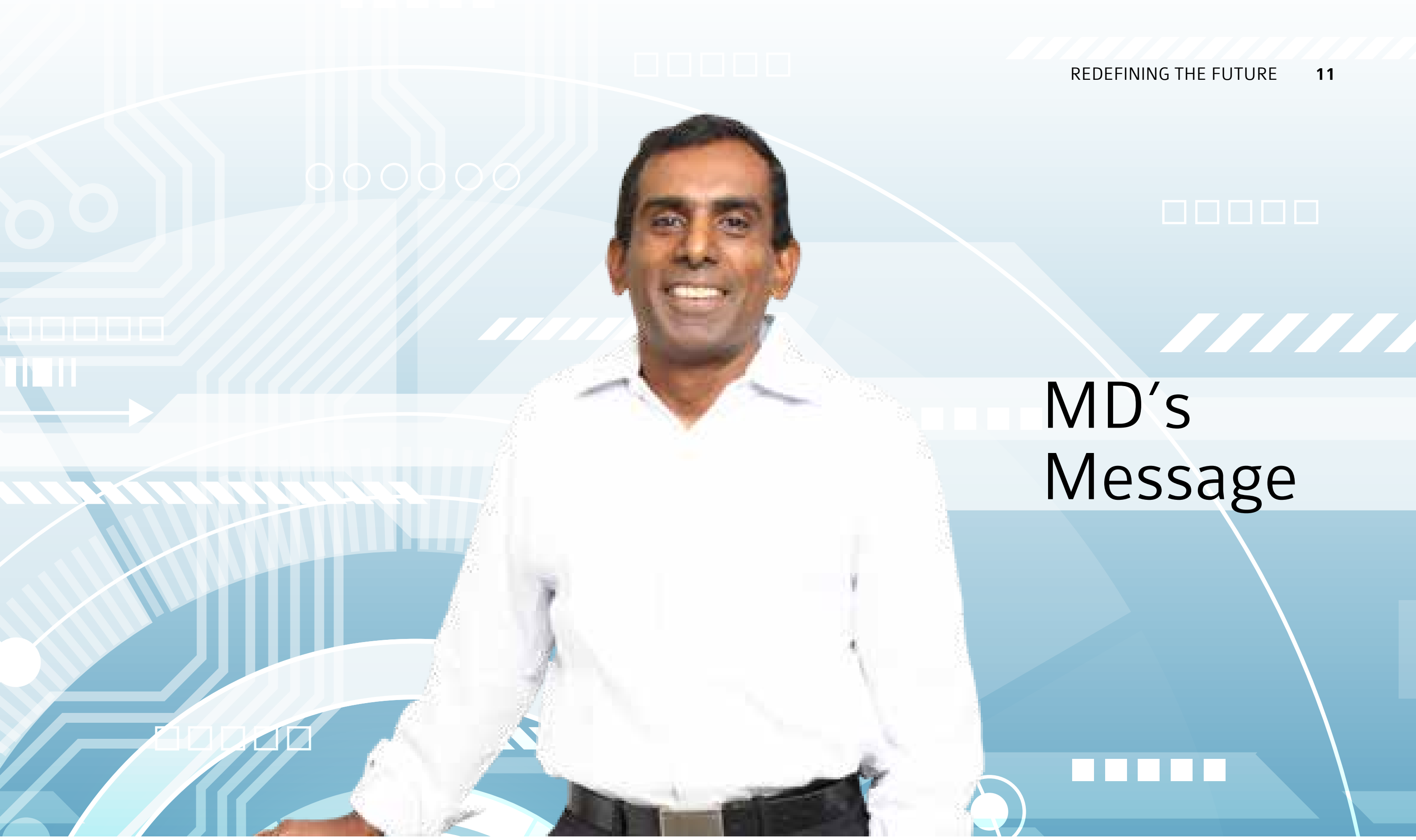
The members of the Board continue to be a great source of support and encouragement to the Company's management team and me in particular. I thank them for their insight and involvement in building the business. I also take this opportunity to express my gratitude to all of you, our esteemed and valued shareholders, for your continued support and the trust you have reposed in the Company.

Please stay safe.

Yours Sincerely,



M A M Arunachalam



MD's Message

Dear Shareholders,

It gives me great pleasure to share with you the performance of your Company for the year 2020-21. It has been a watershed year in more ways than one. It was a year when the pandemic crisis pushed the world into turmoil and the economy into a near shutdown. It was a year that challenged the strongest and brought about a tectonic shift in the way people and businesses operated, changing familiar zones and force-leading humanity to a new landscape, a new normal.

At TII, though it was a difficult year for the Company, we drew on our reserves of resilience to emerge stronger, to record one of our best Balance Sheets ever. It was a year when our strategies for inorganic growth culminated in the acquisition of CG Power and Industrial Solutions Limited and organic growth crystallised into new adjacencies, in emerging technologies, in each of our verticals. It was a year when our businesses proved their resilient strength to forge ahead and embarked on the journey to redefine the future.

Our Growth Strategy

We have articulated a clear growth path with our 3 engine model of growth i.e. TI-1 comprising our core, an organic business which we are in at present, building it as a sustainable growth engine and free cash flow generator, TI-2 which would include our new step-outs and frontier businesses such as optic lens, EV three-wheelers, etc., and TI-3 which would focus on inorganic growth through acquisitions without stressing the balance sheet.

Performance -TII

One of the advantages of a volatile business environment is a strong Balance Sheet. Our biggest growth drivers of the year were the efficiency initiatives and the four-cardinal metrics of Revenue Growth, Profitability, Return on Invested Capital and Free Cash Flow that we have been working on for the past few years where we have achieved reasonable success despite the COVID-19 lockdown situation which is reflected in our quarter on quarter performance.

Growth	Q1#	Q2	Q3	Q4	FY 20-21
Revenue	-70%	-2%	34%	58%	- 0.5%
PBT before exceptional items	-164%	17%	53%	62%	- 10%

impacted due to COVID induced nationwide lock-down.

We have built-in a discipline of a lean working capital which is at an all-time low. While there has been an increase in payables, inventory and debtors have also remained at significantly lower levels. This, I would say, has been primarily driven by operating discipline across businesses.

The free cash generation for the year was about ₹533 Cr. A large part of it was driven by working capital release, lower capex and cost management. We have reduced our net debt vulnerabilities this year and turned a surplus of ₹10 Cr. on net debt which is a milestone for the Company. We will continue our focus on net debt and strive to be debt-free even in the longer term.

In alignment with our strategies for redefining the future, we embarked on automation and expansion at our plants, building new and dedicated production lines and deepening our operational capabilities for advanced manufacturing processes and cutting-edge product streams.

Despite the challenging business environment, particularly in the first quarter of the year, each of our business verticals proved their resilience with differentiated strategies to record a strong upward growth trajectory.

Engineering

The Engineering business comprising standard and large diameter tubular products, delivered a strong performance.

The continued focus on TPM and efficiency-enhancing initiatives, with calibrated cost and cash management contributed to the strong growth metrics of the business. Leveraging on the opportunities opening up in global supply chain shifts and alternate sourcing compulsions of OEMs and Auto Majors, the business expanded its geographical footprint, building a portfolio of import substitute and high precision products for the domestic and overseas markets.

In line with its strategies for sustainability and to gain a competitive edge in a global landscape, the business continued its capability building ventures with a state-of-the-art tube production line being established for the manufacture of high strength precision tubes for safety-critical applications in the Auto industry both for the domestic and overseas markets. Additionally, the business established the capability for manufacturing Hydraulic Cylinder Tubes for the European market.

In non-auto hydraulic cylinders, the commercial and off-road vehicle segment is slated to gain traction. This will help accelerate the growth potential of the business.

Going forward, our focus in the Engineering segment would be on three streams of opportunities: growth in existing product portfolio driven by new opportunities in the mobility space, growth from new geographies and growth from adjacencies.

Metal Formed Products

Our Metal Formed Products Business posted a creditable performance despite the de-growth across segments in the Auto Sector and a shortfall in revenues from the Railways business on the back of deferred operations by the industry due to the pandemic lock-down.

In Fine Blanking products, we consolidated our market leadership as a major supplier to large Auto manufacturers and held our ranking as a dominant player in doorframes for Passenger Cars. We enlarged our customer roster of OEMs and Auto majors, leveraging on the demand density with an expanded product portfolio of high precision, engineered components, and automotive parts both for the domestic and global markets. Additionally, we recorded a significant market gain from our range of safety-critical parts and seating solutions that were introduced in the past 3 years.

The Government of India's vehicle scrappage policy and the customer shift veering towards personal micro mobility vehicles are estimated to drive the market demand for smaller cars, motorcycles and scooters. This would provide the Metal Formed business a major opportunity with its technology-relevant products built on the BS-VI platform.

In Auto Chains, we increased our participation in the after-market segment, while consolidating our ranking as a preferred supplier to major OEMs. A slew of value-added products and accessories were launched to cater to a wider user bandwidth, leveraging our omnichannel infrastructure and a dynamic digital platform for online sales. Deepening channel presence in micro markets and enlarging geographic spread proved a game-changer in bolstering Aftermarket volumes.

Revenues from the Railways business were impacted by the deferred start of industry operations due to the pandemic. However, TII with its trusted supplier ranking continued to execute the robust inflow of orders for customised LHB coaches and sub-assemblies for the deemed export segment, including large assembly parts for the metro rail, for both domestic and overseas Railways. In addition, the business completed the IRIS certification, a global accreditation for engineering expertise, quality, and service, to manufacture and supply to the Railway segment across the world. With the Government of India's vision of a modernised railway network, with a focus on passenger safety, dedicated freight corridors and high-speed trains for faster mobility, the sector provides the Metal Formed Products business immense potential for long term growth.

Mobility Business

The Bicycles division under the Mobility business demonstrated resilience, reinventing itself as a strong growth engine for TII. The multi-pronged strategy of focused cost management, lean working capital, an

In alignment with our strategies for redefining the future, we embarked upon automation and expansion at our plants, building new and dedicated production lines and deepening our operational capabilities for advanced manufacturing processes and cutting-edge product streams.

efficient logistics chain and maximising operational efficiencies has enabled the business to record a significant growth in revenue.

The strong structural shift in global customer trends, with a focus on safety and health, has turned the spotlight on bicycles as a personal, micro mobility vehicle and athleisure option. Leveraging on this growing trend, the Bicycle business has enlarged its global footprint with strategic inroads to new geographies as reflected in the 11% growth in export sales over the previous year which is encouraging.

In the domestic market, the business enlarged its channel presence and distribution network with a range of segment-specific bicycle models, with demand outpacing supply. Focused market penetration and customer engagement initiatives contributed to robust on-line sales and gain in market share.

In line with its vision of offering eco-friendly mobility solutions, the Cycles business is getting ready to launch its 3-wheeler Electric Vehicle, helmed as a partnership venture with TII's in-house technology and design solutions from a Korean company. This would help the business to explore emerging growth opportunities in Green Energy Mobility Solutions.

Going forward, we are confident of long-term growth in each of the verticals of the business. The Government's Plans for infrastructure building as outlined in the National Infrastructure Pipeline, expansion of transportation and connectivity, modernisation of the Railways, the Automotive Mission Plan with its thrust on transforming the Auto industry into a major growth engine, the PLI Scheme to drive local manufacturing, urbanisation and an aspirational and young demographic profile could prove as potential growth accelerators for the Company.

Step-outs & Adjacencies

As part of our TI-2 strategy, we established a manufacturing facility for optic lens which became operational during the year. The scaling up of the plant however had to be deferred due to the non-availability of our overseas technology partners arising from the pandemic-induced travel restrictions. Addressing niche applications in new and emerging technologies, we foresee immense opportunities for future growth in the optic lens and allied segments.

Our other ventures i.e. TMT bars and the Truck Body Building businesses are more like venture capital investments at the incubatory stage, which need time to fructify and grow. It will therefore not have any significant impact either on our topline or bottom line in the near term.

Subsidiaries

Shanthi Gears, our subsidiary, was impacted by deferred projects and capex investments by core industries due to the pandemic slowdown. Revenue registered a dip at ₹224 Cr. as against ₹249 Cr. in the past year, while PBT was at ₹26 Cr. as against ₹33 Cr. in the past year. Service centres in strategic locations across the country helped the business to consolidate its position in the Servicing and Replacement segment which saw good traction during the year.

Acquisition of CG Power

The acquisition of CG Power and Industrial Solutions Limited (CG Power), with a 53.16% holding in November 2020 was a major step-out for the Company in its TI-3 strategy of pursuing inorganic growth. It was a history-making, milestone marking, destiny defining acquisition. An acquisition that marked an inflection point for TII, catapulting it on a forward-bound growth trajectory, amplifying size, scale and scope of operations and opportunities.

CG Power comes with an 82-year old legacy, with three business verticals: Power comprising primarily of transformers and switch gears, Industrials comprising motors, pumps and commercial products and the Railway segment. Globally, the company is positioned among the top 10 transformer manufacturers. It is ranked as the #1 motors manufacturer and the #2 in transformers and switch gears in India with 18 manufacturing units, catering to a large customer base spread over 21 core industries.

The rationale for the acquisition was not only to drive inorganic growth under our TI-3 strategy but also to de-risk TII from the auto business and its cyclicality. This is in alignment with our core strategy to be a leading industrial player in the country. TII's core stability of manufacturing high quality industrial products will be further strengthened with CG Power's portfolio of differentiated products, addressing new and varied market segments.

We do believe that companies like CG Power are a complementary and cultural fit to TII, with legacies that go back to pre-independence times. There is a similarity in the construct and work culture at both organizations, with different verticals and multiple business units addressing a combination of B2B and B2C segments, with strong channel and vendor partnerships, straddling generations. Just as in TII, there is a strong and dedicated people base at CG Power, that has served the organization for decades, adding to its expertise and human capital.

Our priority is to bring the company back on track with a post-merger integration based on the TII model of goal-aligned, integrated project teams. We strongly believe that there is a fair amount of value creation opportunity by improving profitability and increasing the company's growth trajectory. In addition, reducing the company's debt vulnerabilities will continue to be an important metric for us as it has been at TII.

Going forward, we see significant growth drivers such as exports, new product development and service revenues in the existing business. We strongly believe, our line of prudent financial management, coupled with strong and transparent corporate governance standards will benefit CG Power in the long-term.

Corporate Technology Centre

The Corporate Technology Centre continued as an incubation hub for the design and development of precision tooling systems, process enhancements and for exploring opportunities in new generation product lines for emerging technologies.

Information Technology

The past year has shown us the need for accelerating the migration to a digitalized and networked business culture. The priority was to build a seamless WFH IT architecture, to talk, trade, table agendas, and transact business. Parallelly, the Company continued to focus on automation, process digitization, IoT-enabled data-managed production systems, OEE management, data analytics, and E-learning modules to build an ecosystem, aligned and agile for redefining the future.

People

I would dedicate this destiny-defining year to our people who put in such an incredible effort on all fronts. The team has done a phenomenal job in bouncing back from COVID and working with such commitment, despite the challenging environment. It has been a herculean effort, given the hardship and toughness of bringing back our supply chains to normal and delivering on burgeoning market demands. Embracing a high performance work culture, each and everyone on the team, including the leadership and the senior management members, have gone above and beyond the call of duty to deliver a strong performance, outpacing set targets and demonstrating the resilient strength of our people asset. In addition, the senior management team has worked long hours to bring a major acquisition to closure as well. In short, Team TII was simply incredible and inspirational I would say!

Going forward

We want to build TI-1 into a sustainable growth engine and a free cash flow generator. This free cash flow can then be deployed to build TI-2 and TI-3, which entities, in turn, will aspire to become free cash flow generators over time. We are trying to build our core free cash flow engine that keeps getting amplified over time, to build more and more capacity, to allow the Company to scale at the levels that we have envisioned in our plans for redefining the future. This is a direction that we will continue to pursue in our vision of creating value for our stakeholders and becoming a globally admired Engineering Company.

Best Wishes,

Vellayan Subbiah

Our People, Our Strength

At TII, FY 21 could be rightly termed as the year of the people. Despite the disruption caused by the pandemic, Team TII demonstrated great passion and commitment be it in adapting to the new normal, navigating an online business environment with great agility or balancing a strict safety protocol while meeting customer delivery timelines.

The manufacturing plants across businesses resumed operations after the lock-down under strict safety and hygiene standards, meeting the burgeoning market demand.

The adoption of the Total Quality Management (TQM) and Toyota Production System (TPS) work culture across businesses has helped in enhancing productivity, maximising efficiencies and improving quality to create a framework for benchmark standards.

To build a robust people capital, the Company continued to focus on the three thrust areas comprising the 'TII Way of Working', 'High-Performance Work Culture (HPWC)' and 'TII Talent Management Engine'.

Teams across businesses worked in tandem, with passion and process discipline to outperform set targets and achieve self-driven goals.

To accelerate a high performance work culture, pilot modules on how to be 'Better, Faster and More Efficient' were piloted by the Business Units, aimed at empowering team members for greater responsibility and organisational growth.

Parallely, the Talent Management Engine focused on systematically building, training, developing and retaining talent from within the Company to create a leadership and talent pipeline for the future.

Pursuing benchmark standards in process and performance, co-partnering with customers to provide cutting edge products and solutions, pushing limits to reset new targets and demonstrating great agility and resilence, Team TII emerged a forward-bound people force ready to redefine the future.

Women's Day Celebrations

Engineering Business

Building capabilities in plants and processes, product innovation and value-led engineering for redefining the future.

The Engineering business continued to pursue its two pronged strategy for growth : to sustain and enhance market share in the domestic market and increase penetration across geographies in the global market. In line with this, the business focused on building capabilities with value-led innovation and a slew of new and industry defining products for emerging technologies.

Staggered operations and muted customer offtake due to the pandemic induced lock-down impacted the business in the first quarter of FY 20-21. The business countered the challenges of a volatile market with strict fiscal discipline, balancing its books with prudent cash and cost management measures.

The business recorded a revenue of ₹2,317 Cr. compared with ₹2,258 Cr. in the previous year. PBIT was at ₹251 Cr. and the ROCE at 43% as against ₹264 Cr. and 40% respectively for the previous year.

Adapting to the new normal with great agility and enterprise, the business resumed operations with a strict protocol and adherence to the highest standards of safety and hygiene, focusing on the health and safety of employees, channel partners and suppliers and rolling out on-line communication and engagement platforms to transact business.

In line with its fiscal discipline, the business managed to balance its book with prudent cash management and focused measures to reduce both fixed and variable cost.

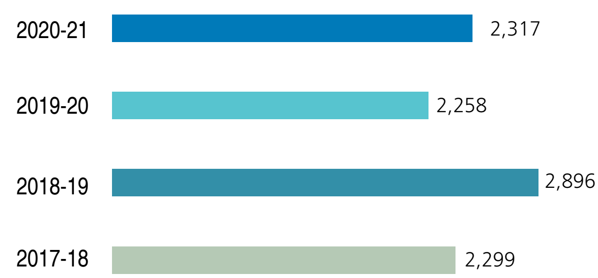
The revival in core sectors such as Auto, Construction, Infrastructure and Exports, helped the business bounce back in the second quarter, with the performance graph reflecting a sharp V shaped recovery and inflow of orders across regions outpacing supply. The business ramped up its operations, ensuring optimum capacity utilisation to meet the burgeoning market demand.

Demand in Cold Drawn Welded (CDW) tubes touched a new record both in the domestic and overseas market while in CRSS (Cold Rolled Steel Strips), the business enlarged its customer base with high quality, import substitutes for the domestic market.

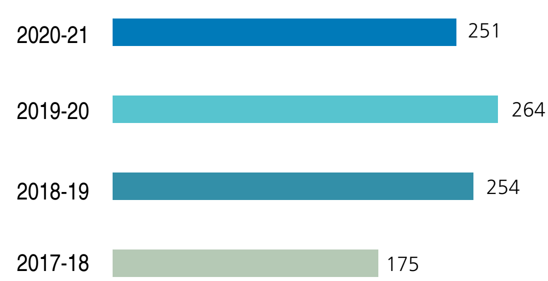
Despite a challenging environment, the business continued to build new capabilities with automation and new-age process systems for scale and gain in global market share. A state-of-the-art tube production line is being established at Avadi, Chennai for the manufacture of high-strength, precision tubes for safety critical applications in the auto industry, both for domestic and overseas markets, to address emerging demands in light-weighting.

Additionally, the business established the capability for manufacturing high quality and precision Hydraulic Cylinder Tubes for the most demanding European market at Tirutani, Tamil Nadu. A value-led innovative product, these tubes are uniquely designed to optimise efficiencies for customers. The range of Large Diameter tubes was also expanded to cater to a wider application spectrum.

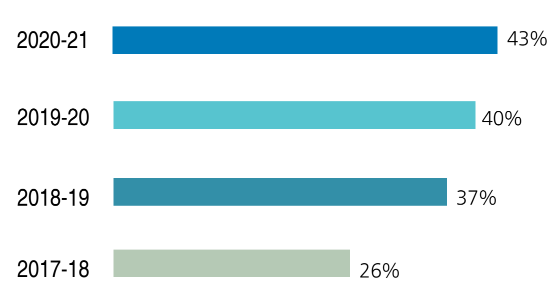
NET REVENUE (₹ in Crore)



PBIT (₹ in Crore)



ROCE



As part of regional balancing strategy, the new facility at Rajpura which was started in 2019-20 for the manufacture of high strength, safety-critical tubes was able to ramp up volumes. Proximity of this new facility to large OEMs in the Northern region provides the plant the advantage of just-in-time deliveries and faster turnaround time.

In Cold Rolled Steel Strips, the business enlarged its product portfolio with the development and commercialization of a new range of products, using medium and high carbon alloy grades, for safety critical applications in the Auto industry.

In Exports, the expansion of the customer roster and penetration into new geographies contributed to a strong order book. The business forayed into niche applications like drive line, ride control, ride comfort and explored opportunities in suspension application for global auto manufacturers. The business also made its entry into the Russian market with the supply of large diameter tubular products for speciality applications.

Strong customer partnering, and value engineering expertise earned the business many awards during the year.

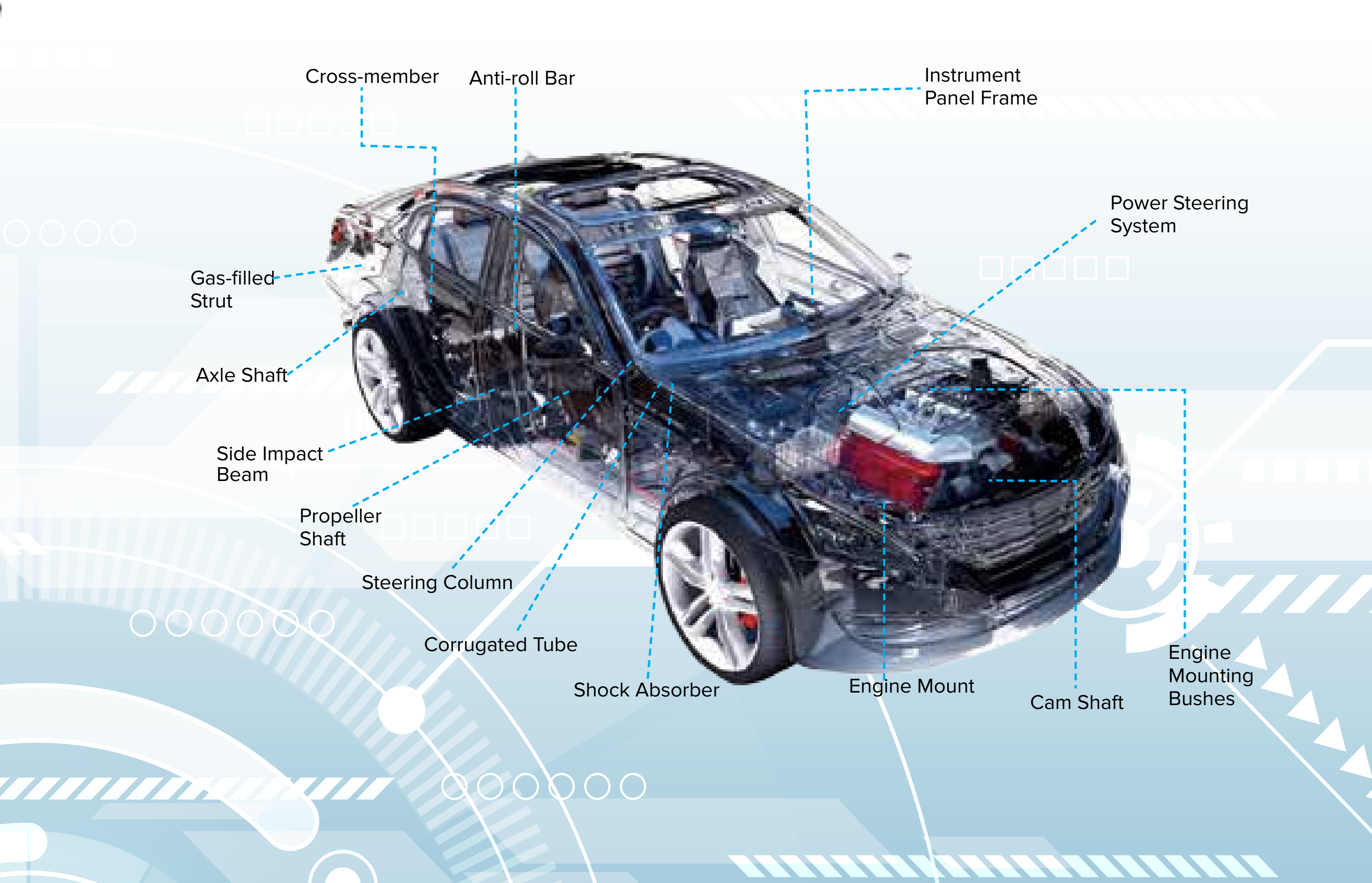
Awards

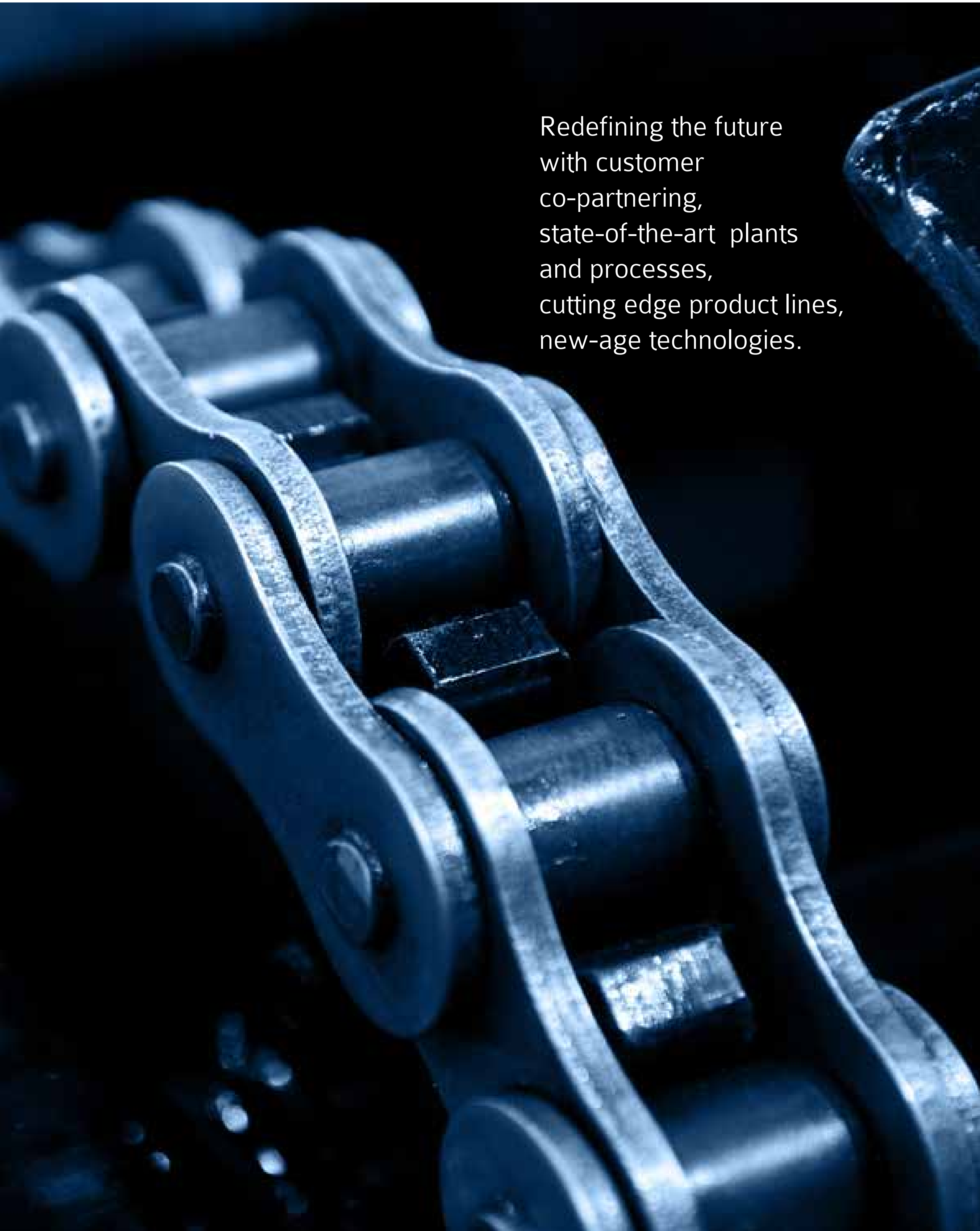
1. Certificates of appreciation from M/s.Toyota Kirloskar Auto Parts Pvt Ltd on:
   - Achieving 100% Delivery
   - Outstanding Contribution by achieving Zero Defect Supplies (Zero PPM)
2. 'Innovative Supplier Award-2020' from M/s Schaeffler for the development of customized Tubes for critical applications.
3. 'Best Supplier Quality Award' from Gabriel India Limited.

As part of its sustainability initiatives the business augmented its green and renewable energy usage with a roof top solar facility and wind power energy at its Manufacturing Plants.

The year was marked by a series of People Development initiatives, with a focus on Training, Skill Enhancement and Talent Management. New platforms were provided to promote people aspirations and build a strong talent pipeline.

Expanding into new geographies, adding new and innovative product lines, building competitive capabilities to gain global market share and creating a strong people ecosystem- the Engineering business, forward -bound and focused, is ready to redefine the future.





Redefining the future
with customer
co-partnering,
state-of-the-art plants
and processes,
cutting edge product lines,
new-age technologies.

Metal Formed Products Business

Surmounting the headwinds of the lockdown and the muted market offtake in the first quarter of FY 20-21, the Metal Formed Products business proved its resilience despite the sectoral de-growth in the Auto industry and re-bounced with the revival in the core Auto segment from the second quarter of the year. The Revenue for the year was at ₹1,274 Cr. as against ₹1,399 Cr. in the previous year while PBIT was at ₹87 Cr. compared with ₹123 Cr. the previous year.

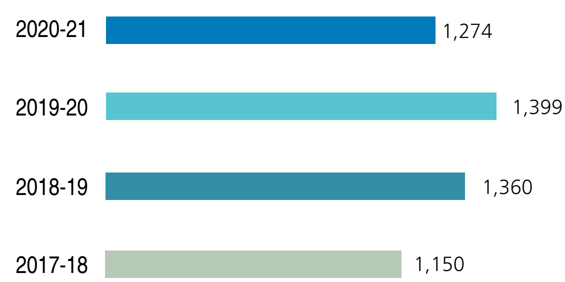
The country emerging as the destination hub for global manufacturers, the Government's standarisation policies such as BSVI migration and vehicle scrappage, the customer shift to micro mobility personal vehicles, a strong customer base of an aspirational and growing middle class, rapid urbanization, expansion of roadways and connectivity, the untapped potential in underserved markets are a few of the projected growth accelerators for the Auto industry in India.

In line with its forward bound, future-ready charter, the business laid a strong framework for long term growth focusing on key customers and addressing emerging opportunities in the Auto space.

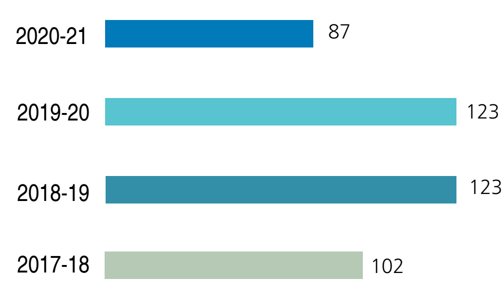
In Auto Chains, the aftermarket continued to drive volumes, signalling a strong potential for long term growth. The consumer shift to 'repair instead of replace' saw robust sales of auto components driving growth in the aftermarket. Density mapped expansion in Tier 1 and Tier 2 cities, rationalisation of the regional sales and channel network and increasing Dealer bandwidth to address growth clusters in micro markets were a few of the go-to-market strategies deployed to grow the business. In Auto Chains, the business consolidated its preferred vendor ranking with OEMs and Auto Majors while increasing its participation in the after-market segment. Accessories and adjacency products such as Engine Oil were launched to expand customer ambit.

In Fine Blanking, the business focused on building the technological and process capabilities to expand its share in the global auto component space, with the targeted customers and

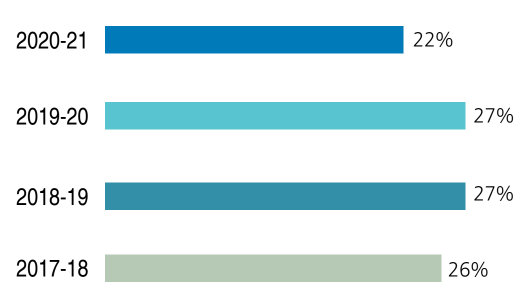
NET REVENUE (₹ in Crore)



PBIT (₹ in Crore)



ROCE



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

import substitution of components, leveraging the shift in supply chain and alternate sourcing strategy of Global Auto Manufacturers. Volume sales was ramped up with new projects and product lines of Global Auto Manufacturers and OEMs for critical auto components.

In Doorframes, the business started supplying for new car models of major OEMs and also received business of new projects that are in the development pipeline.

Revenues from the Railway segment dropped during the year due to the slow start of operations and the deferred projects by the industry on account of the pandemic disruption. However, the business supplied coach parts towards the export order of Indian Railways, including parts for Metro Projects.

The business received the Certification for IRIS Railways Standards. This would provide the opportunity to manufacture and supply Railway assemblies and parts for the Railway Industry across the Globe.

With the Government of India's focus on the expansion and modernisation of the railway network, with high-speed trains, dedicated freight corridors, and coaches providing greater passenger safety, the Indian Railways is poised for a great transformation and growth. The Metal Formed Products Business, with its trusted supplier ranking, is expanding its product range and ramping up its capabilities to cater to the high potential sub-assemblies and parts in the Railway and Metro segments.

In the Industrial Chains segment, the business expanded its customer roster both in the domestic and global markets with a new range of multi-functional, adaptive chains for diverse applications, across a wide industry spectrum.

The Metal Formed Products business continued its drive of automation


New Doorframes Line at Thiruninravur

and modernization of machinery and equipment to enhance productivity and manufacturing capabilities. Productivity improvement initiatives were undertaken to streamline operations such as work station reduction and process rationalization.

The business forayed into a new business stream with Crane and Hoist for the domestic market. ‘Diamond Athlete’, a new product in the maintenance-free category was launched through the virtual platform.

The business continued to mine new opportunities through adjacency and step-out penetration: ‘Diamond Zeus’ High Strength SS Chains, ‘Preci+ Chain Couplings, Clevis and Anchor Bolts for Global OEMs.

In line with its capability building strategies, an exclusive Conversion Facility for Large Size Conveyor and Escalator Chains and adjacency products became operational during the year.

The business continued its TQM journey with on-line training programs on Design of experiments conducted across divisions. Teams were formed to work on quality and efficiency enhancement projects, with a framework of clearly established processes.

Awards

5 QIT Teams received Awards from QCFI - Outstanding 3, Excellent 2.

5 Teams participated in the competition on ‘Maintenance’ conducted by ABK-AOTS DOSOKAI and won 1-Platinum Award, 2-Gold Awards and 2-Silver Awards.

5 Teams participated in External Competition by QCFI-CCQCC and received Gold & Silver Awards in different categories.

Strong customer co-partnerships, engineering expertise, value-led innovation and a wide range of high potential products - the Metal Formed Products Business was focused on redefining its future.

New Metro Parts Plant at Kakkalur

Mobility Business

Cycle 2.0 is forward bound, demonstrating the will and the velocity to race ahead and redefine its future.

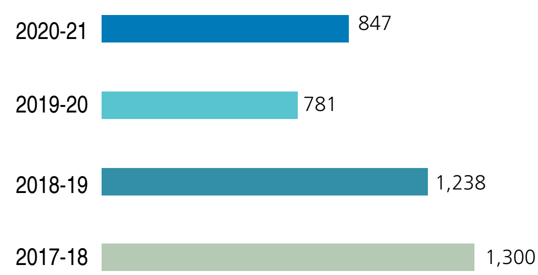
At TII, the Bicycles division of the Mobility Business raced ahead on its turnaround track, ramping up volumes despite the challenges of the lockdown. As against the trade industry growth of 8%, the business registered an upward growth graph of 11%, out-performing the trade metrics and gaining market share.

The Bicycles division recorded a Revenue of ₹847 Cr. compared to ₹781 Cr. for the previous year. While the PBIT registered an upward graph at ₹44 Cr. as against ₹26 Cr. the previous year, ROCE grew to 62% as against 15% for the last year, driven by focused cost management, lean working capital, an efficient logistics chain and maximising operational efficiencies.

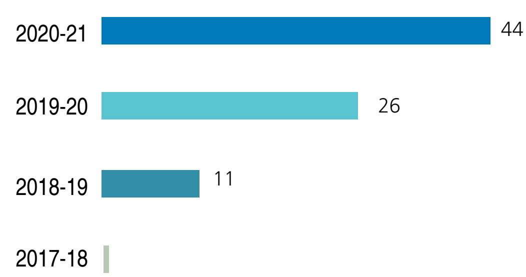
The growing global shift in consumer trends, veering towards bicycles as a safe and healthy micro mobility option, has provided a growth spin to the industry. The business recorded a surge in sales of its speciality bicycles for the Fitness space, with a significant growth of nearly 165%.

The Global bicycle market is estimated to grow at a CAGR of 5.2% between 2021 and 2026 to reach about USD 68 billion by 2026. The APAC region is projected

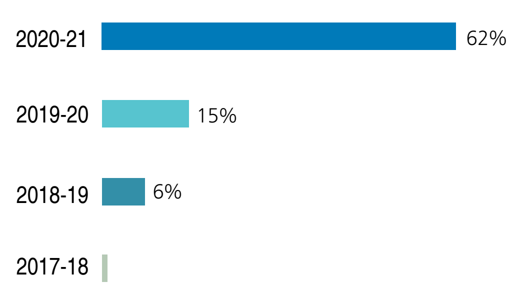
NET REVENUE (₹ in Crore)



PBIT (₹ in Crore)



ROCE



to spearhead and dominate the market with a 5.74% CAGR by 2023. Globally, Governments across the world are reconfiguring their urban transport policies and reallocating space for bicycle tracks to promote cycling as an environment friendly, non-polluting, mobility alternative. This offers a good potential for the business to grow in the long term.

Leveraging on its expertise and operational capabilities, the Bicycles business enlarged its global presence, making inroads into new markets with SKD bicycles. Exports volume grew by 11% on a strong order inflow, while growth in spares and accessories touched 46% during the year. The pan India penetration with the launch of terrain-specific, segment-centric bicycle models contributed to business growth with NPD sales posting an upward climb of 29%.

The business accelerated its digital presence, deepening its customer on-line interface, selling 20,600 bicycles in FY 2020-21 as against 394 in the previous year. The business expanded its presence in the standards bicycle segment across North, East and Central markets, with focused, region relevant marketing strategies, ramping up sales volumes.

An agile transitioning to the new normal enabled the business to enlarge its market share, ramp up operations and stay connected on the virtual platform with global customers, trade and supply chain partners. Strict safety protocols and precautionary measures were implemented at both the plants at Ambattur and Rajpura, while maximizing efficiencies and maintaining consistently high service levels with peak production volumes to meet the burgeoning market demand. The continued focus on a strict and calibrated cost, inventory and receivables management, enabled the business to fast pedal and surge ahead in performance and profitability.

In line with its vision of providing eco-friendly mobility solutions, the Mobility business kick-started its 3 wheeler electric vehicle project.

A large-board growth charter and a compass set to new horizons, new possibilities - the Bicycles business is all geared to redefine its future.

New Business

In line with its growth strategies the Company continued building capabilities for venturing into vision products for the automotive space. The new Plant for manufacturing Opto Electronic Products and Solutions at Sri City, Andhra Pradesh, became operational during the year.

The business commenced supplies of its optic solution products for Automated Driver Assisted Systems in new generation cars, to overseas customers.

However the scaling up of the plant had to be deferred due to the unavailability of the overseas technology partners due to the pandemic induced travel restrictions.

With the potential for addressing niche applications in new and emerging technologies for multiple sectors and industries, the optic lens business offers a major leap in the value chain and immense opportunities for growth particularly in the global market.

It was a challenging year for the new adjacencies particularly the TI Macho brand of TMT Bars and the Truck Body Building businesses with the pandemic induced disruptions impacting its core user industry sectors. The Construction sector almost came to a standstill with muted demand, deferred projects and acute labour shortage. Similarly, the Auto industry recorded its lowest sales in two decades. In line with the long term strategies, the two businesses focused on enhancing process capabilities to benchmark standards, enlarging the product portfolio with value added, sector specific offerings and leveraging on the strong TI brand to enlarge market presence.

In the construction space, TI Macho has gained the reputation of a Value Brand in the premium segment making inroads into the Northern and Central markets. With a growing need in urban dwellings and infrastructure development in the country, the sector offers the TI Macho business great potential for future growth.

The TBW truck body building business was also impacted greatly by the depressed market conditions in the auto sector. To gain greater growth, the business focused on product development, standardization and scalability with region-specific and user-cluster strategies. The logistics sector is estimated to grow exponentially with online sales driving the delivery and last-mile services. TII's Truck Building business is charting out plans for greater participation in this growing space.

New businesses, new product streams, new opportunities - at TII, the strategic direction was aligned to the focused goal of redefining the future.

Corporate Information

BOARD OF DIRECTORS

M A M Arunachalam, Chairman

Vellayan Subbiah, Managing Director

Sanjay Johri

Madhu Dubhashi

Mahesh Chhabria

Anand Kumar

Sasikala Varadachari

K R Srinivasan, President & Whole-time Director

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

MOBILITY

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 – Industrial Chains, Athipet

TIDC India – Industrial Chains, Pattravakkam

TI Metal Forming, Nemilicherry, Chennai

TI Metal Forming, Kakkalur, Chennai

TI Metal Forming, Bawal

TI Metal Forming, Uttarakhand

TI Metal Forming, Sanand

TI Optoelectronic Solutions, Chittoor

TI Truck Body Works, Chennai

TI Truck Body Works, Pune

TI Truck Body Works, Bawal

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 A M Arunachalam

Chairman

Mr. M A M Arunachalam, also known as Arun Murugappan (54 years; DIN-00202958) holds a Master of Business Administration degree from the University of Chicago, USA. A senior member of the Murugappa family, he is an Industrialist and has over 25 years' experience in varied business and industrial activities. He was the Managing Director of Parry Enterprises India Limited, from January 2008 to March 2021, actively driving its business development and strategic initiatives. He joined the Board on 11th November 2020. He is presently the Chairman of Parry Enterprises India Limited and Cholamandalam Home Finance Limited and is also on the Board of various companies including Cholamandalam Investment and Finance Company Limited, CG Power and Industrial Solutions Limited and Shanthi Gears Limited.

Mr. Vellayan Subbiah

Managing Director

Mr. Vellayan Subbiah (51 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 24 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 Limited. He is currently the Chairman of Cholamandalam Investment and Finance Company Limited and CG Power and Industrial Solutions Limited and also on the Board of various companies including SRF Limited, Cholamandalam Financial Holdings Limited and Shanthi Gears Limited.

Mr. Sanjay Johri

Non-Executive Director

Mr. Sanjay Johri (68 years; DIN 00032015) is a graduate from St. Stephens College and a postgraduate 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 Limited, as a Director of Tata Infomedia Limited & Timex Watches Limited and as the Managing Director & Chief Executive Officer of Voltas Limited. He joined the Board on 14th August 2018.

Ms. Madhu Dubhashi

Non-Executive Director

Ms. Madhu Dubhashi (70 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 Limited, Standard Chartered Bank etc. She joined the Board on 1st August 2017. She is on the Board of various companies including Axis Finance Limited, Pudumjee Paper Products Limited, Sanghvi Movers Limited and Majesco Limited.

Mr. Mahesh Chhabria

Non-Executive Director

Mr. Mahesh Chhabria (57 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 Limited, the investment arm of the Kirloskar Group. He joined the Board on 5th February 2019. He is on the Board of various companies including Wabco India Limited and Kirloskar Oil Engines Limited.

Mr. Anand Kumar

Non-Executive Director

Mr. Anand Kumar (54 years; DIN-00818724) holds a Master of Business Administration degree from Vanderbilt University, United States of America. He is a Co-Founder and Partner of Gateway Partners, an investment firm focused on growth capital and strategic opportunities across markets in Southeast Asia, South Asia, the Middle East and Africa. He has over 28 years of experience in Investments, Mergers & Acquisitions, Equity Capital Markets and Leveraged Finance in South and Southeast Asia with a strong network of relationships in the region. Prior to co-founding Gateway Partners in 2014, he has held leadership positions in several leading investment banks including Standard Chartered Bank and Morgan Stanley. He joined the Board on 24th March 2021. He is on Board of various companies in India and abroad including TVS Supply Chain Solutions Limited and Cholamandalam Investment and Finance Company Limited.

Ms. Sasikala Varadachari

Non-Executive Director

Ms. Sasikala Varadachari (66 years; DIN-07132398) holds a Master's degree in Economics and is also a Chartered Associate of the Indian Institute of Bankers (CAIIB). She was associated with the State Bank of India (SBI) group since 1977 and has held several important portfolios in SBI including, Chief Executive Officer of SBI - Tel Aviv, Israel. She retired as Chief General Manager, Strategic Training Unit, Corporate Centre of SBI. She is on the Board of various companies including Sundaram-Clayton Limited, TVS Credit Services Limited, TVS Motor Services Limited, Cholamandalam Securities Limited and CG Power and Industrial Solutions Limited. She joined the Board on 17th June 2021.

Mr. K R Srinivasan

President & Whole-time Director

Mr. K R Srinivasan (58 years; DIN-08215289) is the President of TI Metal Formed Products Division of the Company. He is a Mechanical Engineering graduate with Honors from the Regional Engineering College (REC), Trichy and a postgraduate in Business Administration from the University of Madras. He is a Fulbright Fellow in Leadership in Management from the Carnegie Mellon University, Pittsburgh, USA. He has over two and a half decades of experience in various functions viz., sales, marketing, application engineering, product management, manufacturing and other plant operations, process re-engineering, project management and information technology. He joined the Board on 11th November 2020.

Financial Highlights

OPERATING RESULTS	2020-21	2019-20	2018-19	2017-18	2016-17
Net Sales	4,026	4,053	4,983	4,335	3,925
Profit before Depreciation, Interest & Tax (PBDIT)	549	610	563	403	395
Profit before Interest & Tax (PBIT)	400	450	423	274	274
Profit before Tax (PBT)	381	421	371	218	202
Profit after Tax (PAT)	273	331	244	136	159
Earnings Per Share (₹)	14.44	17.60	13.02	7.28	8.48
Dividend Per Share (₹)	3.50	3.50	2.50	1.75	2.00
Book Value Per Share (₹)	118.94	91.14	75.92	64.70	60.94
SOURCES AND APPLICATION OF FUNDS					
SOURCES OF FUNDS					
Net Worth	2,293	1,713	1,425	1,213	1,142
Debt	309	268	517	679	776
Deferred Tax Liability (Net)	(3)	14	42	28	26
Total	**2,600**	**1,994**	**1,983**	**1,920**	**1,944**
APPLICATION OF FUNDS					
Net Fixed Assets	954	1,012	981	913	881
Right-of-use assets	38	43	-	-	-
Capital Work-In-Progress	126	52	69	89	33
Investment Property	5	5	5	5	5
Intangible Assets	1	1	-	-	-
Investments	1,534	629	557	572	669
Net Working Capital	(58)	251	372	341	356
Total	**2,600**	**1,994**	**1,983**	**1,920**	**1,944**
RATIOS					
PBDIT To Sales (%)	13.7	15.1	11.3	9.3	10.1
PBIT To Sales (%)	9.9	11.1	8.5	6.3	7.0
PBT To Sales (%)	9.5	10.4	7.5	5.0	5.1
PAT To Sales (%)	6.8	8.2	4.9	3.2	4.1
Interest Cover (times)	27.7	21.1	10.7	6.7	5.5
ROIC (%) (pre-tax) *	31.5%	29.0%	22.9%	17.9%	20.3%
Return on Networth (%)	11.9	19.3	17.1	11.2	13.9
Total Debt Equity Ratio	0.1	0.2	0.4	0.6	0.7
Long Term Debt Equity Ratio	0.0	0.1	0.1	0.4	0.4
Sales/Fixed Assets (times)	3.7	3.8	4.7	4.3	4.3
Net Working Capital Turnover (times)	(69.1)	16.1	13.4	12.7	11.0
Net Debt #	(10)	149	491	660	655
Free Cash Flow	533	320	212	95	109

* ROIC (pre-tax) is calculated based on monthly average Capital Employed per Segment Reporting

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

Board's Report & Management Discussion and Analysis

Dear Shareholders,

The Directors take pleasure in presenting the 13th Annual Report together with the audited financial statements of the Company for the year ended 31st March 2021.

1. Business Environment

Outbreak of the COVID-19 pandemic in early 2020 and the sharp resurgence of the pandemic again in the recent months of 2021, even as the situation appeared to be kept under good control, in the form of a more serious and devastating second wave, have come to pose an unprecedented global crisis, of a scale never witnessed before in the annals of the history of mankind. Measures to contain rapid spread of the pandemic through the imposition of lockdowns/lockdown like restrictions, while helping in stemming the spread of the pandemic to a large extent, have, at the same time, applied brakes on economic activity with serious implications to consumption and investment. The impact is well evident as India's Gross Domestic Product (GDP) contracted by 7.3%, in 2020-21 as per the provisional National Income estimates released by the National Statistical Office recently. The Gross Value Added (GVA) in the economy shrank 6.2% in 2020-21 compared to an increase of 4.1% in the previous year. While this is the bleakest performance on record for the economy, the fourth quarter of 2020-21 helped in repairing the damage, with a higher than expected growth of 1.6% in the GDP. This marked the second quarter of positive growth after the country entered a technical recession in the first half of the year. With a lower contraction in the GDP as well GVA in 2020-21, the sharp recovery projected for 2021-22 for the Indian economy by a number of agencies like the International Monetary Fund, at 12.5% and the Reserve Bank of India, at 10.5% may appear difficult at this point as the scourge of the Novel Coronavirus has returned to hurt and blunt economic activity once again.

Although the global economic output is recovering from the collapse triggered by the COVID-19 pandemic, it appears that it will remain below pre-pandemic trends for a prolonged period of time. The pandemic has exacerbated the risks associated with a decade-long wave of global debt accumulation. As per the World Economic Update issued by the World Bank, although the recent vaccine approvals have given rise to hopes of a turnaround in the pandemic situation later this year, renewed waves and new variants of the Coronavirus pose concerns for the outlook. Amid exceptional uncertainty, the global economy is projected to grow 5.5% in 2021 and 4.2% in 2022.

For the Indian automotive industry, which accounts for nearly half of the manufacturing GDP of the country, the year 2020-21 was an exceptional one for the wrong reasons. The industry was replete with and staring at a series of problems, one bigger than the other, that affected production, productivity and sales. Even as the year started in the backdrop of a very long slowdown still looming large, the industry was a witness to a further list of bigger problems like economic uncertainty, transition to BS-VI, the pandemic and the resultant lockdown, constraints in supply chain and the migration of labour.

As per the Society of Indian Automobile Manufacturers (SIAM), the apex automobile body in the country, all segments of the Indian auto sector witnessed a de-growth in sales during 2020-21 with passenger vehicles (PVs) witnessing a CAGR of -6.2%, commercial vehicles (CVs) at -12.8%, three wheelers (3Ws) at -30.2% and two-wheelers (2Ws) at -9.2%.

As the country is still trying its best to navigate through this unparalleled crisis, the Government and the Reserve Bank of India are taking well calibrated measures to support a robust economic recovery. The Union Budget 2021 was one good example of the initiatives of the Government in focusing on regaining the growth momentum in the economy through several measures including keeping the tax rates stable and enhancing investments in infrastructure.

2. Standalone Financial Highlights

(₹ in Cr.)

Particulars	2020-21	2019-20
Sale of Products	**4,026.23**	**4,052.67**
Profit Before Exceptional Items and Tax	**380.71**	**420.72**
Profit on Shares tendered under Buyback Scheme	-	19.11
Provision for Employee Voluntary Retirement Scheme Expense	(21.67)	(21.97)
Profit Before Tax	**359.04**	**417.86**
Tax Expense	(85.86)	(87.31)
Profit After Tax	**273.18**	**330.55**

The Board of Directors has decided to retain the entire amount of profit for the financial year 2020-21 in the Statement of Profit and Loss.

3. Performance Overview

During 2020-21, the Company achieved a turnover of ₹4,026 Cr., registering a very marginal de-growth of 0.7% over the previous year due to country wide lockdown imposed on account of the outbreak of COVID-19 pandemic. The Company focused on reducing fixed costs, manage working capital more efficiently and making capital expenditure prudently on critical growth projects. The Profit before Depreciation, Interest, Exceptional Items and Tax was at ₹549 Cr. as against ₹610 Cr. in the previous year. The Profit before Tax and Exceptional Items was at ₹381 Cr. as against ₹421 Cr. in the previous year.

During the year, the Company implemented voluntary retirement schemes in certain locations at a cost of ₹22 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 ₹847 Cr. as compared to ₹781 Cr. during 2019-20, a growth of 8%, despite the adverse market conditions and pandemic. The operating profit before interest and tax stood at ₹44 Cr. as compared to ₹26 Cr. during the previous year, registering a growth of 70%.

The Engineering segment registered revenue of ₹2,317 Cr. as compared to ₹2,258 Cr. during the previous year. The operating profit before interest and tax stood at ₹251 Cr. as compared to ₹264 Cr. during 2019-20, a de-growth of 5%.

The Metal Formed Products segment recorded revenue of ₹1,274 Cr. as compared to ₹1,399 Cr. during the previous year, a de-growth of 9%. The operating profit before interest and tax stood at ₹87 Cr. as compared to ₹123 Cr. during previous year, a de-growth of 29%.

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 till the latter half 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 resumed operations, in a partial manner, in almost all the plants. As the situation improved, the Company's operations were also scaled up to the pre-pandemic level in line with improvement in the economic activity in the Country.

With the widespread resurgence of the COVID-19 virus resulting in a more serious, second wave of the pandemic, the Governments across various States of the country started imposing lockdown/lockdown-like restrictions again from the month of April 2021 onwards. These measures have come to impact the operations of the manufacturing plants and warehouses of the Company located in those States leading to no or minimum level operations only as permitted in the respective States.

Considering the seriousness of the pandemic situation, the Company is taking various measures to ensure the health and safety of its employees and to comply with the directives regularly being issued by the Central and the respective State Governments besides the local authorities at all its business locations. The Company will continue to monitor the situation for taking timely action based on the guidance from the Governments and the authorities.

The Company has considered the possible effects/ impact arising from COVID-19 on its financial results for the year 2020-21 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.

5. Acquisition of controlling interest in CG Power

During the year under review, the Company acquired controlling interest in M/s. CG Power and Industrial Solutions Limited ("CG Power"), which is engaged in the industrial and power sector, with its equity shares listed on the BSE Limited and the National Stock Exchange of India Limited. CG Power has 18 manufacturing facilities and provides gainful employment to over 11,000 persons directly and indirectly.

The decision by the Company to acquire controlling interest in CG Power was driven by the strong conviction and belief that the Company's operational, financial and governance capabilities and experience will help towards removing the difficulties and hardships faced by CG Power largely resulting from paucity of funds for working capital and, in the process, facilitate value creation for the Company as well as CG Power. With both the companies being engaged in the engineering business, the acquisition, it was further expected would bring in synergy for both of them.

CG Power, being a well-established company of over eight decades standing with a robust business model, was under significant financial stress due to lack of steady credit lines and its lenders had initiated the process for resolution of the stress under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019. Identifying the business opportunity presented by CG Power, the Company entered into a Securities Subscription Agreement on 7th August 2020 with CG Power which provided for the Company acquiring, for an all cash consideration, by way of subscription to fresh equity shares and convertible share warrants of CG Power for about ₹700 Cr., subject to approval of the Competition Commission of India and satisfactory fulfilment of the Conditions Precedents contained in the said Securities Subscription Agreement. To take the process forward, the Company further made a proposal for a binding bid under the Swiss Challenge bid process launched by the lenders of CG Power for interested suitors to bid for acquiring controlling interest in CG Power under the said RBI Directions and at the end of the said bid process, the lenders of CG Power, on 28th August 2020, declared the Company's offer as the successful offer and the Company as the successful bidder for the acquisition of controlling interest in CG Power.

The Company further decided in early September 2020 to make an additional investment to facilitate the enhanced funding needs of CG Power, as subsequently assessed, by way of subscription to additional equity shares on a preferential issue basis for about ₹100 Cr.

The acquisition received the approval of the CCI under Section 31(1) of the Competition Act, 2002 on 13th October 2020.

The Company was allotted on 26th November 2020 by CG Power, upon making the agreed investment,

a) 64,25,23,365 equity shares of the face value of ₹2/- each at a price of ₹8.56/- (including premium) per equity share, for an aggregate consideration of about ₹550 Cr.; &

b) 17,52,33,645 warrants, each carrying a right exercisable by the Company as the warrant holder to subscribe to equal number of equity shares within 18 months from allotment, for a subscription amount of about ₹37.50 Cr., being 25% of the aggregate consideration payable for subscribing to equity shares upon exercise of the warrants.

Consequent to the aforesaid allotment of equity shares, the Company acquired controlling interest in CG Power thereby becoming its promoter, holding 50.62% of the issued, subscribed and paid up equity share capital of CG Power and also, CG Power became a subsidiary of the Company with effect from 26th November 2020 under Section 2(87)(ii) of Companies Act, 2013. In terms of the Subscription Agreement, the Board of Directors of CG Power also was reconstituted.

Subsequently, on 19th December 2020, the Company was allotted 6,87,28,522 equity shares of ₹2/- each at a price of ₹14.55/- per equity share (including premium) for an aggregate consideration of about ₹100 Cr. towards the additional investment committed by the Company.

Arising from the above, the Company presently holds 71,12,51,887 equity shares of ₹2/- each of CG Power, resulting in a 53.16% shareholding, and along with the investment in 17,52,33,645 convertible share warrants as per details aforementioned, the Company holds an aggregate shareholding of 58.58% in CG Power on a fully diluted basis.

Towards easing of the fund constraints of CG Power, the Company, with the approval of its shareholders, at the Extraordinary General Meeting held on 30th November 2020, pursuant to Section 186 of the Companies Act, 2013 and the Rules thereunder, furnished guarantee(s) in favour of the lenders of CG Power for the financial assistance to be availed by CG Power for an aggregate amount of up to ₹1,365 Cr. CG Power is well on course to improve its financial and operational performance so as to service and satisfy fully all its debts by itself without any need for the lenders of CG Power to seek recourse to the guarantees furnished by the Company.

CG Power completed the One Time Settlement (OTS) process with its existing lenders on 24th December 2020 (confirmed on 28th December 2020) with payment of an upfront consideration of ₹650 Cr., submission of counter guarantee for the non-fund based facilities, issuance of unrated, unsecured, unlisted, non-convertible debentures for ₹200 Cr. and the recognition of debt of ₹150 Cr. in the books against its corporate headquarters viz., CG House property. As per the terms of the OTS process, the lenders of CG Power provided a waiver of about ₹1,100 Cr.

With the credit lines becoming assured and regular, post-acquisition of controlling interest by the Company, CG Power has started showing steady improvement in its operational and financial performance and the Board of Directors of the Company is confident that the operations of CG Power would, barring any unforeseen developments, stabilize and turnaround within a reasonable period of time and also create better value for itself and the Company in the coming years.

6. Business Review – Standalone

6.1. 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 growth of about 8% as against the previous year. Standards have de-grown by 10% and Specials have grown by about 20%. However, Performance Cycling Group (PCG) as a subset of Specials have declined by 10% 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 74% 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 about 24% of the total organised trade market with a much higher share in the premium segment.

Review of Performance

Due to nation-wide lock down in first few months of the year, all the businesses were affected in the initial part of the year. TI Cycles sold about 22.34 lakh bicycles during the year in trade, which is about 1.10 lakh bicycles higher as compared to 2019-20. Overall Trade bicycle industry itself registered a growth of 8.38% 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, 9 low cost products were launched in major categories like Kids and Mountain Terrain Bikes (MTB).

In 2020-21, 43 new model bicycles were launched, and 54 older models were refreshed. 29% of the trade sales volume came from new products. Multiple innovations were introduced for the first time in the industry, notable among them being introduction of knuckle guard in 'Hercules Black Hunter' bicycle. Coloured rims in neon colours were introduced as FX200 DX2 and FX100 models in MTB segment.

On the consumer outreach front, the business consistently ran digital campaigns for its major brands, with BSA Ladybird, Hercules, Roadeo, and Montra delivering a significant lift in brand awareness. The objective of the campaign was to increase brand awareness and product consideration among the target group.

6.2. 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 2020-21, the automotive industry's production volume was lower by 14% impacted mainly by the pandemic in H1 (de-growth by 43%) and partially recovered with a surge in demand in H2 (21% growth).

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 11%, 17% and 13% respectively over the last fiscal year.

Review of Performance

Due to nation-wide lock down in first few months of the year, all the businesses were affected in the initial part of the year. The Engineering segment was able to maintain its revenues during the year despite the adverse business environment.

The volumes of tubes business grew by 1%, cold rolled steel strips business de-grew by 2.4% and large diameter tubes grew by 16%. Tubes overall export volume grew by 12.4% during the year.

Given the situation of lower demand, the business focused on internal measures to control cash fixed expenses, optimize manufacturing cost reduction 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.

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 by the US Department of Commerce on complaint of alleged dumping of cold-drawn steel mechanical tubes from India and some other countries, the Countervailing Duty (CVD) and Anti-dumping Duty (AD) on the Company's exports to the US market, the Company has participated in the first review and obtained a favourable outcome which will enable improved opportunities on exports to US.

6.3. Metal Formed Products

TI's presence

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

Industry scenario

During 2020-21, production of two-wheeler segment and passenger vehicles de-grew by 13% and 11% respectively.

This segment is one of the major players in the manufacturing of roller chains and fine blanked parts for the automotive industry in India. From end of the second quarter, the Chains, fine blanked products and doorframes recovered well from the COVID-19 pandemic impact backed by resumption in auto sector.

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.

Due to the COVID-19 pandemic situation, the Railways business is going through a difficult phase as demand continues to be subdued. However, the green shoots are visible which could help bring the railways business back on track.

Review of Performance

Due to nation-wide lock down in first few months of the year, all the businesses were affected in the initial part of the year. Though the first quarter was severely impacted due to the pandemic, the auto and industrial segments came back strongly from Q2 onwards. The Company continued to focus in the aftermarket segment benefiting from the two-wheeler population growth.

The Industrial 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.

Doorframe sales were lower by 14% during 2020-21, consequent to the de-growth in the passenger car segment. Despite the same, the business manages to hold on to the market due to good traction seen on select models with 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 formed products and other tubular parts used in passenger cars. In addition, strengthening the current position in respect of coach parts, focusing on metros and expanding the customer base are some of the opportunities that are looked into closely which will drive the Railways business towards growth path.

7. Dividend

The Board of Directors declared an Interim Dividend of ₹2/- per share (@ 200%) on equity share of face value of ₹1 each for the financial year 2020-21, which was paid on 9th March 2021 to all the eligible shareholders. ₹1.50 per share (@ 150%) of Final Dividend has been proposed by the Board for the said financial year and together with the Interim Dividend of ₹2/- per equity share, already declared and paid, in respect of the financial year 2020-21, ₹3.50 per share (@ 350%) will be considered as the total Dividend for the said financial year.

The dividend pay-out is in accordance with the Company's Dividend Distribution Policy. 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.

8. Share Capital

The paid-up Equity Share Capital as on 31st March 2021 was ₹19.28 Cr.

9. Finance

Cash and Cash Equivalents as at 31st March 2021 were ₹7.09 Cr. In addition, Company has investments in Liquid Schemes of Mutual Funds for ₹304.30 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.

9.1. Preferential Issue of Equity Shares

During the year, with the approval of the shareholders at the Extraordinary General Meeting (EGM) held on 21st December 2020 pursuant to Section 62(1)(c) and other applicable provisions of the Companies Act, 2013, and the Rules thereunder, the Company had issued and allotted 47,83,380 equity shares, in accordance with the applicable SEBI Regulations, to identified investors (M/s. Azim Premji Trust – ₹200 Cr. approx. and M/s. SBI Mutual Fund – ₹150 Cr. approx.) on a preferential basis at a price of ₹731.70 per share (including a premium of ₹730.70) aggregating about ₹350 Cr. The issue proceeds were fully utilised by the Company for the purposes/objects as stated in the Offer document and Explanatory Statement to the Notice of the said EGM. The Board of Directors and the Company are thankful to the investors for their investment and the confidence reposed in the Company.

9.2. Non-Convertible Debentures

During the year, Non-Convertible Debentures (NCDs) aggregating ₹100 Cr. were redeemed and NCDs for ₹100 Cr. were issued by way of private placement during the year, which was made in accordance with the SEBI circular on fund raising dated 26th November 2018. As on 31st March 2021, NCDs aggregating ₹100 Cr. are outstanding.

9.3. 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 2021.

9.4. Particulars of Loans, Guarantees or Investments

During the year under review, the Company entered into a Securities Subscription Agreement with CG Power and Industrial Solutions Limited ("CG Power"), pursuant to which, the Company made investments in acquiring 71,12,51,887 equity shares of ₹2/- each viz., for a consideration of ₹650 Cr. in the aggregate, resulting in a 53.16% shareholding in CG Power and also invested in 17,52,33,645 warrants issued by CG Power which are convertible into an equal number of equity shares at an exercise price of ₹8.56 per share, including premium, within 18 months against which the Company has paid an upfront consideration of 25% viz., ₹37.50 Cr., resulting in a shareholding of 58.58% by the Company in CG Power on a fully diluted basis. The Company had also given Corporate Guarantee to the lenders of CG Power in connection with the term loans and fund based working capital limits sanctioned to CG Power for an amount not exceeding ₹1,365 Cr., after obtaining the approval of its shareholders under the provisions of Section 186 of the Companies Act, 2013, the details relating to which form part of the Notes to the financial statements provided in this Annual Report.

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.

9.5. Consolidated Financial Highlights

₹ in Cr.

Particulars	2020-21	2019-20
Revenue from contract with customers (net)	**6,083.29**	**4,750.39**
Profit Before Exceptional items and Tax	**454.07**	**425.18**
Exceptional items	(41.85)	(21.97)
Profit Before Tax and exceptional items	**412.22**	**403.21**
Tax Expense	(107.53)	(89.94)
Net Profit for the Year	**304.69**	**313.27**

10. Business Review – Subsidiaries and Joint Venture

10.1. Shanthi Gears Ltd (SGL)

SGL, a subsidiary of the Company, recorded revenue of ₹216 Cr. in 2020-21 against ₹242 Cr. in the previous year. Profit before tax was ₹26 Cr. (previous year: ₹33 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.

SGL also declared and paid an Interim Dividend of ₹1.50 per share for the financial year 2020-21.

10.2. Financière C10 SAS (FC10)

FC10, the Company's wholly owned subsidiary in France, recorded consolidated revenue of Euro 26 Mn in 2020 (previous year: Euro 32 Mn). The loss after tax for the year was Euro 0.80 Mn as compared with the loss of Euro 0.70 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.

10.3. TI Tsubamex Private Limited (TTPL)

TTPL (Company's shareholding: 78.3%), had, consequent to discontinuance of its operations, sale of its assets and settling of its liabilities, made an application to the Registrar of Companies, Chennai during the year under review for striking off its name from the Register of Companies. The final approval is awaited.

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

10.4. 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 ₹19 Cr. (previous year: ₹3 Cr.) and registered profit before tax of ₹2 Cr. (previous year loss before tax: ₹1 Cr.).

10.5. 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 ₹41 Cr. (previous year: ₹8 Cr.) and registered loss before tax of ₹2 Cr. (previous year loss before tax: ₹2 Cr.).

10.6. CG Power and Industrial Solutions Limited (CGPISL)

CGPISL is the Company's subsidiary acquired in November 2020. The Company holds 53.16% of CGPISL's equity capital.

During the year under review, CGPISL recorded revenue of ₹1,393 Cr. and registered profit before tax of ₹46 Cr. between December 2020 and March 2021.

The statement containing salient features of the financial statements of the company's subsidiaries/ Joint venture is attached as Annexure - A. The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with the Indian Accounting Standards.

11. Financial Review

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

11.1. Profits & Profitability

The Profit before Tax and exceptional items registered has de-grown by 9.5% on standalone basis, considering the adverse market conditions and pandemic situation.

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.

11.2. Capital Expenditure

The Company continues to assess the trends emerging in the 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.

11.3. Interest Cost

The Company's interest cost reduced to ₹19 Cr. in the year 2020-21 from ₹29 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 ₹159 Cr. during the year. The Company had a cash surplus of ₹10 Cr. (net of borrowings) as on 31st March 2021 as compared to the net borrowing (net of Cash and Current Investments) of ₹149 Cr. as on 31st March 2020.

11.4. 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 2020-21	FY 2019-20	% change over previous year	Reasons
1	Interest Coverage Ratio (times)	27.7	21.1	31%	Favourable average borrowing rates
2	Debt-Equity Ratio (times)	0.1	0.2	-19%	
3	Net Profit Margin	6.8%	8.2%	-17%	
4	Return on Net Worth	11.9%	19.3%	-38%	Profitability impacted during Q1 on account of nation-wide lockdown
5	Return on Capital Employed	15.4%	22.5%	-32%	
6	Revenue Growth	-0.5%	-19.1%	-97%	Impacted due to limited economic activity during Q1
7	Debtors Turnover (times)	7.7	8.4	-8%	
8	Inventory Turnover (times)	5.4	4.7	15%	
9	Current Ratio (times)	1.0	1.0	-5%	
10	Operating Profit Margin	9.9%	11.1%	-10%	

*Ratios are tracked by the Company on a standalone basis

11.5. 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.

To further strengthen its Internal Audit process through appointment of a specialist agency in order to benefit from the best of practices available (including the use of analytical tools) to monitor various processes, the Company has appointed M/s. PricewaterhouseCoopers ("PwC") as Internal Auditors of the Company for the financial year 2021-22.

The Audit Committee of the Board of Directors, comprising of a majority 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.

11.6. 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.

12. 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 11th February 2021 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:

12.1. 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 • Innovation to establish point of differentiation, to increase sales and brand aspiration • E-bike will be introduced to reduce cycling effort • "Cycling" as a concept beyond commuting – leisure, fitness, fun and recreation
Sourcing Risk	• Raw material supply chain issues due to pandemic • Volatility in volumes • Continuous increase in raw material price	• Continuous upgrading of vendor capability • Relationship building • Reduce import dependency
Competition Risk	• Competitors investing in capacity expansion • Investment in e-Cycle manufacturing plant to capitalize on domestic and exports volume • International range licensing	• Increase focus on brand awareness & visibility initiatives • Launch of e-Cycles targeting global market • Introducing new models with a healthy innovation funnel • Consistent quality and timely delivery
Volume & Profitability Risks	• Rapid decline in Standards segment • Volatility in premium segment • Low price competition in Specials segment • Continuous rise in demand for kids segment	• Prioritizing high growth segment • Ensure consistent supply of premium range • Creating competitive portfolio addressing economy price point • Cost reduction measures to enhance profitability • Increasing capability / capacity for kids segment
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

12.2. 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 • Increase in exports volume with focused business development on select product segments • 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 up gradations to address emerging demand for light weighting and high strength tubes (stabilizer bar tubes)
Raw Material Risk	• Volatility in steel price • Inconsistency in quality • High inventory holding	• Alliance with steel producers • Global sourcing • Strategic sourcing including developing new grades by suppliers • 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 • Regional balancing and common capability across all plants • Digital initiatives for faster response
Export related risks	• Increased trade protectionism and import tariff • Global competition • Need for higher capability	• Identification of new export markets and customers • Capability building • Focussing on new product categories and newer markets across geographies

12.3. Metal Formed Products

Risk	Why considered as Risk	Mitigation Plan/Counter Measure
Product Risk	• Revenues are model specific • Risk of product failures	• 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 Risk	• Retention of Customers • Significant revenues from few customers • 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 • Focus on addition of new customers
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 collective bargaining capability of the group
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 • Relationship building and joint / dynamic estimation of cost with OEMs leading to smooth price increase settlement
Technology risk	• Advent of Electric Vehicles (EVs)	• To identify new business in the EV segment • Focus on exports • Focus on new products and customers
Employee risk	• Skill development • Increase in labour cost	• Skill development of employees • Categorisation of labour requirement • Process automation

12.4. General

Risk	Why considered as Risk	Mitigation Plan/Counter Measure
Human Resource Risk	• Build Talent Pipeline for meeting growth aspirations • Retention of talent • Availability of adequate flexible workforce post COVID-19	• Conceptualize and implement TI Talent Management approach • 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.
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

13. 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 ₹6.33 Cr., during the financial year 2020-21. Against the same, the Company spent ₹7.50 Cr. towards the identified CSR projects in the fields of education, health care and disaster management and relief during the year.

The Annual Report on CSR for 2020-21 is annexed to and forms part of this Report as Annexure-B as well as in the Company's website at the following link, http://www.tiindia.com/docs/CSR_Annual_Report_2020-21.pdf

14. Corporate Governance

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

The Company was and is 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 Practising Company Secretary is annexed in accordance with the terms of the SEBI Listing Regulations and forms part of the Board's Report as Annexure-C. 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 1000 listed entities, the Business Responsibility Report forms part of the Annual Report as Annexure-D.

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

With the increasing emphasis on reporting on the ESG (Environmental, Social and Governance) matters, as a proactive measure in the said direction, although ESG reporting is made mandatory only from 2022-23 onwards, the Company has already taken steps to bring focus to its ESG initiatives.

16. Human Resources

The Company continued to lay emphasis on creating 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 and customer centricity.

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 – TI Way of working, High-Performance Work Culture (HPWC) and TI Talent Management Engine.

An integrated effort to ensure a well-articulated and documented process covering all functions was taken, adopting certain standard of working across the Company's Business Units, Divisions, Platforms resting on three key pillars, viz., process discipline, organizational oneness and achievement orientation to facilitate the TI Way.

Towards the quest for delivering consistently superior results, an initiative focussing on HPWC as a strategy was taken up which articulates a framework to manage performance of organisations, teams and individuals. Various actions were piloted in few Business Units across three themes viz. Better, Faster and More efficient. In this quest, employees across levels are aimed at for empowering, inculcating in them a higher sense of accountability enabling organizational growth.

Talent Management Engine will systematically acquire, build, train, develop and retain talent from within to help the Company meet its talent requirements.

Total Quality Management (TQM) which is being practised at the Chains and Tubes divisions has helped in reducing the overall plant rejections and improving product capability. Similarly, Toyota Production System (TPS) for the Cycles division is also making good progress, helping in improving productivity, sequencing production in the plant & reducing inventory by deploying TPS tools & techniques.

The total number of permanent employees on the rolls of the Company as on 31st March 2021 is 3,120.

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-E.

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.

One complaint was received by the ICC and disposed off during the year under review, with its recommendations. No complaint was pending as at the end of the year.

18. Employee Stock Option Scheme

During the year under review, there was no grant of stock options by the Company.

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. 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 2021, 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 2021 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.

20. 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 aforesaid 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 in 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 law for ratification of appointment of the Statutory Auditors and hence, the same is not proposed. The remuneration payable to them in respect for the financial year 2021-22 has already been fixed at the 12th Annual General Meeting as required under Section 142 of the Companies Act, 2013.

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 2021-22. Necessary resolution for ratification of their remuneration in respect of the aforesaid term of appointment for the financial year 2021-22 forms part of the Notice for the ensuing Annual General Meeting.

21. Explanation on Statutory Auditor's Qualified Opinion on the Consolidated Financial Statements

M/s. S R Batliboi & Associates LLP, the Statutory Auditors, have furnished a qualified opinion vide their Report on the Audit of the Consolidated Financial Statements ("CFS") for the year ended 31st March 2021 (please refer to page 182 of this Annual Report for details) vide sub-paragraphs (a) and (b) under the paragraph on 'Basis for Opinion' therein, which, in brief, relate to reopening of books of accounts and recasting of financial statements of M/s. CG Power and Industrial Solutions Limited ("CG Power"), ongoing investigation by the Serious Fraud Investigation Office ("SFIO") of the affairs of CG

Power and certain subsidiaries in respect of periods prior to acquisition and resulting non-compliance of laws and regulations by CG Power and, inclusion in the CFS of certain subsidiaries of CG Power which have been consolidated by CG Power based on information prepared by the management and have not been subjected to audit/review.

As regards the above qualified opinion under sub-para (a) of the Report of Statutory Auditors on the audit of the CFS as stated therein, the said opinion pertains to matters arising prior to the acquisition of controlling interest by the Company in CG Power and that post acquisition by the Company, CG Power is actively engaged in resolving the issues and also providing necessary co-operation to the SFIO in the ongoing investigation. As regards sub-para (b), the financial statements of certain subsidiaries of CG Power could not be audited due to their loss of control, bankruptcy and discontinuance of operations. CG Power is actively working towards completing the pending proceedings of such subsidiaries.

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, after a long association with the Company, spanning almost two decades, stepped down, on his reaching 65 years of age, as the Chairman and also as a Director of the Company, during November 2020, in order to pursue his philanthropic and other interests.

Mr. M M Murugappan joined the Board of the Company, prior to its demerger, in March 2002 as a non-executive Director and was elected the Chairman of the Board in November 2006, in which position he continued till 31st July 2017. Post-demerger, he joined the Board of Directors of the Company effective 1st August 2017 and was elected the Chairman on 9th August 2017.

Mr. M M Murugappan has played a key role and contributed richly to the growth of the Company pre- as well as post- demerger through his leadership and wise counsel and the Board places on record its appreciation of his distinguished services in the course of his long association with the Company.

Consequent to the retirement of Mr. M M Murugappan, Mr. M A M Arunachalam, a senior member of the promoter family was co-opted to the Board as Director and was appointed as the new Chairman of the Company during the year under review.

Mr. Ramesh K B Menon, a Non-Executive Director of the Company resigned during the year to focus on his other interests.

The Board further places on record its appreciation of the distinguished services rendered by Mr. Ramesh K B Menon during his term of office as a Director of the Company.

Mr. K R Srinivasan, President of the TI Metal Formed Products Division was inducted to the Board during November 2020 and appointed as President and Whole-time Director of the Company for a three year term of office from 11th November 2020 to 10th November 2023 (both dates inclusive). The appointment of Mr. K R Srinivasan as Director and as the President & Whole-time Director of the Company also received the approval of the Shareholders at the Extraordinary General Meeting of the Company held on 21st December 2020.

Mr. Anand Kumar was appointed as an Additional Director in the Independent Director category of the Company on 24th March 2021 and his appointment is subject to the shareholders' approval in the ensuing Annual General Meeting.

Ms. Sasikala Varadachari has been appointed as Additional Director in the Independent Director/ Woman Director category of the Company on 17th June 2021 and her appointment is also subject to the shareholders' approval in the ensuing Annual General Meeting.

Mr. Vellayan Subbiah, Managing Director of the Company appointed for a term of five years, will retire by rotation at the ensuing Annual General Meeting to facilitate compliance of the requirements of Section 152 of the Companies Act, 2013 ("the Act") and being eligible, he offers himself for re-appointment.

The Board, based on and after taking into consideration the recommendations of the Nomination and Remuneration Committee, takes pleasure in recommending the appointment of Mr. Anand Kumar as Independent Director for a term of 5 years from 24th March 2021 till 23rd March 2026 (both dates inclusive), the appointment of Ms. Sasikala Varadachari as Independent Director for a term of 4 years from 17th June 2021 till 16th June 2025 (both dates inclusive) and also the re-appointment of Mr. Vellayan Subbiah as Director, not liable to retire by rotation, 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. All the Independent Directors of the Company are registered on the Independent Directors Databank as required under the Companies Act, 2013 and the applicable Rules in the said regard. 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.

Mrs. Madhu Dubhashi will be retiring at the conclusion of the ensuing Annual General Meeting on completing her second term of office as Independent Director. The Board places on record its grateful appreciation of the distinguished services rendered by Ms. Madhu Dubhashi during her association, since October 2015, as Independent Director of the Company, 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 2021 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-F.

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

A copy of the Annual Return of the Company is placed on the website of the Company and the same is available on the following link, http://www.tiindia.com.

27. Key Managerial Personnel

Mr. Vellayan Subbiah, Managing Director, Mr. K R Srinivasan, President & Whole Time 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-G.

The Directors thank all Customers, Vendors, Financial Institutions, Banks, State Governments, 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
17th June 2021

M A M Arunachalam
Chairman

Form AOC-1

Annexure-A

Part A - Information in respect of each Subsidiary

Sl. No.	Name of the subsidiary	Reporting period of the subsidiary	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets (Non-Current and Current Assets)	Total Liabilities (Non-Current and Current Liabilities)	Investments (Non Current and Current Investments)	Turnover	Profit / (Loss) Before Tax	Provision / (Reversal) for Tax	Profit / (Loss) After Tax	Proposed Dividend	% of Share holding
1	Shanthi Gears Limited	31-Mar-2021	INR	7.67	229.46	325.42	88.29	46.85	210.45	26.07	5.90	20.17	Nil	70.47%
2	Financiere C10 SAS	31-Dec-2020	EUR 1 EUR = 89.16	29.95	55.16	29.18	37.80	93.73	0.63	(2.51)	-	(2.51)	Nil	100.00%
3	SEDIS SAS	31-Dec-2020	EUR 1 EUR = 89.16	57.95	19.67	186.32	171.63	62.94	232.64	(3.68)	(0.44)	(3.24)	Nil	100.00%
4	Sedis Gmbh	31-Dec-2020	EUR 1 EUR = 89.16	0.22	(8.83)	3.05	11.85	0.19	7.06	(0.73)	-	(0.73)	Nil	100.00%
5	SEDIS Co.Ltd.	31-Dec-2020	GBP 1 GBP = 100.10	2.27	2.15	8.52	4.10	-	8.18	0.92	-	0.92	Nil	100.00%
6	Creative Cycles (Private) Limited	31-Mar-2021	LKR 1 LKR = 0.37	1.86	1.85	30.35	26.64	-	41.00	(2.04)	(0.03)	(2.01)	Nil	80.00%
7	Great Cycles (Private) Limited	31-Mar-2021	LKR 1 LKR = 0.37	1.86	17.84	28.15	8.45	-	18.47	1.93	0.22	1.71	Nil	80.00%
8	CG Power and Industrial Solutions Limited	31-Mar-2021	INR	267.60	899.26	4,011.82	2,844.96	-	2,568.06	(1,166.88)	(957.95)	(208.93)	Nil	58.58%
9	CG PPI Adhesive Products Limited*	31-Mar-2021	INR	3.90	14.07	22.07	4.10	-	16.07	0.82	0.39	0.43	Nil	81.42%
10	CG Power Solutions Limited	31-Mar-2021	INR	0.05	(1,787.47)	2.19	1,789.61	-	-	(1,279.86)	-	(1,279.86)	Nil	100.00%
11	CG Power Equipments Limited	31-Mar-2021	INR	3.18	(3.16)	0.02	0.00	-	-	(0.01)	-	(0.01)	Nil	100.00%
12	CG Sales Networks Malaysia Sdn. Bhd. (formerly known as "Crompton Greaves Sales Network Malaysia Sdn. Bhd.")	31-Mar-2021	MYR 1 MYR = 17.64	0.36	3.10	6.34	2.89	-	2.58	(3.12)	0.05	(3.17)	Nil	100.00%
13	CG International Holdings Singapore PTE Limited	31-Mar-2021	EUR 1 EUR = 85.83	206.20	(510.27)	75.04	379.11	-	73.50	(274.47)	-	(274.47)	Nil	100.00%

Sl. No.	Name of the subsidiary	Reporting period of the subsidiary	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets (Non-Current and Current Assets)	Total Liabilities (Non-Current and Current Liabilities)	Investments (Non Current and Current Investments)	Turnover	Profit / (Loss) Before Tax	Provision / (Reversal) for Tax	Profit / (Loss) After Tax	Proposed Dividend	% of Share holding
14	CG International B.V.	31-Mar-2021	EUR 1 EUR = 85.83	1,570.63	(2,989.23)	540.88	1,959.48	-	62.28	(78.67)	-	(78.67)	Nil	100.00%
15	CG Power Systems Canada Inc.	31-Mar-2021	CAD 1 CAD = 58.07	206.15	(202.60)	5.98	2.44	-	-	0.06	-	0.06	Nil	100.00%
16	PT Crompton Prima Switchgear Indonesia*	31-Dec-2020	IDR 1 IDR = 0.00503	37.47	(60.78)	141.97	165.28	-	22.15	(10.97)	2.74	(13.71)	Nil	51.00%
17	CG-Ganz Generator and Motor Limited Liability Company	31-Mar-2021	EUR 1 EUR = 85.83	33.60	(33.85)	0.30	0.28	-	0.18	(61.68)	-	(61.68)	Nil	100.00%
18	CG Power Solutions UK Limited	31-Mar-2021	GBP 1 GBP = 100.75	0.00	(15.59)	27.40	42.99	-	-	-	-	-	Nil	100.00%
19	CG Industrial Holdings Sweden AB	31-Mar-2021	SEK 1 SEK = 8.39	117.47	(3.92)	249.52	135.97	-	-	0.45	-	0.45	Nil	100.00%
20	CG Drives and Automation Sweden AB	31-Mar-2021	SEK 1 SEK = 8.39	21.51	203.77	292.85	67.57	-	215.02	2.23	0.50	1.73	Nil	100.00%
21	CG Drives and Automation Netherlands B.V.	31-Mar-2021	EUR 1 EUR = 85.83	5.10	24.97	41.78	11.71	-	59.65	2.99	0.59	2.40	Nil	100.00%
22	CG Drives and Automation Germany GmbH	31-Mar-2021	EUR 1 EUR = 85.83	0.22	14.66	40.56	25.69	-	138.45	1.96	0.59	1.37	Nil	100.00%
23	CG Middle East FZE	31-Mar-2021	EUR 1 EUR = 85.83	1.78	(782.89)	3.36	784.47	-	-	(248.33)	-	(248.33)	Nil	100.00%
24	CG Power Americas, LLC	31-Mar-2021	USD 1 USD = 73.18	-	(201.65)	62.48	264.13	-	0.32	(16.74)	1.44	(18.18)	Nil	100.00%
25	QEI, LLC	31-Mar-2021	USD 1 USD = 73.18	-	83.22	143.75	60.54	-	67.52	17.89	-	17.89	Nil	100.00%
26	CG Power and Industrial Solutions Limited Middle East FZCO	31-Mar-2021	EUR 1 EUR = 85.83	-	-	-	-	-	-	-	-	-	Nil	100.00%

* % of shareholding represents holding by CGPISL

Values of CGPISL and its subsidiaries are for a period of 4 months from the date of acquisition.

Part B - Joint Ventures

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

	Sl. No	**1**
1	Name of the Joint venture company	TI Tsubamex Private Limited
2	Latest Audited Balance Sheet Date	Refer Note
3	Share of Joint Ventures held by the company on the year end	
	- No. of Shares	
	- Amount of Investment	
	- Extent of Holding (%)	
4	Description of how there is significant influence	
5	Reason why the joint venture is not consolidated	
6	Net worth attributable to Shareholding as per latest audited Financials (₹ in Cr.)	
7	Loss for the year (₹ in Cr.)	
	- Considered for Consolidation	
	- Not Considered for Consolidation	

Note: Consequent to discontinuance of TI Tsubamex Private Limited ("TTPL") operations, sale of its assets and settling of its liabilities, TTPL made an application to the Registrar of Companies, Chennai (ROC) during the year for striking off its name from the Register of Companies under Section 248 of the Companies Act, 2013. The final approval from ROC is awaited.

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 except as stated under Note above regarding pending application of TTPL before the Registrar of Companies, Chennai for striking off its name from the Register of Companies.

Annexure-B

Annual Report on Corporate Social Responsibility (CSR) Activities

1. **Brief outline on CSR Policy of the Company.**

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 much ahead of its time through the philanthropic arm of the Murugappa Group. 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; and
- 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, 2020-21 has been in the area of health, education, public infrastructure and disaster management.

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 CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Madhu Dubhashi, Chairperson	Independent Director	2	2
2	Mr. Sanjay Johri, Member	Independent Director	2	2
3	Mr. Mahesh Chhabria, Member	Independent Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Policy http://www.tiindia.com/article/values/467

Projects http://www.tiindia.com/docs/CSRProjects2020-21.pdf

Composition http://www.tiindia.com/images/siteimages/TII-Board_Committees_11Feb2021.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹Cr.)	Amount required to be setoff for the financial year, if any (in ₹Cr.)
	-	-	-
	TOTAL	-	-

6. Average net profit of the company as per section 135(5) - ₹316.37 Cr.

7. (a) Two percent of average net profit of the company as per section 135(5) - ₹6.33 Cr.
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil
   (c) Amount required to be set off for the financial year if any - Nil
   (d) Total CSR obligation for the financial year (7a+7b-7c) - ₹6.33 Cr.

8. (a) CSR amount spent or unspent for the financial year :

Total Amount Spent for the Financial Year. (in ₹ Cr.)	Amount Unspent (in ₹ Cr.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
7.50	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹ Cr.)	Amount spent in the current financial Year (in ₹ Cr.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Cr.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-	-	-	-	-

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹ Cr.)	Mode of implementation on - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	AMM Foundation	Education and Healthcare	Yes	Tamil Nadu	Chennai, Tiruvallur	2.13	No	AMM Foundation	CSR00000050
2	AMM Foundation Corpus	Education and Healthcare	Yes	Tamil Nadu	Chennai, Tiruvallur	0.65	No	AMM Foundation	CSR00000050
3	MCRC	Environmental Sustainability	No	Tamil Nadu	Erode, Villupuram, Sivaganga, Karur, Dindugal, Coimbatore, Chengalpet districts	0.47	No	Shri AMM Murugappa Chettiar Research Centre	CSR00000057
4	Basic Training Centre	Education	Yes	Tamil Nadu	Tiruvallur	0.46	Yes	Tube Investments of India Ltd	NA
5	TI – Medical Outreach Clinic, Tiruttani	Health	Yes	Tamil Nadu	Tiruvallur	0.16	Yes	Tube Investments of India Ltd	NA
6	Mobile Health Unit	Health	Yes	Tamil Nadu	Chennai, Tiruvallur	0.29	No	Helpage India	CSR00000901
7	Chengalpet Medical College and Hospital Doffing Project	Education and Healthcare	No	Tamil Nadu	Chengalpet	0.05	No	IIT Madras	CSR00004320
8	Scholarship to Fine Art Students	Education	Yes	Tamil Nadu	Chennai	0.05	No	Kalakshetra Foundation	CSR00005446
9	COVID-19 related relief work around plants	Disaster management/relief	Yes	Tamil Nadu	Chennai, Tiruvallur, Rajpura	0.14	Yes	Tube Investments of India Ltd	NA
10	Contributions to Prime Minister & Tamil Nadu Chief Minister's Funds for COVID 19	Disaster management/relief	No	Tamil Nadu	-	3.00	No	Central and State Governments	NA
11	Construction of Crematorium / Dump yard	Infrastructure – (Local Community Facility)	Yes	Telangana	Sangareddy Dist	0.10	Yes	Tube Investments of India Ltd	NA
	TOTAL					**7.50**			

(d) Amount spent in Administrative Overheads - Nil

(e) Amount spent on Impact Assessment, if applicable - NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹7.50 Cr.

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹ Cr.)
(i)	Two percent of average net profit of the Company as per section 135(5)	6.33
(ii)	Total amount spent for the Financial Year	7.50
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.17
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.17

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ Cr.)	Amount spent in the reporting Financial Year (in ₹ Cr.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹ Cr.)
				Name of the Fund	Amount (in ₹ Cr.)	Date of transfer	
	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹ Cr.)	Amount spent on the project in the reporting Financial Year (in ₹ Cr.)	Cumulative amount spent at the end of reporting Financial Year. (in ₹ Cr.)	Status of the project - Completed / Ongoing.
	-	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

(a)	Date of creation or acquisition of the capital asset(s).	NA
(b)	Amount of CSR spent for creation or acquisition of capital asset	
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - Not Applicable.

Vellayan Subbiah
Managing Director

Madhu Dubhashi
Chairperson, CSR Committee

Place: Chennai
Date : 17th June 2021

Report on Corporate Governance

Annexure-C

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 Nomination and Remuneration Committee considers the key skills, expertise, competencies and attributes in the domains, as identified by the Board, while recommending appointment of Directors to the Board. The skill matrix for the Board of Directors is given in **Para (A)** of the annexure to this report.

The Board of Directors of the Company consisted of seven Directors, as at 31st March 2021, with knowledge and experience in different fields viz., engineering, manufacturing, finance and business management. As at 31st March 2021, Mr. M A M Arunachalam, Chairman (Promoter, non-executive), Mr. Vellayan Subbiah, Managing Director (Promoter, executive) and Mr. K R Srinivasan, President & Whole-time Director (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. Mahesh Chhabria and Mr. Anand Kumar 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 are 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. During the year, Mr. M M Murugappan, former Chairman of the Company stepped down from the Board to pursue his other interests and philanthropy. Mr. Ramesh K B Menon, a non-executive Director resigned due to personal reasons and Mr. Pradeep V Bhide, an Independent Director retired after the 12th Annual General Meeting of the Company on the completion of his term.

The Company issues 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 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 information, as required under Regulation 17(7) read with Schedule II Part A of the SEBI Listing Regulations, is made available to the Board. 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 Executive Directors have not served or serve as Independent Director in more than three listed entities. None of the Independent Directors of the Company served or serve as Independent Director in more than seven listed entities.

None of the Directors of the Company was a member of more than ten public Companies, 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 2020-21, there were eleven 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 **Para (B)** 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 Vigil\Whistle Blower mechanism.

The Audit Committee of the Company has four members, three of whom are Independent Directors. Mr. Mahesh Chhabria, Independent Director is the Chairman of the Committee. The other members are Mr. M A M Arunachalam, Mr. Sanjay Johri and Ms. Madhu Dubhashi. All the members of the Committee have excellent financial and accounting knowledge. The Managing Director and the Heads of Divisions 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 Divisions 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 Company Secretary acts as the Secretary to the Committee. 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 31^{st} March 2021. The composition of the Audit Committee and the attendance of each member at these meetings are given in **Para (E)** 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 Executive Directors' compensation comprises a fixed component and a performance incentive. The compensation is determined based on the level of responsibility and scales prevailing in the industry. No sitting fees for attending Board/Committee meetings are paid to the Executive Directors.

The compensation to the non-executive Directors takes the form of commission on profits. Though the shareholders have approved payment of commission up to one per cent of the net profits of the Company for each year calculated as per the provisions of the Companies Act, 2013, the actual commission paid to the Directors will be restricted to a fixed sum. The sum is reviewed periodically taking into consideration various factors such as performance of the Company, time devoted by the Directors in attending to the affairs and business of the Company and the extent of responsibilities cast on the Directors under various laws and other relevant factors. Considering the time and efforts put in by Mr. M M Murugappan, former Chairman and Mr. Pradeep V Bhide, former 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 and 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, removal and remuneration payable to them. 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 A M Arunachalam, 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, 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 is 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 five times during the year ended 31st March 2021. The composition of the Committee and the attendance of each member at these meetings are given in **Para (F)** of the annexure to this Report.

The details of remuneration paid/payable to the Managing Director, the President & Whole-time Director and to the non-executive Directors for the financial year ended 31st March 2021 are given in **Para (G)** and **Para (H)** 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 2021. The composition of the Corporate Social Responsibility Committee and the attendance of each member at the meeting of the Committee are given in **Para (J)** 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 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. Mahesh Chhabria is the Chairman of the Risk Management Committee. The other members are Mr. Sanjay Johri, Independent Director and Mr. M A M Arunachalam, Non-executive Director.

The Managing Director and the Division heads are invitees to the meetings of the Committee. The Committee met once during the year ended 31st March 2021. The composition of the Committee and attendance of its members at the meeting are given in **Para (K)** 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.

General Meetings

The Company conducts its Annual General Meetings (AGM) pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations every year in the months of July/August at Chennai, where its Registered Office is situated.

Due to the current pandemic situation, the Company held its first e-AGM in July 2020 pursuant to the conditions stipulated and relaxations provided by Ministry of Corporate Affairs and SEBI.

The Company also conducts Extraordinary General Meetings between two Annual General Meetings if shareholders' approval is required for certain matters. The Company also gets shareholders' approval through postal ballots, if required, in certain matters.

The details of the Annual General Meeting and Extraordinary General Meetings held during the financial year 2020-21 are given in **Para (C)** and **Para (D)** respectively of the annexure to this Report.

Performance Evaluation

The annual performance evaluation was carried out pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. As part of the performance evaluation process, an evaluation questionnaire based on the criteria together with supporting documents was circulated to all the Board members, in advance. The Directors evaluated themselves, the Managing Director, the President & Whole-time 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 filled in questionnaires were received back from the Chairman and all the other Directors.

To take the evaluation exercise forward, all the Independent Directors of the Company met on 24th March 2021, 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 Managing Director, the President & Whole-time Director and the individual Directors.

Subsidiary Companies

The Company does not have any 'material unlisted Indian subsidiary company' in terms of the SEBI Listing Regulations as at the end of 31st March 2021.

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. TTPL had made an application for striking off of its name from the Register of Companies with the Registrar of Companies, Chennai under Section 248 of the Companies Act, 2013. The application is under process.

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 aforementioned 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 into with the Related Parties, as defined under the Companies Act, 2013 and the SEBI Listing Regulations were in the ordinary course of business and on arms' length pricing basis only. Accordingly, these transactions do not attract the provision of Section 188 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 including 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 24th March 2021. The Committee consists of Mr. M A M Arunachalam as its Chairman and Mr. Vellayan Subbiah, Managing Director and Mr. Sanjay Johri, Independent Director as members. The composition of the Committee and attendance of its members at the meeting are given in **Para (I)** of the annexure to this Report.

No investor complaints were pending as at 31st March 2020 and one investor complaint was received and resolved during the year. There were also no complaints pending as at 31st March 2021.

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 2021.

Whistle Blower Policy/Vigil Mechanism

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

Compliance of Corporate Governance Norms

The Company has complied with all the mandatory requirements of corporate governance norms during the financial year ended 31st March 2021. 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 2020 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 2020-21. 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 last three years.

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
17th June 2021

M A M Arunachalam
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 2021, as envisaged under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

On behalf of the Board

Chennai
17th June 2021

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:

Domain	Attributes
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 A M Arunachalam	✓	✓	✓	✓	✓	✓
Mr. Vellayan Subbiah	✓	✓	✓	✓	✓	✓
Ms. Madhu Dubhashi	✓	✓	✓		✓	✓
Mr. Sanjay Johri	✓	✓	✓	✓	✓	✓
Mr. Mahesh Chhabria	✓	✓	✓	✓	✓	✓
Mr. K R Srinivasan	✓		✓	✓		✓
Mr. Anand Kumar	✓	✓	✓	✓	✓	✓

(B) Board Meeting Dates and Attendance

The Board of Directors of the Company met 11 times during the financial year 2020-21. The dates of the Board meetings were 27th May 2020, 22nd June 2020, 23rd July 2020, 7th August 2020, 2nd September 2020, 22nd October 2020, 4th November 2020, 11th November 2020, 26th November 2020, 11th February 2021 and 24th March 2021 and the gap between two meetings did not exceed one hundred and twenty days.

Due to exceptional circumstances caused by COVID-19 and pursuant to the relaxations granted by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI), the Board meetings were held through video conferencing facility during the year.

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 2021 are as follows:

Sl. No.	Name of Director	Board meetings attended (no. of meetings held)	Number of Directorships[a] - including the Company (out of which as Chairperson)	Number of committee memberships[b] – including the Company (out of which as Chairperson)	Attendance at last AGM	No. of shares held as on 31st March 2021
1.	Mr. M A M Arunachalam#, Chairman	4(4)	8(2)	6(2)	NA	6,18,820
2.	Mr. Vellayan Subbiah	11(11)	7(2)	5(1)	Present	-
3.	Ms. Madhu Dubhashi	11(11)	6(0)	4(0)	Present	4,994
4.	Mr. Sanjay Johri	11(11)	1(0)	2(0)	Present	-
5.	Mr. Mahesh Chhabria	10(11)	8(0)	3(2)	Present	17,700
6.	Mr. K R Srinivasan#	4(4)	1(0)	0(0)	NA	9,090
7.	Mr. Anand Kumar	1(1)	3(0)	0(0)	NA	-
8.	Mr. M M Murugappan*	8(8)	NA	NA	Present	NA
9.	Mr. Pradeep V Bhide@	3(3)	NA	NA	Present	NA
10.	Mr. Ramesh K B Menon*	8(8)	NA	NA	Present	NA

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

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

with effect from 11th November 2020

* up to 11th November 2020

@ up to 23rd July 2020

The names of listed companies, where the Directors, hold directorship as on 31st March 2021 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 A M Arunachalam	1. Tube Investments of India Limited	Non-Independent
		2. CG Power and Industrial Solutions Limited	Non-Independent
		3. Coromandel Engineering Company Limited	Non-Independent
		4. Shanthi Gears Limited	Non-Independent
		5. Cholamandalam Investment and Finance Company Limited	Non-Independent
2.	Mr. Vellayan Subbiah	1. SRF Limited	Independent
		2. Tube Investments of India Limited	Executive
		3. Shanthi Gears Limited	Non-Independent
		4. CG Power and Industrial Solutions Limited	Non-Independent
		5. Cholamandalam Investment and Finance Company Limited	Non-Independent
		6. Cholamandalam Financial Holdings Limited	Non-Independent
3.	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
4.	Mr. Sanjay Johri	1. Tube Investments of India Limited	Independent

Sl. No.	Name of Director	Name of the listed entity in which Directorship held	Category of Directorship
5.	Mr. Mahesh Chhabria	1. Kirloskar Industries Limited	Executive
		2. Kirloskar Oil Engines Limited	Non-independent
		3. Kirloskar Ferrous Industries Limited	Non-Independent
		4. Tube Investments of India Limited	Independent
		5. Wabco India Limited	Independent
		6. Kirloskar Pneumatic Company Limited	Non-independent
6.	Mr. K R Srinivasan	1. Tube Investments of India Limited	Executive
7.	Mr. Anand Kumar	1. Tube Investments of India Limited	Independent
		2. Cholamandalam Investment and Finance Company Limited	Independent

(C) Annual General Meeting (AGM)

During the year, the Company had conducted its 12th Annual General Meeting through video conferencing / other audio visual means on 23rd July 2020 pursuant to conditions stipulated and the relaxations granted by MCA and SEBI in conduct of e-AGMs through multiple circulars\notifications.

All the Directors, Key Managerial Personnel, Statutory Auditors and Scrutiniser joined the AGM through video conferencing.

The Chairmen of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee attended the meeting.

(D) Extra-ordinary General Meetings (EGMs)

During the year, the Company had conducted two EGMs through video conferencing on 30th November 2020 and 21st December 2020, to obtain shareholders' approval inter alia through special resolution for investing in and/or for providing guarantee/security in respect of CG Power and the subsidiaries of TII for an additional amount of up to ₹1,760 Cr. under Section 186 of the Companies Act, 2013 and the Rules thereunder and, for the issue of equity shares on preferential allotment/private placement basis to the identified investors under Sections 23, 42, 62 and other applicable provisions of the Companies Act, 2013 and Rules thereunder respectively.

The above special resolutions were approved with requisite majority by the shareholders during the respective EGMs.

(E) Composition of Audit Committee and Attendance

The Committee met five times during the year ended 31st March 2021. The dates of the Committee's meetings were 27th May 2020, 23rd July 2020, 22nd October 2020, 11th February 2021 and 24th March 2021 and the gap between two meetings did not exceed one hundred and twenty days.

During the year, the Audit Committee was re-constituted and Mr. Mahesh Chhabria was appointed as the Chairman and Mr. M A M Arunachalam and Ms. Madhu Dubhashi were appointed as members of the Committee. Mr. Pradeep V Bhide ceased to be a member of the Committee upon his retirement as a director of the Company and Mr. Ramesh K B Menon ceased to be a member upon resigning from the Board of Directors.

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

Name of the Member	Number of meetings attended (Number of meetings held)
Mr. Mahesh Chhabria, Chairman	5(5)
Mr. Sanjay Johri	5(5)
Mr. M A M Arunachalam #	2(2)
Ms. Madhu Dubhashi #	2(2)
Mr. Pradeep V Bhide@	2(2)
Mr. Ramesh K B Menon*	3(3)

@ up to 23rd July 2020

* up to 11th November 2020

with effect from 11th February 2021

(F) Composition of Nomination and Remuneration Committee and Attendance

The Committee met five times during the year ended 31st March 2021. The dates of the Committee's meetings were 27th May 2020, 23rd July 2020, 11th November 2020, 11th February 2021 and 24th March 2021.

During the year, the Nomination & Remuneration Committee was re-constituted and Mr. M A M Arunachalam was appointed as a member. Mr. M M Murugappan ceased to be a member when he stepped down from the Board as Director and Chairman.

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

Name of the Member	Number of meetings attended (Number of meetings held)
Mr. Sanjay Johri, Chairman	5(5)
Ms. Madhu Dubhashi	5(5)
Mr. M A M Arunachalam@	2(2)
Mr. M M Murugappan*	3(3)

@ with effect from 12th November 2020

* up to 11th November 2020

(G) Remuneration of Executive Directors

The details of remuneration paid/provision made for payment to the Managing Director and the President & Whole-time Director are as follows:

(Amount in ₹)

Name	Salary	Incentive[(a)]	Allowance	Perquisites & Contribution[(b)]	Total
Mr. Vellayan Subbiah, Managing Director	1,84,49,640	2,01,26,520	2,56,26,165	1,03,71,226	7,45,73,551
Mr. K R Srinivasan, President & Whole-time Director	50,43,795	36,50,400	37,33,059	21,87,650	1,46,14,904

(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) Executive Directors' remuneration excludes provision for Gratuity and compensated absences since the amount cannot be ascertained individually.

(H) Remuneration of Non-Executive Directors

The details of commission provided for/sitting fees paid to non-executive Directors for the year ended 31st March 2021 are as follows:

(Amount in ₹)

Name of the Director	Commission *	Sitting fees	Total
Mr. M M Murugappan, former Chairman (pro-rated commission)@	61,64,384	5,20,000	66,84,384
Ms. Madhu Dubhashi	10,00,000	8,60,000	18,60,000
Mr. Pradeep V Bhide (pro-rated commission)	7,80,822	2,50,000	10,30,822
Mr. Ramesh K B Menon (pro-rated commission)	6,16,438	5,50,000	11,66,438
Mr. Sanjay Johri	10,00,000	10,70,000	20,70,000
Mr. Mahesh Chhabria	10,00,000	8,40,000	18,40,000
Mr. M A M Arunachalam, Chairman (pro-rated commission)	3,86,301	4,20,000	8,06,301
Mr. Anand Kumar (pro-rated commission)	21,918	50,000	71,918

* Commission will be paid after the adoption of accounts by the shareholders at the 13th Annual General Meeting.

@ In respect of the Commission proposed for payment to the former Chairman, pursuant to the amendment to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, since the proposed Commission exceeds the threshold, the same will be subject to the approval of the Members by means of Special Resolution in the 13th Annual General Meeting.

(I) Composition of Stakeholders Relationship Committee and Attendance

The Committee met on 24th March 2021 during the year ended 31st March 2021.

During the year, the Stakeholders Relationship Committee was re-constituted and Mr. M A M Arunachalam was appointed as a member and as the Chairman. Mr. M M Murugappan ceased to be a member when he stepped down from the Board as Director and Chairman.

The composition of the Stakeholders Relationship Committee and the attendance of each member at the above meeting are as follows:

Name of the Member	Number of meetings attended (Number of meetings held)
Mr. M A M Arunachalam, Chairman @	1(1)
Mr. Vellayan Subbiah	1(1)
Mr. Sanjay Johri	1(1)

@ with effect from 12th November 2020

(J) Composition of Corporate Social Responsibility Committee and Attendance

The Committee met on 27th May 2020 and 22nd October 2020 during the year ended 31st March 2021.

The composition of the Corporate Social Responsibility Committee and the attendance of each member at the above meetings are as follows:

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

(K) Composition of Risk Management Committee and Attendance

The Committee met on 11th February 2021 for the year ended 31st March 2021.

During the year, the Risk Management Committee was re-constituted and Mr. Mahesh Chhabria was appointed as the Chairman and Mr. M A M Arunachalam and Mr. Sanjay Johri were made members of the Committee and Mr. Vellayan Subbiah was made a permanent invitee to the meetings of the Committee. Mr. Pradeep V Bhide ceased to be a member of the Committee upon his retirement as a Director of the Company.

The composition of the Risk Management Committee and the attendance of each member at the above meeting are as follows:

Name of the Member	Number of meetings attended (Number of meetings held)
Mr. Mahesh Chhabria, Chairman	1(1)
Mr. M A M Arunachalam @	1(1)
Mr. Sanjay Johri @	1(1)

@ with effect from 11th February 2021

Due to exceptional circumstances caused by COVID-19 and pursuant to the relaxations given by MCA and SEBI, the Committee meetings were held through video conferencing facility during the year.

On behalf of the Board

M A M Arunachalam
Chairman

Chennai
17th June 2021

Practicing Company Secretary'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,
TUBE INVESTMENTS OF INDIA LIMITED
CIN: L35100TN2008PLC069496
Dare House,
234, N S C Bose Road,
Chennai - 600001

We have examined documents, books, papers, minutes, forms and returns filed and other relevant records maintained by **TUBE INVESTMENTS OF INDIA LIMITED, (CIN:L35100TN2008PLC069496)** having its Registered Office at Dare House" 234 N S C Bose Road Chennai 600001, for the purpose of certifying compliance of the conditions of Corporate Governance under Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2021. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied regarding the conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended for the financial year ended 31st March, 2021.

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

Place : Chennai
Date : 17-06-2021

For **R.SRIDHARAN & ASSOCIATES**
COMPANY SECRETARIES
CS R.SRIDHARAN
CP No. 3239
FCS No. 4775
UIN:S2003TN063400
UDIN: F004775C000480998

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 : Friday

Date : 13th August 2021

Time : 3.30 P.M.

Mode : Through Video Conference or Other Audio-Visual Means (OAVM)

Tentative Calendar for 2021-22

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 2021	:	13th August 2021
Results for the second quarter/half year ending 30th September 2021	:	27th October 2021
Results for the third quarter ending 31st December 2021	:	January 2022
Results for the fourth quarter ending 31st March 2021/Annual Results for the financial year 2021-22	:	April/May 2022

Book Closure for AGM

Friday, 6th August 2021 to Friday, 13th August 2021 (both days inclusive).

Dividend

The Board of Directors had declared an Interim Dividend of ₹2.00 per Equity Share for the financial year 2020-21, which was paid on 9th March 2021 to all those Members whose names appeared on the Register of Members on 23rd February 2021. The Board has further recommended a Final Dividend of ₹1.50 per Equity Share for the financial year 2020-21 which will be paid on or before 12th September 2021 (30 days from the date of AGM) to all those Members whose names appear on the Register of Members on 13th August 2021.

Unclaimed Dividend

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

Financial year to which dividend relates	Date of declaration	Due date of transfer to IE&P Fund
2016-17	06.11.2017	12.12.2024
2017-18 - Interim	12.02.2018	20.03.2025
- Final	13.08.2018	19.09.2025
2018-19 - Interim	05.02.2019	12.03.2026
- Final	24.07.2019	30.08.2026
2019-20 - Interim	28.01.2020	07.02.2027
2020-21 - Interim	11.02.2021	09.03.2028

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, before transfer of unclaimed dividend to the IE&P Fund.

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.

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 2021 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

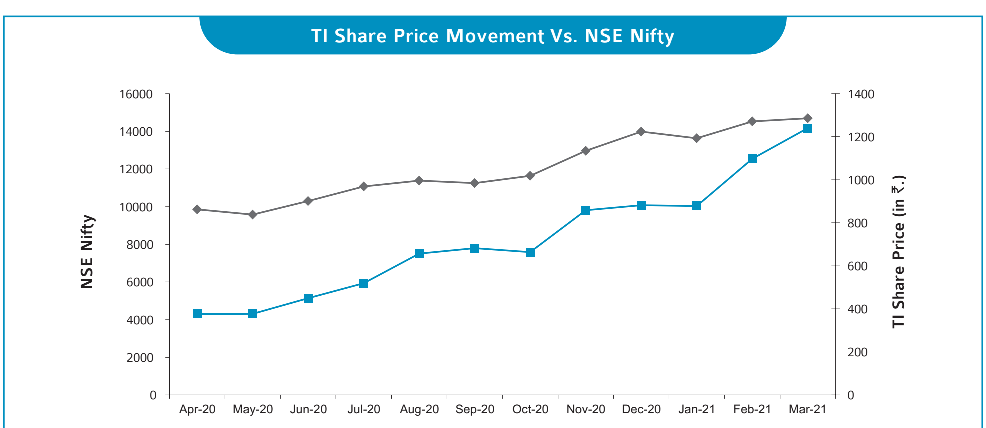
Listed on Wholesale Debt Segment (WDM) of National Stock Exchange of India Ltd.

Market Price Data and Comparison

Monthly high and low price of the equity shares of the Company from 1st April 2020 to 31st March 2021 are as follows: (Amount in ₹)

Month	National Stock Exchange of India Ltd		BSE Ltd	
	High	Low	High	Low
April 2020	375.95	254.00	388.50	255.00
May 2020	377.00	306.45	375.25	307.00
June 2020	449.85	372.20	449.40	374.00
July 2020	519.00	433.00	520.00	432.55
August 2020	670.00	498.00	667.95	488.00
September 2020	681.95	522.70	680.00	522.75
October 2020	664.00	547.20	668.00	543.00
November 2020	857.95	644.20	868.00	647.70
December 2020	882.00	771.05	881.85	770.05
January 2021	878.00	750.10	876.15	750.25
February 2021	1098.00	752.40	1,098.00	753.60
March 2021	1240.00	1,021.00	1,250.00	1,021.50

TI share price movement vs NSE Nifty



	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
NSE Nifty (Close)	9860	9580	10302	11073	11388	11248	11642	12969	13982	13635	14529	14691
TI Share Price (High)	376	377	450	519	657	682	664	858	882	878	1098	1240

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 2021

	Category	No. of shares held	% of shareholding
A	**Promoter & Promoter Group**	8,99,66,889	46.66
B	**Non-Promoter Holding**		
	1 Institutional Investors		
	a) Mutual Funds and UTI	2,59,88,728	13.48
	b) Banks, Financial Institutions, Insurance Companies	8,84,940	0.46
	c) Foreign Institutional Investors	4,90,61,029	25.44
	2 Others		
	a) Private Corporate Bodies	45,60,217	2.37
	b) Indian Public	2,11,53,340	10.97
	c) NRI	11,92,428	0.62
C	**Non-Promoter & Non-Public**		
	Bank of New York Mellon (Depository for GDR holders)	9,300	0.00
	Grand Total	**19,28,16,871**	100.00

Distribution of Shareholding as on 31st March 2021

Category	No. of holders	% to Total	No. of shares	% to Total
1 - 5000	32,139	97.66	94,63,208	4.91
5001 - 10000	289	0.88	21,00,118	1.09
10001 - 20000	155	0.47	21,84,758	1.13
20001 - 30000	63	0.19	15,34,831	0.80
30001 - 40000	41	0.12	14,23,551	0.74
40001 - 50000	26	0.08	11,79,573	0.61
50001 - 100000	46	0.14	33,19,737	1.72
100001 & Above	150	0.46	17,16,11,095	89.00
Total	**32,909**	**100.00**	**19,28,16,871**	**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 2021, 9,300 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 Business Unit 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, if any.

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

Date of AGM	Whether any Special Resolution was passed	Particulars
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 Cr.
24.07.2019	Yes	a) Re-appointment of Ms. Madhu Dubhashi, Independent Director, 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
23.07.2020	Yes	a) Payment of a commission of ₹100 lakhs to Mr. M M Murugappan, Chairman (non-executive, promoter) for the financial year 2019-20.

Details of Special Resolutions passed at the Extra-ordinary General Meetings

Date of EGM	Whether any Special Resolution was passed		Particulars
30.11.2020	Yes	a)	Investing in securities of and providing loans to and/or guarantees or security in respect of borrowings availed/to be availed by M/s. CG Power and Industrial Solutions Limited and any subsidiaries of the Company.
21.12.2020	Yes	a)	Issue of Equity Shares not exceeding ₹350 Cr. on a Preferential Allotment/Private Placement Basis to entities not belonging to the Promoter or Promoter Group of the Company.

The Shareholders approved the aforesaid Special Resolutions with requisite majority.

Resolution by Postal Ballot

No Special Resolution was conducted through Postal Ballot during FY 2020-21.

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
2017-18	13.08.2018	3.30 P.M.	T.T.K. Auditorium, The Music Academy, 163 (Old No. 306) T.T.K. Road, Chennai 600 014
2018-19	24.07.2019	3.30 P.M.	
2019-20	23.07.2020	3.30 P.M.	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

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 01.04.2020	1,817	15,58,166
2	Number of Shareholders who approached the Company for transfer of their shares from TII Demerger Unclaimed Share Suspense Account during the year [from 01.04.2020 to 31.03.2021]	29	30,010
3	Number of Shareholders to whom shares were transferred TII Demerger Unclaimed Share Suspense Account during the year [from 01.04.2020 to 31.03.2021]	29	30,010
4	Aggregate number of Shareholders and the outstanding shares in the TII Demerger Unclaimed Share Suspense Account lying as on 31.03.2021.	1,788	15,28,156

The voting rights on the Outstanding Shares in the TII Demerger Unclaimed Share Suspense Account as on 31st March 2021 shall remain frozen till the rightful owner of such shares claims the shares. On receipt of the claim, the Company will, after verification, arrange to credit the Equity Shares to the demat account of the Shareholder concerned or deliver the Share Certificate to the Shareholder in physical mode after re-materialisation.

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) During the year, the Company had issued equity shares to identified investors on preferential basis. The issue proceeds were fully utilised by the Company for the purposes/objects as stated in the offer document and explanatory statement to the notice of the general meeting and there are no unutilised funds to be reported 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 2020-21 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	₹2.97 Cr.
b)	Fees for Other services paid to M/s. S R Batliboi & Associates LLP and all their network firms/entities*	₹0.46 Cr.

* includes fees paid in respect of CG Power and Industrial Solution Limited post acquisition only.

5) Disclosures regarding prevention of sexual harassment of women at the workplace are furnished in a separate section of the Board's Report. There was one complaint received, investigated and disposed off during the year.

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-D

About this report

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) prescribe that the top 1000 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 1000 listed entities in India based on market capitalization at the National Stock Exchange of India Limited (NSE) and the BSE Ltd (BSE) as at 31st March 2021.

The Spirit of the Murugappa Group is the philosophy that guides every employee of Tube Investments of India Limited in achieving the highest professional standards. All the employees and stakeholders are guided by the five lights of Murugappa group: **Integrity, Passion, Respect, Quality, Responsibility.**

The sectors that the Company is engaged in, are:

1. **Cycles and Accessories**

   A pioneer in the Bicycles market, Tube Products of India's Bicycles division viz., TI Cycles of India, formed in 1949, has constantly come up with new trends in line with evolving consumer needs. TI Cycles of India's vision is "To be the most preferred brand in fitness, recreation & personal mobility solutions". It strives to give its customers not only a bicycle but a lifetime experience. TI Cycles of India has plants at Chennai and Rajpura, major warehouses and regional offices, through which it serves it nationwide 2500 plus dealer network.

2. **Steel Strips and Tubes**

   The Tubes division of Tube Investments of India Limited viz., Tube Products of India is the leading supplier of precision tubes, including Electric Resistance Welded (ERW) and Cold Drawn Welded (CDW) tubes, to major automobile firms in India and internationally. The Company is the leading name in CDW tubes for the automotive sector in India. It is also well-known in the fields of power plants, boilers, textile machinery, and general engineering. It is the market leader in Telescopic Front Fork Inner Tubes and Cylinder Bore Tubes for shock absorber and gas spring applications, as well as Propeller Shaft Tubes for the Automotive Sector. Rear Axle Tubes, Side Impact Beams, Tie Rods, Drag Links, and Heavy Thick Steering Shields and Hydraulic Cylinder tubes are some of the other specialty components.

3. **Metal Formed Products**

   Tube Investments of India Limited's Metal Formed Products Division is a pioneer and market leader in precision sheet metal formed components with added value. Automotive chains, Industrial chains, Fine Blanked products for both automotive and industrial purposes, Car door frames, window and guide channels, impact beams, hydro-formed parts, and frames for various types of motor casings are all manufactured by the Company. Apart from sub-assemblies of sidewalls, end-walls, and roofs, the Company manufactures and provides roll formed sections for wagons and coaches for railways.

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 2020 to 31st March 2021
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 step down subsidiary in France engaged in the manufacture of Industrial chains, two direct subsidiaries in Sri Lanka engaged in manufacture of bicycles & components and five step down subsidiaries in various countries engaged in manufacture of switchgears, transformers, electric motors and generators.
	(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)	19.28 Cr.
2	Total Turnover (INR)	4026.23 Cr.
3	Total profit after taxes (INR)	273.18 Cr.
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹7.50 Cr. 2.06%
5	List of activities in which expenditure in 4 above has been incurred	Education, Healthcare, Public Infrastructure & Disaster Management and Relief (please refer the CSR Annual Report for details)

Section C: Other details

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

   Yes. The Company has 5 direct subsidiaries and 21 step down subsidiaries. Of the above, 2 direct Indian subsidiaries are listed on the Stock Exchanges, in India and 3 step down subsidiaries are located in India, while the rest are all 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 listed Indian subsidiaries have their own BR initiatives. 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	01138759
• Name	Vellayan Subbiah
• Designation	Managing Director
b) Details of the BR head	
• DIN Number	01138759
• Name	Vellayan Subbiah
• Designation	Managing Director
• Telephone number	044-42286701
• Email ID	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. Going forward, the Company intends to formalize an ESG Governance structure with representation from cross functional teams. This committee will oversee the implementation of sustainability initiatives within the organization and also support achieve targets across environment and social aspects.

- **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 at 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. The Company's commitment to ethical and lawful business conduct is a fundamental shared value of the Board of Directors, the senior management and all other employees of the Company. It encourages the stakeholders of the Company to take positive actions, which not only are commensurate with the Company's values and beliefs but are also perceived to be so. In addition, the Code of Conduct is applicable to the Directors and Senior Management personnel which includes executives who are in the grade of General Manager and above; all executives directly reporting to the Chief Executive and the Company Secretary. The Code of Conduct embodies the belief that acting always with the Company's legitimate interest in mind and being aware of the Company's responsibility towards its stakeholders is an essential element of the Company's long-term excellence. 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 endeavors 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 were four complaints under the Company's Whistle Blower mechanism which were investigated in detail and closed. There was also a complaint received from one of the investors which was addressed and closed by the Company and the Stock Exchanges were informed of the same. This policy is in line with the commitment of the Company to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication.

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. The Company is committed to protect and enhance the environmental performance in all its units through its EOHS and SHE policies. As stated in the policies, all the units strive for the optimal use of the resources and ensure safe processes throughout the entire life cycle of products. All the Business units are certified for the environmental management systems. 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 the Company's products are import substitution, enabling conservation of foreign currency. The Company caters to the requirements of infrastructure industry by providing products for off-road vehicles.

   Industrial 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 include implementation of ISO 14001 and OHSAS 18001 standardization systems, reducing overall dependence on direct fuel consumption at its operational sites. In addition, effluent treatment plants are installed to treat the process effluents and reuse treated water for the process again. Existing Effluent Treatment Plants (ETPs) are proposed to be upgraded with Zero Liquid Discharge (ZLD) to be deleted here and inserted before (Zero Liquid Discharge). Change of processes are also considered to minimise/eliminate the usage of water for components polishing in chains manufacturing process. Also extending the shot blasting operations in place of water polishing to reduce the water consumption to an extent of 5 KL per day. The up-gradation plans of ETP across units aim at reduction of raw water consumption by 150 KLD. Apart from this, the Company also carries out various activities for conservation of natural resources and implement many maintenance activities and improvements for eliminating the energy losses in the processes. Various energy conservation projects are implemented across units for bringing down manufacturing cost. The electric resistance heating furnaces are regularly checked for skin temperatures and adopt corrective measures in case of abnormalities. The insulations are replaced as per periodical maintenance plans to contain the heat losses. All these efforts have allowed the Company to improve upon resource use efficiency. Therefore, all products manufactured at the Company's production facilities facilities have environment and social aspects incorporated in them.

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 the 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, which 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. Going forward, the Company is looking at developing a sustainable supply chain program formalizing environmental and social assessments for suppliers.

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 monitors 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's employees have always been at the centre of its businesses. It ensures to create an environment which fosters long-term relationship with its employees by creating an ecosystem that is motivating and a pleasure to work and aim to move towards a high-performance work culture at all levels. 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	3,120
2.	Please indicate the total number of employees hired on temporary/ contractual/casual basis	9,132
3.	Please indicate the number of permanent women employees	69
4.	Please indicate the number of permanent employees with disabilities	5
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?	54.66%
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.	There was one complaint received and closed during the year with recommendations.
8.	What safety & skill up-gradation training was provided in the last year?	Safety: COVID precautions Asset integrity Management of change (MOC) Safety during Crane operation & Maintenance Equipment & Electrical Safety Firefighting & hydrant operation Food storage & Handling Lockout and Tag out Material Safety Data Sheet (MSDS) awareness Safety during welding & gas cutting Skill Upgradation: Operational skill training through DOJO centres Classroom & On the job training
	• Permanent employees (includes women employees and employees with disabilities)	86.00%
	• Casual/Temporary/Contractual Employees	91.00%

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 recognizes its responsibility and 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 in place to systematically identify stakeholders and for understanding their concerns and for engaging with them are reviewed from time to time. In its holistic approach towards serving the underprivileged and disadvantaged section of the community, the Company is focused on Education, Public Infrastructure, Healthcare and Disaster management. The Company is involved in various projects like Basic Training Centre which provides technical skills of Welding & Fitting for children from economically weak families thus making them employable, Kalakshetra Foundation Scholarship and IIT, Madras - Doffing Project, Construction of a solid waste management shed and graveyard in Khazipally village in Telangana.

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. Through the Company's Group trust, it has established renowned hospitals, schools, colleges such as Sir Ramaswamy Mudaliar Higher Secondary school, AMM school, TI Matriculation Higher Secondary school, Murugappa Polytechnic college, etc. Vellayan Chettiar Higher Secondary School caters to over 2,300 students providing English and Tamil Medium education. Due to pandemic online classes were conducted for the students throughout the academic year. The Company through AMM Foundation has established AMMC Centenary scholarship that provides full fee scholarships to poor, meritorious students who are pursuing Professional / Arts and Science Courses. Trainings like soft skills were imparted to the scholars. Some of them have cleared the TNPSC Group–II and IV exams. Some of the medical students are working in the COVID Wards in government hospitals.

   Sir Ivan Stedford Hospital serves the community in and around Ambattur, Chennai by rendering excellent medical care facilities free of cost or at a nominal charge for special facilities to the community. The Company also provides medical treatment through a Mobile Health Unit through Helpage India Foundation to the weaker sections of the society near the factories. The Company also pursues other local community assistance programmes in and around its plants' and office locations. Shri AMM Murugappa Chettiar Research Center (MCRC) carries out its Research & Development on novel applications of natural products for rural India such as extraction and evaluation of dyes and pigments from various natural sources, continuous utilization of microbial dyeing unit for research and development and evaluation of natural dye based medical textiles to name a few.

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/ JointVentures/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 31^{st} March 2021.

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. Further it conducts a 'greenery drive' where any visitor to the plant premises, plants a tree. Around 10,000 trees planted in this manner are maintained till date. Moreover, all the factories of the Company have a green belt around the plants.

   The Company is also part of its customers' supplier assessment programs which enable it to be more proactive in caring for the environment, in terms of improved resource efficiency and human rights aspects at its manufacturing plants.

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 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 plants. Rain water harvesting pits are constructed as a commitment to recharge the ground with the water flowing from the roofs through the drainage pips connected to the pits. 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) and 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. Apart from this, one of the units has successfully installed Solar panels of 2,340 KWp capacity and is in use. Another Business unit in Ambattur is proposing to install 500 KWp roof top solar panels as pilot project.

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 has been involved with the AICMA (All India's Cycle Manufacturers' Association) in organising rallies, pushing for cycle tracks in major cities and requesting the government for cycle tracks. It has been a part of many events supporting cyclist enthusiasts, schools and institutions by sponsoring cycles, kits and gears. The Company stands by its commitment of 'Selling cycling and not just cycles' and thereby continuously encourages people from all age-groups to take to cycling for a fitter and healthier life. The Company also represents its views/opinions on energy security, economic reforms, governance etc., before appropriate forums.

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 31^{st} March 2021.

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

   For the financial year, 2020-21, 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 major 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 2020-21 for details of the direct contribution made by the Company during the financial year ended 31^{st} March 2021.

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 31^{st} March 2021.

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. Through adopting TQM & Lean principles like JIT, Kanban, Single piece flow & POKA YOKEs (mistake proofing systems), TII delivers consistent, high quality and high value products to the automotive sector.

All plants of TII are continuously upgrading the Quality & Safety Management Systems through acquiring international certifications such as IATF 16949 (International Quality System Certification), ISO18001, EMS 14001 & IRIS ISO / TS 22163 (International Railway Inspection System). It has also been a keen practitioner of product responsibility. It practices 'zero defect' and understands its responsibility of eliminating process waste. It conducts various programs and activities in this regard. The Company is constantly guided by customer requirements and aims to become the preferred customer choice in the market.

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

   Pending customer complaints/consumer cases constituted a very meager percentage (less than 1%) as at the end of 31^{st} March 2021. 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 during the last five years and pending as on end of the financial year.

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.

Annexure-E

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 2020-21 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 2020-21:

Name	Designation	Ratio#
Mr. M A M Arunachalam @	Chairman	1.42
Mr. Vellayan Subbiah	Managing Director	130.95
Ms. Madhu Dubhashi	Director	3.27
Mr. Sanjay Johri	Director	3.63
Mr. Mahesh Chhabria	Director	3.23
Mr. K R Srinivasan @	President & Whole-time Director	25.66
Mr. Anand Kumar @	Director	0.13
Mr. M M Murugappan @	Director	11.74
Mr. Pradeep V Bhide @	Director	1.81
Mr. Ramesh K B Menon @	Director	2.05

* Remuneration includes sitting fees

Number of times the Median Remuneration

@Part of the financial year 2020-21

(ii) Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer & Company Secretary in the financial year 2020-21:

Name	Designation	% increase
Mr. M A M Arunachalam@	Chairman	-
Mr. Vellayan Subbiah	Managing Director	7.5%
Ms. Madhu Dubhashi	Director	40.4%
Mr. Sanjay Johri	Director	33.1%
Mr. Mahesh Chhabria	Director	19.5%
Mr. K R Srinivasan@	President & Whole-time Director	-
Mr. Anand Kumar@	Director	-
Mr. S Suresh	Company Secretary	5.4%
Mr. K Mahendra Kumar	Chief Financial Officer	4.7%
Mr. M M Murugappan@	Director	-
Mr. Pradeep V Bhide@	Director	-
Mr. Ramesh K B Menon@	Director	-

@Part of the financial year 2020-21

(iii)	**Percentage increase / (decrease) in median remuneration of employees in the financial year, 2020-21**	4.4%
(iv)	**Number of permanent employees on the rolls of the Company as on 31.03.2021**	3,120

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

Parameters	
Average % increase in the salaries of employees other than managerial personnel in the financial year 2020-21	3.9%
Average % increase in the managerial remuneration@ in the financial year 2020-21	7.4%
Remarks	The Managing Director's and the President & Whole-time Director's remuneration comprise of fixed and variable components. The annual increment in salary for the financial year 2020-21 is determined by the Nomination & Remuneration Committee on the basis of Company's financials, level of responsibility, experience and remuneration scales prevailing in the industry. The remuneration of Non-Executive Directors (NEDs) consists of commission and sitting fees. During the year under review, remuneration of NEDs was higher compared to the previous year mainly on account of increased committee membership and higher number of Board Meetings held during the year in connection with the acquisition of M/s. CG Power and Industrial Solutions Limited.

@ Managerial remuneration includes the remuneration of the Managing Director ,President & Whole-time Director and those NEDs who were on the Board as Directors for the full year in both the financial years, 2019-20 and 2020-21.

(vi) **Affirmation**

It is affirmed that the remuneration paid to the employees during the financial year 2020-21 is as per the Remuneration Policy of the Company.

On behalf of the Board

Place : Chennai
Date : 17th June 2021

M A M Arunachalam
Chairman

Certificate of Non-Disqualification Of Directors

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 2021 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.	00202958	M A M Arunachalam	Non-Executive –Chairman	11/11/2020
2.	01138759	Vellayan Subbiah	Managing Director	19/08/2017
3.	08215289	K R Srinivasan	Whole Time Director	11/11/2020
4.	00032015	Sanjaya Shyam Johri	Non Executive-Independent Director	14/08/2018
5.	00036846	Madhu Dubhashi	Non Executive-Independent Director	01/08/2017
6.	00166049	Mahesh Ramchand Chhabria	Non Executive-Independent Director	05/02/2019
7.	00818724	Anand Kumar	Non Executive-Independent and Additional Director	24/03/2021

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 : 17.06.2021

For R.SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES
CS R.SRIDHARAN
CP No. 3239
FCS No. 4775
UIN:S2003TN063400
UDIN: F004775C000478259

Secretarial Audit Report

Annexure-F

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, 2021 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, 2021 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 ExchangeBoard 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 during the period under review); 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 Intellectual Property Rights;
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. issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and such other regulatory authorities for such acts, rules, regulations, standards etc. as mentioned above.

We further report that

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

Adequate notice is given to all directors before the schedule of the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Notes on agenda which are circulated less than the specified period, the necessary compliances under the Companies Act, 2013 and Secretarial Standards on Board Meetings are complied with. During the year under review, directors have participated in the committees/board meetings through video conferencing, such meetings were properly convened and recorded in compliance with the provisions of Section 173(2) of the Act read with Rule 3 & 4 of Companies (Meetings of Board and its Powers) Rules, 2014. Further, the Circulars, Regulations and Guidelines issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and other relevant regulatory authorities in view of the pandemic pertaining to Board/Committee meetings, General Meetings and other provisions of the Act, Rules and Regulations have been complied with by the Company.

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. Further, in the minutes of the General Meeting, the Members who voted against the resolution(s) have been recorded.

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 the 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

a) Obtained the approval of the Board of directors at their meeting held on August 7, 2020 for acquisition of M/s. CG Power and Industrial Solutions Limited ("CG Power") by investing up to ₹800 Cr. in Equity Shares, Share Warrants or other convertible securities of CG Power.

b) Obtained the approval of the members at their Extra-ordinary General meeting held on November 30, 2020 for investing in securities of and providing loans to and/or guarantees or security in respect of borrowings availed/to be availed by M/s. CG Power and Industrial Solutions Limited and any subsidiaries of the Company.

c) Obtained the approval of the members at their Extra-ordinary General meeting held on December 21, 2020 for Issue of 47,83,380 equity Shares on a Preferential Allotment/Private Placement basis aggregating to ₹349,99,99,146 to entities not belonging to the promoter or promoter group of the Company.

d) Issued non-convertible debentures for ₹100 Cr. and redeemed non-convertible debentures for ₹100 Cr.

e) Obtained the approval of the Board of directors through circular resolution passed on December 29, 2020 to grant approval to its subsidiary TI Tsubamex Private Limited to file an application with the Registrar of companies for striking off of its name u/s 248 of the Companies Act.

f) Obtained the approval of the Board of directors at their meeting held on February 11, 2021 for manufacturing and sale of three-wheeled electric vehicles by the Company at an estimated outlay of up to ₹200 Cr.

Place : Chennai For **R.SRIDHARAN & ASSOCIATES**
Date : 17.06.2021 COMPANY SECRETARIES

CS R.SRIDHARAN
CP No. 3239
FCS No. 4775
UIN : S2003TN063400
UDIN: F004775C000478281

This report is to be read with our letter of even date which is annexed as ANNEXURE-A and forms an integral part of this report.

'Annexure -A'

The Members,
TUBE INVESTMENTS OF INDIA LIMITED
CIN: L35100TN2008PLC069496
Dare House
No.234, N S C Bose Road
Chennai – 600001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. It is the responsibility of the management of the company to devise proper systems to ensure compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards and to ensure that the systems are adequate and operate effectively. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

PLACE : CHENNAI
DATE : 17.06.2021

For **R.SRIDHARAN & ASSOCIATES**
COMPANY SECRETARIES

CS R.SRIDHARAN
CP No. 3239
FCS No. 4775
UIN : S2003TN063400
UDIN: F004775C000478281

Annexure-G

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

Power & Fuel Consumption

Sl. No.	Particulars	2020-21	2019-20
1	**Electricity**		
	(a) Purchased		
	Units (kWh)	12,20,19,301	12,85,21,147
	Total Cost (₹ Cr.)	90.07	94.86
	Rate per unit (₹)	7.38	7.38
	(b) Own Generation through Diesel Generator		
	Units (kWh)	12,57,714	19,08,507
	Total Cost (₹ Cr.)	2.95	4.10
	Rate per unit (₹)	23.49	21.49
	(c) Own generation through Solar Plant		
	Units (kWh)	2,76,542	3,00,652
	Total Cost (₹ Cr.)	0.15	0.17
	Rate per unit (₹)	5.51	5.65
2	**Consumption per unit of production**	**2020-21**	**2019-20**
a.	Cycles (kWh per Cycle)	3.42	4.35
b.	Strips and Tubes (kWh per Ton)	241	244
c.	Metal Form (kWh per Ton)	501	524
d.	Chains (kWh per Ton)	1,175	1,264

Conservation of Energy

The Company continues to be committed to the conservation of energy. Some of the measures taken for energy conservation during 2020-21 are highlighted below:

Engineering Division

Conversion of energy efficient pumps in the place of monoblock pumps is being pursued in a phased manner. Four more furnaces have been converted from C9 based fuel and one furnace from oil fired boiler to higher efficiency propane gas-based burners, reducing emissions. 400 lakh kW of green power has been sourced. Variable frequency drives have been installed for motors in hydraulic and raw water pumps and blowers.

Metal Formed Products Division

In Thiruninravur plant, high bay metal halide fittings has been replaced with LED fittings to save power. Trans vector type air gun nozzles have been installed for cleaning to reduce the air consumption thereby leading to power saving. Roll forming mill coolant removal by compressed air has been replaced with lower pressure air blower to reduce compressed air usage. Power band belt conversion to normal v-belts have been done in saw cutting and press to reduce the friction losses by slippage.

In Uttarakhand Plant, one mesh belt furnace has been completely re-lined to arrest heat losses. Variable frequency drives have been provided in bush forming machines. Twenty sheet metal halide lamps have been replaced by high bay LED lamps.

In the Hyderabad plant, temperature controllers have been deployed to control oil circulation pumps. Lighting has been converted to low power conversion type in certain areas. Motors have been changed to variable frequency drives from Eddy current drives to reduce power consumption.

In the Ambattur plant, phased conversion of lighting from conventional 38W to 18W LED continues with no loss to actual lighting levels. In the fine blanking area, one heater has been eliminated in the Seal Quench furnace washing area. In the industrial chains area, one cooling tower pump has been de-rated for adequacy. Contactor mode control has been changed to thyristor control in six furnaces leading to smoother operation with resulting energy saving. Introduction of natural draft cooling in one cooling tower instead of forced fan cooling and rightsizing of cooling tower pump motors have also resulted in energy savings.

Cycles Division

In the Cycles division, the hot water generator has been converted from HSD oil fired to LPG fired version. This has resulted in savings on energy and cost.

Expenditure on R & D (₹ in Crores)

Particulars	2020-21	2019-20
Capital expenditure	1.11	1.13
Recurring	10.11	6.57
Total	**11.22**	**7.70**
Total R&D expenditure as a % of total turnover (Net)	0.28	0.19

Foreign Exchange Earnings and Outgo

Particulars	2020-21	2019-20
Foreign exchange earnings (CIF Value)	375.34	347.02
Foreign exchange outgo	268.43	249.58

On behalf of the Board

Chennai
17th June 2021

M A M Arunachalam
Chairman

Plant Locations

Tube Products of India
P. B. No. 4&18, CTH Road,
Avadi, Chennai 600 054
Tel: (044) – 42291999

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 : (02169) - 244080 - 85

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,
Shambu - Ghanaur road
Tehsil : Rajpura, Dist
Patiala Punjab – 140 417
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
Tel : (01762) – 269000, 269200

TIDC India
Post Bag No.11, MTH Road
Ambattur, Chennai 600 053
Tel : (040) - 42235555
Fax : (044) - 42235406

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

TIDC India
Gangnouli
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

TIDC India
Plot No. 108, SIDCO
Industrial Estate, Ambattur,
Chennai - 600 098
Tel : (040) - 42235555
Fax : (044) – 42235406

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. 245, Sector 3
Growth Centre, Bawal, Rewari Dist.
Haryana 123 501
Tel : (01284) – 260707, 264106
09812038561, Fax: (01284) – 264426

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

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

TI Optoelectronic Solutions
500 East, Road R1 South
Sri City SEZ , Satyavedu Mandal
Chittoor District
Andhra Pradesh, India
Pin: 517 646

TI Truck Body Works
Plot no 55/1A, Thiruvallur- Redhills Highway,
Poochiatthipattu, Tiruvallur Taluk,
Thiruvallur – 600052.
Tel: 91 98400 71976

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

TI Truck Body Works
TI Metal forming
Plot No 245, sector 3,
Bawal Distt. Rewari,
Haryana Pin: 123501

CONTACT ADDRESS

COMPLIANCE OFFICER
Mr. S Suresh
Company Secretary
Tube Investments of India Limited
'Dare House' 234 N S C Bose Road
Chennai 600 001
e-mail: sureshs@tii.murugappa.com
Tel : (044) – 42286711
Fax : (044) - 42110404

For all matters relating to investor services:
KFin Technologies Private Limited
"Selenium Tower-B"
Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad 500 032
e-mail : einward.ris@kfintech.com
Tel : (040) – 67162222
Fax: (040) - 23001153
Toll Free: 1800-345-4001

Independent Auditor's Report

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Tube Investments of India Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, 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 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 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, 2021, 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 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 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 Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Standalone 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 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 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 Financial Statements.

Key audit matters	How our audit addressed the key audit matter
Timing of Revenue recognition (as described in Note 3.11 and Note 19 of the Standalone 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 the following: • We read and understood the Company's accounting policy for timing of revenue recognition. • We understood the Company's revenue processes, including design and implementation of controls which vary based on product segment and customer, and tested the operating effectiveness of such controls in relation to revenue recognition. • On a sample basis, we tested contracts with customers, purchase orders issued by customers, and sales invoices raised by the Company to determine the timing of transfer of control along with pricing terms and the timing of revenue recognition in respect of such contracts. • We performed substantive analytical procedures to identify any unusual trends for further testing. • We analyzed revenue transactions near the reporting date and tested whether the timing of revenue was recognized in the appropriate period with reference to shipping records, sales invoices etc for sample transactions. • We evaluated the Company's accounting policies pertaining to revenue recognition and assessed compliance with the policies in terms of Ind AS 115 - Revenue from Contracts with Customers. • We assessed the disclosures for compliance with applicable accounting standards.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Existence of Inventories and allowance of Slow / Non-Moving Inventory and Obsolescence (as described in Note 3.10 and Note 8 of the Standalone Financial Statements)</td></tr>
<tr><td>Inventories represent 13% of total assets of the Company as at March 31, 2021. 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 slow / non-moving / obsolete 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.

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.</td><td>Our audit procedures included the following:

• 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 testing of automated recording of revenue and purchase transactions in the Information Technology (IT) system (three-way-match) were tested by our IT experts.

• 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);

- Performing independent inventory counts on sample basis and reconciling the same to the management counts;

- On a sample basis, testing 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

- Performing 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 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>
</table>

We have determined that there are no other key audit matters to communicate in our report.

Other Information

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 Financial Statements and our auditor's report thereon.

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

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone 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 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 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 Financial Statements, including the disclosures, and whether the Standalone 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 Financial Statements for the financial year ended March 31, 2021 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 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to these

Standalone 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, 2021 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 Financial Statements – Refer Note 36a to the Standalone 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 has been no delay in transferring amounts, 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 Aravind K
Partner
Membership Number: 221268
UDIN: 21221268AAAADJ5961
Place of Signature: Chennai
Date: June 17, 2021

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, provisions of section 185 and 186 of the Companies Act 2013 in respect of guarantees given have been complied with by the company. In our opinion and according to the information and explanations given to us, there are no loans 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	Apr to Jun 17	0.46
Central Excise Act, 1944	Excise Duty / Interest / Penalty	Commissioner (Appeals)	1995-96	0.01
Customs Act, 1962	Customs Duty	CESTAT	Aug 15	0.03
Central Sales Tax Act, 1956	CST	Tribunal - West Bengal, Assessing Officer	2013-14 and 2016-17	0.06
Income Tax Act, 1961	Income Tax	CIT (Appeals)	2004-05, 2008-09, 2010-11, and 2015-16	0.97

* Net of amounts paid under protest of Rs. 49.58 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) In our opinion and according to the information and explanations given by the management and audit procedures performed by us, the Company has utilized the monies raised by way of debt instruments in the nature of debentures and term loans for the purposes for which they were raised. 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.

(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 by the management and audit procedures performed by us, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares/ fully or partly convertible debentures during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.

(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 Aravind K
Partner
Membership Number: 221268
UDIN: 21221268AAAADJ5961
Place of Signature: Chennai
Date: June 17, 2021

Annexure 2 - To the Independent Auditor's Report of even date on the Standalone Financial Statements of Tube Investments of India Limited

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

We have audited the internal financial controls with reference to Standalone Financial Statements of Tube Investments of India Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 with reference to these Standalone 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 with reference to these Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to these Standalone 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 Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to these Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2021, 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 issued by the ICAI.

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

per Aravind K
Partner
Membership Number: 221268
UDIN: 21221268AAAADJ5961
Place of Signature: Chennai
Date: June 17, 2021

Standalone Balance Sheet

₹ in Crores

Particulars	Notes	As at 31-Mar-2021	As at 31-Mar-2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4a	953.66	1,012.13
Right-of-use assets	4b	37.57	43.35
Capital Work-in-Progress		126.32	52.11
Investment Property	5	4.75	4.84
Intangible Assets	4c	1.12	1.34
Financial Assets			
(a) Investments			
- Investment in Subsidiaries and Joint ventures	6a	1,214.14	522.46
- Other Investments	6b	16.04	16.48
(b) Other Financial Assets	6c	16.14	17.67
Deferred Tax Assets	14	2.61	-
Non-Current Tax Assets		23.79	30.73
Other Non-Current Assets	7	33.22	41.14
		2,429.36	**1,742.25**
Current Assets			
Inventories	8	514.14	413.82
Financial Assets			
(a) Loans	9a	1.93	3.09
(b) Trade Receivables	9b	605.47	439.15
(c) Investments	9c	304.30	90.00
(d) Derivative Instruments	40	-	1.06
(e) Cash and Cash Equivalents	9d	7.09	21.64
(f) Bank Balances other than (e) above	9e	1.65	1.89
(g) Other Financial Assets	9f	19.39	19.78
Other Current Assets	10	48.67	39.63
		1,502.64	**1,030.06**
Total Assets		**3,932.00**	**2,772.31**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	19.28	18.79
Other Equity	12	2,273.85	1,693.75
Total Equity		**2,293.13**	**1,712.54**
Non-Current Liabilities			
Financial Liabilities			
(a) Long Term Borrowings	13a	51.03	-
(b) Lease Liabilities	13b	33.02	35.54
(c) Derivative Instruments	40	-	0.36
Deferred Tax Liabilities (Net)	14	-	13.61
		84.05	**49.51**
Current Liabilities			
Financial Liabilities			
(a) Short Term Borrowings	15a	207.03	165.93
(b) Trade Payables	15b		
- total outstanding dues of micro enterprises and small enterprises		29.55	0.78
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,116.25	630.20
(c) Derivative Instruments	40	1.43	-
(d) Lease Liabilities	15c	3.80	5.75
(e) Other Financial Liabilities	15d	115.12	135.11
Government Grants	18c	18.50	2.19
Short Term Provisions	16	42.47	50.56
Current Tax Liability		5.82	5.81
Other Current Liabilities	17	14.85	13.93
		1,554.82	**1,010.26**
Total Liabilities		**1,638.87**	**1,059.77**
Total Equity and Liabilities		**3,932.00**	**2,772.31**
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

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

per **Aravind K**
Partner
Membership No : 221268

S Vellayan
Managing Director

M A M Arunachalam
Chairman

Chennai
17th June 2021

K Mahendra Kumar
Chief Financial Officer

S Suresh
Company Secretary

Standalone Statement of Profit and Loss

₹ in Crores

Particulars	Notes	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Revenue from Contracts with Customers	19		
Revenue from Operations		4,026.23	4,052.67
Other Operating Revenues		229.52	223.42
		4,255.75	**4,276.09**
Other Income	20	46.53	64.77
Total Income		**4,302.28**	**4,340.86**
Expenses			
Cost of Materials Consumed	21	2,446.24	2,295.72
Purchase of Stock-in-Trade - Cycles/Components and Metal Formed Products		91.66	80.39
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	(31.58)	125.20
Employee Benefits Expense	23	454.56	450.35
Depreciation and Amortisation Expense	24	149.64	160.71
Finance Costs	25	19.06	28.79
Other Expenses	26	791.99	778.98
Total Expenses		**3,921.57**	**3,920.14**
Profit Before Tax and Exceptional items		**380.71**	**420.72**
Less : Exceptional Items	27	21.67	2.86
Profit Before Tax after exceptional items		**359.04**	**417.86**
Income Tax Expense	28		
- Current Tax		106.49	115.23
- Adjustment of tax relating to earlier years		(5.27)	(5.48)
- Deferred Tax (Net) (Refer Note 14)		(15.36)	(22.44)
		85.86	**87.31**
Profit for the year (I)		**273.18**	**330.55**
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		0.35	(6.54)
Income Tax Effect		(0.09)	2.37
		0.26	**(4.17)**
Other Comprehensive Income not to be reclassified to Statement of Profit and Loss in subsequent periods:			
Re-measurement (Loss) on Defined Benefit Obligations (Net)		(3.29)	(13.41)
Income Tax Effect		0.83	3.37
		(2.46)	**(10.04)**
Net (Loss) on FVTOCI Securities		(0.43)	(0.39)
Income Tax Effect		0.12	0.13
		(0.31)	**(0.26)**
Other Comprehensive Income/(Loss) for the Year, Net of Tax (II)		**(2.51)**	**(14.47)**
Total Comprehensive Income for the Year, Net of Tax (I + II)		**270.67**	**316.08**
Earnings Per Equity Share of ₹1 each (Previous year - ₹1 each)	31		
Basic		14.44	17.60
Diluted		14.40	17.57

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Regn. No : 101049W / E300004

per **Aravind K**
Partner
Membership No : 221268

Chennai
17th June 2021

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

S Vellayan
Managing Director

M A M Arunachalam
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 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		
Equity shares of ₹1 each issued, subscribed and fully paid	18,78,75,429	18.79
Issue of share capital (Refer Note 11)	49,41,442	0.49
As at 31st March 2021	**19,28,16,871**	**19.28**

b. Other Equity

For the year ended 31st March 2021

₹ 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 2020	**8.93**	**9.07**	**1,311.36**	**25.00**	**0.11**	**335.05**	**-**	**0.62**	**3.61**	**1,693.75**
Profit for the Year	-	-	273.18	-	-	-	-	-	-	273.18
Other comprehensive income for the Year (Note 30)	-	-	(2.46)	-	-	-	-	0.26	(0.31)	(2.51)
Total Comprehensive Income	**-**	**-**	**270.72**	**-**	**-**	**-**	**-**	**0.26**	**(0.31)**	**270.67**
Share-based payments	-	1.55	-	-	-	-	-	-	-	1.55
Employee share options	5.49	(1.88)	0.03	-	-	0.30	-	-	-	3.94
Preferential allotment of Shares	342.50	-	-	-	-	-	-	-	-	342.50
DRR transferred to Retained Earnings (Net)	-	-	25.00	(25.00)	-	-	-	-	-	-
Dividends	-	-	(38.56)	-	-	-	-	-	-	(38.56)
As at 31st March 2021	**356.92**	**8.74**	**1,568.55**	**-**	**0.11**	**335.35**	**-**	**0.88**	**3.30**	**2,273.85**

Standalone Statement of Changes in Equity

For the year ended 31st March, 2020 ₹ in Crores

Particulars	Reserves & Surplus							Items of OCI		
	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)	Total Other Equity
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	**-**	**-**	**320.51**	**-**	**-**	**-**	**-**	**(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) (Refer Note 12h)	-	-	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	-	-	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**

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 **Aravind K**
Partner
Membership No : 221268

Chennai
17th June 2021

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

S Vellayan
Managing Director

M A M Arunachalam
Chairman

K Mahendra Kumar
Chief Financial Officer

S Suresh
Company Secretary

Standalone Cash Flow Statement

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
A. Cash Flow from Operating Activities:		
Profit Before Tax after exceptional items	**359.04**	**417.86**
Adjustments to reconcile Profit Before Tax to Net Cash Flows:		
Depreciation on Property, Plant and Equipment	142.75	153.07
Amortisation of Right-of-use assets	6.19	7.32
Depreciation on Investment Properties	0.09	0.09
Amortisation of Intangible assets	0.61	0.23
Share based payment expenses	1.32	3.06
Profit on Property Plant and Equipment and ROU Assets sold/discarded, Net	(2.18)	(0.51)
Profit on Sale of Investments carried at FVTPL	(8.96)	(6.04)
Impairment allowance for receivables and advances (including bad debts written off) (Refer Note 26)	11.33	6.53
Net Foreign Exchange differences	(1.63)	2.53
Finance Income (including Fair Value changes in Financial Instruments)	(4.73)	(1.28)
Finance Costs	19.06	28.79
Profit on shares tendered under buyback scheme	-	(19.11)
Liabilities/Provisions no longer payable written back	(3.60)	(9.70)
Interest on Corporate Guarantee provided to CG Power and Industrial Solutions Limited	(0.53)	-
Dividend Income	(8.42)	(16.88)
Operating Profit before Working Capital / Other Changes	**510.34**	**565.96**
Adjustments for :		
Increase /(Decrease) in Long Term Liabilities	-	(9.00)
Increase/(Decrease) in Provisions and Government Grants	4.93	(23.74)
Increase/(Decrease) in Trade and Other Payables	522.43	(208.86)
Increase/(Decrease) in Other Financial Liabilities	3.05	(1.47)
Increase/(Decrease) in Other Current Liabilities	0.92	(6.02)
(Increase)/Decrease in Other Financial and Non-Current Assets	5.20	13.66
(Increase)/Decrease in Other Financial and Current Assets	(7.49)	1.81
(Increase)/Decrease in Trade and Other Receivables	(180.65)	78.63
(Increase)/Decrease in Inventories	(100.32)	233.35
Cash Generated From Operations	**758.41**	**644.32**
Income Tax paid (net of refunds)	(94.27)	(118.05)
Net Cash Flow from Operating Activities	**664.14**	**526.27**

Standalone Cash Flow Statement

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
B. Cash Flow from Investing Activities:		
Capital Expenditure (Including Capital Work In Progress and Capital Advances)	(128.72)	(196.87)
Proceeds from Sale of Property, Plant and Equipment	4.46	2.47
(Purchase)/Sale of Current Investments, Net (Refer Note 9c)	(205.34)	(83.96)
Proceeds from shares tendered under buyback scheme	-	45.35
Purchase of Investment in Subsidiaries	(691.15)	-
Purchase of Non Current Investments	-	(8.27)
Proceeds/(Investment) in deposits having a original maturity of more than 3 months (Net)	0.24	2.46
Interest Income received	7.21	3.52
Dividend Received	8.42	19.21
Net Cash Used in Investing Activities	**(1,004.88)**	**(216.09)**
C. Cash Flow from Financing Activities: (Refer Note 9d)		
Proceeds from Exercise of Share Options	4.17	3.99
Proceeds from Issue of Shares on Preferential basis, net of expenses relating to the issue	342.98	-
Proceeds from Long Term Borrowings	100.01	-
(Repayment) of Long Term Borrowings	(100.00)	(100.00)
(Repayment)/Proceeds from Short Term Borrowings (Net) (Refer Note 15a)	41.02	(82.87)
Proceeds from sale of Treasury Shares	-	56.81
Payment of Lease Liabilities	(7.17)	(8.20)
Finance Costs Paid	(16.06)	(26.72)
Dividends Paid (Including Net Dividend Distribution Tax)	(38.85)	(92.42)
Net Cash Used in Financing Activities	**326.10**	**(249.41)**
Net Increase in Cash and Cash Equivalents [A+B+C]	**(14.64)**	**60.77**
Cash and Cash Equivalents at the beginning of the Year	**21.61**	**(39.16)**
Cash and Cash Equivalents as at End of the Year (Refer Note 9d)	**6.97**	**21.61**

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 **Aravind K**
Partner
Membership No : 221268

Chennai
17th June 2021

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

S Vellayan
Managing Director

M A M Arunachalam
Chairman

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 and its Subsidiaries, Great Cycles (Private) Limited, Creative Cycles (Private) Limited and CG Power and Industrial Solutions Limited (CGPISL) and its Subsidiaries. During the year the Company had acquired controlling stake in CGPISL (Refer Note 6a)

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on 17th June 2021.

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 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Financial statement.

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 Company has considered the possible effects that may result from COVID19 in the preparation of these standalone financial results including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of COVID-19, the Company has, at the date of approval of these standalone financial results, used internal and external sources of information which are relevant and expects that the carrying amount of these assets will be recovered. The impact of Covid-19 on the Company's financial results may differ from that estimated as at the date of approval of these Standalone Financial Results and the Company will continue to monitor any material changes to the future economic conditions.

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

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;

Notes to Financial Statements

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

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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 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 Equipment 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.

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).

Notes to Financial Statements

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 become 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 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.

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

Notes to Financial Statements

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.

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.

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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.

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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 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

Notes to Financial Statements

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 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.

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 a 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

Notes to Financial Statements

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 (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.

d. Amendments to Ind AS 116: Covid-19-Related Rent Concessions

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019. This amendment had no impact on the financial statements of the Company.

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 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.

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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:

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

Notes to Financial Statements

The following category of Property, Plant and Equipment and Intangibles are not depreciated/ amortised as per Schedule II of Companies Act, 2013. These category of Property, Plant and Equipment and Intangibles are depreciated/amortised 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/amortisation 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 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 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 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

Notes to Financial Statements

date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of profit and loss is recognised outside Statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable Company and the same taxation authority.

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

Notes to Financial Statements

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 previous 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:

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.

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Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Debt instruments at FVOCI

The Company subsequently classifies its financial assets as FVOCI, 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 FVOCI 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 P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

iii. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is 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:

Notes to Financial Statements

- 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:

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

Notes to Financial Statements

EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are initially measured at their fair values and are subsequently measured at the higher of, the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

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. New and amended standards

Amendments to Ind AS 116: Covid-19-Related Rent Concessions

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1st April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1st April 2019. This amendment had no impact on the Standalone Financial Statements of the Company.

Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments are applicable prospectively for annual periods beginning on or after the 1st April 2020. The amendments to the definition of material are not expected to have a significant impact on the Company's Standalone Financial Statements.

Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the Standalone Financial Statements of the Company as it does not have any interest rate hedge relationships.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1st April 2020. These amendments are not expected to have any impact on the Company's Standalone Financial Statements.

Notes to Financial Statements

Note 4a. Property, Plant and Equipment

₹ in Crores

Particulars	Gross Block					Depreciation / Amortisation					Net Block	
	As at 31-Mar-2020	Reclassification (Refer note d below)	Additions	Deletions	As at 31-Mar-2021	As at 31-Mar-2020	Reclassification (Refer note d below)	For the year	Deletions	As at 31-Mar-2021	As at 31-Mar-2021	As at 31-Mar-2020
Land (Freehold)	**128.29**	-	**0.17**	-	**128.46**	-	-	-	-	-	**128.46**	**128.29**
	(127.58)	-	(0.71)	-	(128.29)	-	-	-	-	-	(128.29)	(127.58)
Land (Leasehold) (Refer note d below)	-	-	-	-	-	-	-	-	-	-	-	-
	(0.61)	(0.61)	-	-	-	(0.02)	(0.02)	-	-	-	-	(0.59)
Buildings	**363.21**	-	**23.97**	**0.34**	**386.84**	**50.77**	-	**16.78**	**0.05**	**67.50**	**319.34**	**312.44**
	(310.79)	-	(52.47)	(0.05)	(363.21)	(35.10)	-	(15.68)	(0.01)	(50.77)	(312.44)	(275.69)
Plant & Machinery	**1,006.39**	-	**57.62**	**6.59**	**1,057.42**	**449.54**	-	**120.32**	**4.94**	**564.92**	**492.50**	**556.85**
	(880.55)	-	(129.24)	(3.40)	(1,006.39)	(320.95)	-	(130.75)	(2.16)	(449.54)	(556.85)	(559.60)
Railway Siding	**0.01**	-	-	-	**0.01**	-	-	-	-	-	**0.01**	**0.01**
	(0.01)	-	-	-	(0.01)	-	-	-	-	-	(0.01)	(0.01)
Office Equipment	**17.48**	-	**2.41**	**0.06**	**19.83**	**13.71**	-	**2.56**	**0.06**	**16.21**	**3.62**	**3.77**
	(15.35)	-	(2.14)	(0.01)	(17.48)	(10.65)	-	(3.07)	(0.01)	(13.71)	(3.77)	(4.70)
Furniture & Fixtures	**11.57**	-	**0.55**	**0.01**	**12.11**	**4.90**	-	**1.28**	**0.01**	**6.17**	**5.94**	**6.67**
	(11.18)	-	(0.68)	(0.29)	(11.57)	(3.69)	-	(1.32)	(0.11)	(4.90)	(6.67)	(7.49)
Vehicles	**10.53**	-	**1.84**	**2.44**	**9.93**	**6.43**	-	**1.81**	**2.10**	**6.14**	**3.79**	**4.10**
	(11.07)	-	(1.88)	(2.42)	(10.53)	(6.10)	-	(2.25)	(1.92)	(6.43)	(4.10)	(4.97)
Total	**1,537.48**	-	**86.56**	**9.44**	**1,614.60**	**525.35**	-	**142.75**	**7.16**	**660.94**	**953.66**	**1,012.13**
	(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)

Notes to Financial Statements

Note 4b. Right-of-use assets

₹ in Crores

Particulars	Gross Block					Depreciation / Amortisation					Net Block	
	As at 31-Mar-2020	Reclassification (Refer note d below)	Additions	Deletions	As at 31-Mar-2021	As at 31-Mar-2020	Reclassification (Refer note d below)	For the year	Deletions	As at 31-Mar-2021	As at 31-Mar-2021	As at 31-Mar-2020
Land (Leasehold) (Refer note d below)	**4.51**	-	-	-	**4.51**	**0.07**	-	**0.11**	-	**0.18**	**4.33**	**4.44**
	-	(0.61)	(3.90)	-	(4.51)	-	(0.02)	(0.05)	-	(0.07)	(4.44)	-
Buildings	**46.18**	-	**6.12**	**9.29**	**43.01**	**7.27**	-	**6.08**	**3.58**	**9.77**	**33.24**	**38.91**
	-	-	(46.18)	-	(46.18)	-	-	(7.27)	-	(7.27)	(38.91)	-
Total	**50.69**	-	**6.12**	**9.29**	**47.52**	**7.34**	-	**6.19**	**3.58**	**9.95**	**37.57**	**43.35**
	-	(0.61)	(50.08)	-	(50.69)	-	(0.02)	(7.32)	-	(7.34)	(43.35)	-

Note 4c. Intangible Assets

Particulars	As at 31-Mar-2020	Reclassification	Additions	Deletions	As at 31-Mar-2021	As at 31-Mar-2020	Reclassification	For the year	Deletions	As at 31-Mar-2021	As at 31-Mar-2021	As at 31-Mar-2020
Software	**1.60**	-	**0.39**	-	**1.99**	**0.26**	-	**0.61**	-	**0.87**	**1.12**	**1.34**
	(0.24)	-	(1.36)	-	(1.60)	(0.03)	-	(0.23)	-	(0.26)	(1.34)	(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-2021	As at 31-Mar-2020
Opening Balance as at the beginning of the year	5.17	5.17
Additions during the year	-	-
Closing Balance as at the end of the year	**5.17**	**5.17**
Depreciation and Impairment		
Opening Balance as at the beginning of the year	0.33	0.24
Depreciation during the year	0.09	0.09
Closing Balance as at the end of the year	**0.42**	**0.33**
Net Block as at the end of the year	**4.75**	**4.84**

Information regarding Income and Expenditure of Investment Property:

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Rental Income derived from Investment Properties	0.47	0.41
Direct Operating Expenses (including repairs and maintenance)	-	-
Profit arising from Investment Properties before Depreciation and Indirect Expenses	**0.47**	**0.41**
Depreciation	(0.09)	(0.09)
Profit arising from Investment Properties before Indirect Expenses	**0.38**	**0.32**

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 2021, Fair Value of the properties is ₹8.44 Crores (31st March 2020 - ₹7.11 Crores)

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-2021	As at 31-Mar-2020
Opening Balance as at the beginning of the year	**7.11**	**6.90**
Fair value difference	1.33	0.21
Purchases	-	-
Sales	-	-
Closing Balance as at the end of the year	**8.44**	**7.11**

Notes to Financial Statements

Note 6a. Investment in Subsidiaries and Joint ventures

Particulars	Number of Securities			₹ in Crores	
	Nominal Value ₹ per unit	As at 31-Mar-2021	As at 31-Mar-2020	As at 31-Mar-2021	As at 31-Mar-2020
Investments at Cost:					
Equity Shares (Fully Paid) - Quoted					
Investment in Subsidiaries					
Shanthi Gears Limited	1	5,40,57,475	5,40,57,475	437.86	437.86
CG Power and Industrial Solutions Limited (Refer Note i)	2	71,12,51,887	-	654.18	-
Share Warrants (Partly Paid)					
CG Power and Industrial Solutions Limited (Refer Note i)		17,52,33,645	-	37.50	-
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 (Refer Note ii)	10	2,35,00,000	2,35,00,000	23.50	23.50
Total				**1,237.64**	**545.96**
Less : Provision for Impairment of Investments				(23.50)	(23.50)
Total				**1,214.14**	**522.46**

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Quoted		
Cost	1,129.54	437.86
Market value*	5,454.65	354.62
Unquoted		
Cost	108.10	108.10
Aggregate amount of impairment in the value of investments in Joint Venture	23.50	23.50

* Market value of Quoted Equity Shares and Share Warrants

Notes:

i) The Company pursuant to the Securities Subscription Agreement entered with M/s CG Power and Industrial Solutions Limited ("CG Power") invested ₹587.50 Crores. on 26th November 2020 towards allotment of 64,25,23,365 equity shares at ₹8.56 per equity share (including premium) and upfront consideration of 25% against allotment of 17,52,33,645 warrants convertible into equal number of equity shares within 18 months, upon payment of balance 75% consideration. The Company further invested ₹100 Crores. on 19th December 2020 for allotment of 6,87,28,522 equity shares of CG Power at ₹14.55 per equity share (including premium), taking the equity holding of the Company to 53.16%. The Company holds 58.58% on fully diluted basis (i.e. assuming conversion of all the warrants into equity shares) in CG Power. ₹3.56 Crores of transaction cost incurred which are directly attributable to this acquisition has been capitalised with the cost of investment.

Notes to Financial Statements

ii) During the previous 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 Crores against the cost of investment of ₹26.24 Crores with the difference of ₹19.11 Crores recognised as profit in the standalone financial statements.

iii) Consequent to discontinuance of TI Tsubamex Private Limited ("TTPL") operations, sale of its assets and settling of its liabilities, the Company made an application to the Registrar of Companies, Chennai (ROC) for striking off TTPL's name from the Register of Companies. The final approval from ROC is awaited.

Note 6b. Other Investments

Particulars	Nominal Value ₹ per unit	Number of Securities		₹ in Crores	
		As at 31-Mar-2021	As at 31-Mar-2020	As at 31-Mar-2021	As at 31-Mar-2020
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	7.35	7.86
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	-	-
Watsun Infrabuild Private Limited	10	10,55,913	10,55,913	1.06	1.06
Bond - Quoted					
RECL Tax Free Bond	1,000	70,000	70,000	7.63	7.56
Total				**16.04**	**16.48**

Investments at fair value through OCI (fully paid) reflect investment in unquoted equity securities and quoted debt securities. The Company has designated the unquoted equity securities as FVTOCI on the basis that these are not held for trading. (Refer Note 41.1 for determination of their Fair Values)

*Represents amount less than ₹1 Lakh.

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Quoted		
Cost	7.36	7.36
Market value	7.63	7.56
Unquoted		
Cost	3.54	3.54

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-2021	As at 31-Mar-2020
Electricity and Other Deposits	16.14	17.67
Total	**16.14**	**17.67**

Note 7. Other Non-Current Assets

(Considered Good, Unsecured unless stated otherwise)

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Capital Advances		
- Secured	0.99	5.49
- Unsecured	10.69	10.44
Deposits with Government, Public Bodies and Others:		
- Balance with Customs, Excise and Sales Tax Authorities	21.54	25.21
Total	**33.22**	**41.14**

Note 8. Inventories

(Lower of Cost and Net Realisable Value)

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Raw Materials	176.21	109.98
Work-in-Progress	154.95	146.13
Finished Goods	145.80	105.03
Stock-in-Trade	5.14	25.74
Stores and Spare Parts	6.83	8.23
Goods-in-Transit		
- Raw Materials	21.95	18.04
- Stock-in-Trade	3.26	0.67
Total	**514.14**	**413.82**

During the year ended 31st March 2021, ₹2.52 Crores was recognised as an expense to bring the inventories to record them at Net Realisable Value. (31st March 2020 - ₹3.61 Crores)

Note 9a. Loans

(Considered Good, Unsecured unless stated otherwise)

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Loan to employees	1.93	3.09
Total	**1.93**	**3.09**

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-2021	As at 31-Mar-2020
Considered Good	604.31	425.54
Provision for Receivables	(3.24)	(2.75)
	601.07	**422.79**
Trade Receivables which have significant increase in credit Risk	6.38	19.07
Provision for Receivables	(1.98)	(2.71)
	4.40	**16.36**
Trade Receivables - credit impaired	13.16	2.96
Impairment Allowance (allowance for bad and doubtful debts)	(13.16)	(2.96)
	-	-
Breakup of Security - Credit Risk		
Considered Good	604.31	425.54
Trade Receivables which have significant increase in credit Risk	6.38	19.07
Trade Receivables - credit impaired	13.16	2.96
	623.85	**447.57**
Provision for Doubtful / Impairment on Receivables	(18.38)	(8.42)
Total	**605.47**	**439.15**
Breakup of Security - Customer Relationship		
Trade Receivables	600.97	436.83
Receivables from Related Parties	4.50	2.32
Total	**605.47**	439.15
Includes dues from Related parties		
Sedis SAS	3.53	0.81
Shanthi Gears Limited	0.97	0.83
Creative Cycles (Private) Limited	-	0.68

Trade Receivables are non-interest bearing and are generally have Credit period to a maximum of 120 days. For terms and conditions relating to Related Party receivables, refer Note 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-2021	As at 31-Mar-2020
Opening Balance as at beginning of the year	8.42	5.61
Created during the year (Net)	9.96	2.81
Closing Balance as at end of the year	**18.38**	**8.42**

Notes to Financial Statements

Note 9c. Investments

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Quoted Investments - FVTPL		
Investments in Mutual Funds	304.30	90.00
Total	**304.30**	**90.00**

During the year, the Company has invested an aggregate amount of ₹2,476.00 Crores (Previous Year ₹1,685.59 Crores) in the units of various Cash Management Schemes of mutual funds, for the purpose of deployment of temporary cash surplus and has ₹304.30 Crores (Previous Year ₹90.00 Crores) in mutual funds as at year end. The total consideration received on the sale of units during the year was ₹2,270.66 Crores (Previous Year ₹1,601.63 Crores)

Note 9d. Cash and Cash Equivalents

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Balances with Banks in Current Accounts	7.08	21.63
Cash on hand	0.01	0.01
Cash and Cash Equivalents as per Balance Sheet	**7.09**	**21.64**
Cash Credit facility (Secured)	(0.12)	(0.03)
Cash and Cash Equivalents as per Statement of Cash Flows	**6.97**	**21.61**

As at 31st March 2021, the Company had undrawn committed borrowing facilities of ₹317.97 Crores (31st March 2020 - ₹359.07 Crores).

Changes in Liabilities arising from Financing Activities

Year Ended 31st March 2021

Particulars	As at 31-Mar-2020	Effect of reclassification	Cash Inflows / (Outflows)	Finance cost charged during the year	As at 31-Mar-2021
Non-current financial liabilities - borrowings:					
Debentures	-	-	50.00	1.03	**51.03**
Current financial liabilities - borrowings:					
Working Capital Loans	165.90	-	41.01	-	**206.91**
Cash Credit	0.03	-	0.09	-	**0.12**
Current - other financial liabilities:					
Current maturity long term borrowings - Debentures	101.97	-	(50.94)	-	**51.03**
Total	**267.90**	**-**	**40.16**	**1.03**	**309.09**

Notes to Financial Statements

Year Ended 31st March 2020

Particulars	As at 31-Mar-2019	Effect of reclassification	Cash Inflows / (Outflows)	Finance cost charged during the year	As at 31-Mar-2020
Non-current financial liabilities - borrowings:					
Debentures	101.95	(101.95)	(7.71)	7.71	**-**
Current financial liabilities - borrowings:					
Working Capital Loans	249.20	-	(83.30)	-	**165.90**
Cash Credit	64.56	-	(64.53)	-	**0.03**
Current - other financial liabilities:					
Current maturity long term borrowings - Debentures	100.83	101.95	(100.83)	0.02	**101.97**
Total	**516.54**	**-**	**(256.37)**	**7.73**	**267.90**

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

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Unpaid Dividend Accounts *	1.60	1.89
Bank Deposits with original maturity of more than 12 months#	0.05	-
Total	**1.65**	**1.89**

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

The bank deposits are earmarked against certain commitments

Note 9f. Other Financial Assets

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

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Claims Recoverable		
- Goods and Services	0.64	0.35
- Employee Related	0.04	0.11
Other deposits	6.69	7.30
Dividend Accrued	2.45	2.45
Interest Accrued		
- Income recognised on Fixed Deposit and Tax Free Bonds	0.94	1.25
- Others	3.31	-
Government Grants	5.32	8.32
Total	**19.39**	**19.78**

Notes to Financial Statements

Note 10. Other Current Assets

(Considered Good, Unsecured unless stated otherwise)

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Advances Recoverable		
- Goods and Services *	44.26	29.14
- Employee Related	0.30	0.53
- Prepaid Expenses	1.42	3.14
- Gratuity Fund (Net of Provision)	0.03	-
	46.01	**32.81**
Balances with Customs, Excise, Sales Tax and GST Authorities	6.36	10.52
Total	**52.37**	**43.33**
Provision for Doubtful Advances for Goods and Services	(3.70)	(3.70)
Total	**48.67**	**39.63**
* Includes Advances Paid to Related parties		
Great Cycles (Private) Limited	0.58	0.02
Creative Cycles (Private) Limited	19.41	0.57

Note 11. Equity Share Capital

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Authorised Capital		
25,00,00,000 Equity Shares of ₹1 each (31-Mar-2020: 25,00,00,000 Equity Shares of ₹1 each)	25.00	25.00
Issued, Subscribed and Paid-up Capital		
19,28,16,871 Equity Shares of ₹1 each fully paid up (31-Mar-2020: 18,78,75,429 Equity Shares of ₹1 each fully paid up)	19.28	18.79
Total	**19.28**	**18.79**

a) The Reconciliation of Shares Capital is given below:

Particulars	As at 31-Mar-2021		As at 31-Mar-2020	
	No.of Shares	₹ in Crores	No.of Shares	₹ in Crores
At the beginning of the year	18,78,75,429	18.79	18,77,11,281	18.77
Issue of shares on Preferential Basis (Refer Note e below)	47,83,380	0.48	-	-
Shares issued under the Employee Stock Option Scheme	1,58,062	0.01	1,64,148	0.02
At the end of the year	**19,28,16,871**	**19.28**	**18,78,75,429**	**18.79**

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-2021		As at 31-Mar-2020	
	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	35.77%	6,89,66,595	36.71%
Small Cap World Fund Inc (Face Value ₹1 each)	1,39,50,550	7.24%	61,69,000	3.29%

d) Status on Global Depository Receipts (GDRs)

The aggregate number of GDRs deemed to be outstanding as at 31st March 2021 is 9,300 (As at 31st March 2020 - 9,300) each representing one Equity Share of ₹1 face value. GDR % against total number of shares is 0.005% (Previous Year - 0.005%). The GDRs carry the same terms/rights attached to Equity Shares of the Company. The aforesaid GDR's are not listed in any Stock Exchanges.

e) During the year, the Company had allotted 47,83,380 shares to eligible investors on preferential basis at ₹731.70 per share (including premium) for an aggregate consideration of ₹350 Crores.

Note 12. Other Equity

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
General Reserve	335.35	335.05
Securities Premium	356.92	8.93
Retained Earnings	1,568.55	1,311.36
Other Reserves		
Share Options Outstanding Account	8.74	9.07
Cash Flow Hedge Reserve	0.88	0.62
FVTOCI Reserve	3.30	3.61
Capital Reserve	0.11	0.11
Debenture Redemption Reserve (DRR)	-	25.00
Total Other Equity	**2,273.85**	**1,693.75**

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 current year and previous year are on account of cancellation of share options post vesting period.

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Balance at the beginning of the year	335.05	334.63
Additions during the year	0.30	0.42
Balance at the end of the year	**335.35**	**335.05**

b. Securities Premium - The Securities premium received during the year represents the premium received towards allotment of 49,41,442 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 buyback of its own shares / securities under Section 68 of the Companies Act 2013.

Notes to Financial Statements

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Balance at the beginning of the year	8.93	3.60
Additions during the year (Refer Note below)	347.99	5.33
Balance at the end of the year	**356.92**	**8.93**

Note: Includes share premium of ₹342.50 Crores (Net of expenses relating to the issue of ₹7.02 Crores) on account of 47,83,380 shares the Company allotted on preferential basis to eligible investors at ₹731.70 per share (including premium) for an aggregate consideration of ₹350 Crores. Refer Note 11(e)

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-2021	As at 31-Mar-2020
Balance at the beginning of the year	1,311.36	1,001.55
Profit for the Year	273.18	330.55
Dividend Paid during the year	(38.56)	(79.82)
Dividend Distribution tax paid during the year	-	(12.60)
Exercise of share options	0.03	0.16
Other Comprehensive Income - Re-measurement Loss on Defined Benefit Obligations (Net)	(2.46)	(10.04)
Transferred from DRR (Net)	25.00	25.00
Adjustment relating to Employee Welfare Trust	-	56.56
Balance at the end of the year	**1,568.55**	**1,311.36**

d. **Share Option Outstanding Account –** 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-2021	As at 31-Mar-2020
Balance at the beginning of the year	9.07	7.95
Additions during the year	1.55	3.18
Deductions during the year	(1.88)	(2.06)
Balance at the end of the year	**8.74**	**9.07**

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-2021	As at 31-Mar-2020
Balance at the beginning of the year	0.62	4.79
Additions / (Deductions) during the year (Net)	0.26	(4.17)
Balance at the end of the year	**0.88**	**0.62**

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-2021	As at 31-Mar-2020
Balance at the beginning of the year	3.61	3.87
Additions / (Deductions) during the year	(0.31)	(0.26)
Balance at the end of the year	**3.30**	**3.61**

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

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
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** - During the previous year 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 previous 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 Crores (net of taxes) had been credited to retained earnings.

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Balance at the beginning of the year	-	(0.25)
Adjustment relating to Employee Benefit Trust	-	0.25
Balance at the end of the year	**-**	**-**

i. **Debenture Redemption Reserve (DRR)** - The Companies (Share capital and Debentures) Rules, 2020 (as amended), does not require the company to create DRR out of profits of the company available for payment of dividend. Hence no DRR has been created.

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Balance at the beginning of the year	25.00	50.00
Additions during the year	-	-
Deductions during the year	(25.00)	(25.00)
Balance at the end of the year	**-**	**25.00**

Note 13a. Long Term Borrowings

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Secured, Listed and Rated Non-Convertible Debentures (NCD)		
4.80% Privately Placed NCD	51.03	-
Total	**51.03**	**-**

Notes to Financial Statements

Repayment Schedule:

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

₹ in Crores

Coupon Rate	Effective Interest Rate	Outstanding Amount in ₹ Crores	Maturity date and Redemption particulars
4.80%	4.80%	50.00	27-Oct-21
*4.80%	4.80%	50.00	27-Apr-22

*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). The Company has not defaulted on any loans payable during the year.

Note 13b. Lease Liabilities

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Lease Liabilities (Refer Note 39)	33.02	35.54
Total	**33.02**	**35.54**

Note 14. Deferred Tax Assets and Liabilities

₹ in Crores

Particulars	Balance Sheet		Statement of Profit and Loss	
Nature - (Liability) / Asset	**31-Mar-2021**	**31-Mar-2020**	**31-Mar-2021**	**31-Mar-2020**
Deferred Tax Liabilities				
Difference between depreciation as per books of accounts and the Income Tax Act, 1961	(25.82)	(32.97)	(7.15)	(26.09)
Total (A)	**(25.82)**	**(32.97)**	**(7.15)**	**(26.09)**
Deferred Tax Assets				
Provision for Doubtful / Impairment on Receivables	5.56	3.05	(2.51)	(1.09)
Provision for Employee Benefits	9.58	5.78	(3.80)	(4.24)
On expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	10.32	7.67	(2.65)	7.38
Effect of transactions routed through Other Comprehensive Income	2.07	1.21	(0.86)	(5.87)
Others	0.90	1.65	0.75	1.60
Total (B)	**28.43**	**19.36**	**(9.07)**	**(2.22)**
Deferred Tax Expenses / (Income) (A+B)			**(16.22)**	**(28.31)**
Net Deferred Tax (Liabilities) / Assets (A+B)	**2.61**	**(13.61)**		

Reconciliation of Deferred Tax Liabilities (Net)

₹ in Crores

Particulars	31-Mar-2021	31-Mar-2020
Opening balance	(13.61)	(41.92)
Tax Income/(Expense) during the period recognised in Profit and Loss	15.36	22.44
Tax Income/(Expense) during the period recognised in OCI	0.86	5.87
Closing balance	**2.61**	**(13.61)**

Notes to Financial Statements

Note 15a. Short Term Borrowings

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Secured Borrowings (Secured by *pari passu* first charge on Inventories and Trade Receivables)		
From Banks		
Working Capital Loan	82.52	41.20
Cash Credit	0.12	0.03
Unsecured Borrowings		
Working Capital Loan	124.39	124.70
Total	**207.03**	**165.93**

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 ₹1,500.52 Crores (Previous year - ₹1,015.27 Crores) and repaid loans to the tune of ₹1,459.51 Crores (Previous year - ₹1,098.57 Crores) relating to Packing Credit, Commercial Paper and other Short Term Working Capital Loans.

Note 15b. Trade Payables

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Trade Payables		
- Dues to Micro, Small & Medium Enterprises (See Note below)	29.55	0.78
- Others	1,116.25	630.20
Total	**1,145.80**	**630.98**
* Includes Dues to		
- Key Managerial Personnel	2.39	2.26
- Sedis SAS	0.02	0.03
- Parry Enterprises India Limited	0.02	0.18
- Shanthi Gears Limited	-	0.13
- Great Cycles (Private) Limited	0.66	-
- Creative Cycles (Private) Limited	13.82	-

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Principal amount due to suppliers under MSMED Act	29.53	0.78
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	11.27	3.02
Interest paid to suppliers under MSMED Act (Section 16)	0.03	0.06
Interest due and payable to suppliers under MSMED Act, for payments already made	0.02	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	0.02	-

Trade payables are non-interest bearing and are normally settled within a period of 90 to 180 days. For terms and conditions relating to Related Party payables, Refer Note 37. The information regarding micro or small enterprise has been determined on the basis of information available with the management.

Notes to Financial Statements

Note 15c. Lease Liabilities

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Lease Liabilities (Refer Note 39)	3.80	5.75
Total	**3.80**	**5.75**

Note 15d. Other Financial Liabilities

(At Amortised Cost)

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Current Maturities of Long Term Borrowings		
Secured, Listed and Rated Non-Convertible Debentures (NCD)		
- 7.56% Privately Placed NCD	-	101.97
- 4.80% Privately Placed NCD*	51.03	-
Unpaid dividends #	1.60	1.89
Advances and Deposits from Customers / Others	10.60	6.98
Dues to Directors	1.10	1.65
Other Liabilities		
- Recoveries from Employees	3.77	3.79
- Capital Creditors	46.45	18.26
- Others	0.57	0.57
Total	**115.12**	**135.11**

* Refer Note 13a for nature of security and repayment particulars

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

Note 16. Short Term Provisions

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Provision for Compensated Absences (Refer Note a below)	15.71	19.09
Gratuity Obligation (Net of plan assets) (Refer Note 35a)	-	0.90
Provident Fund Obligation (Net of plan assets) (Refer Note 35b)	5.66	4.35
Provision for Warranties (Refer Note b below)	1.16	1.97
Provision for Contingency / Others (Refer Note c below)	19.94	24.25
Total	**42.47**	**50.56**

(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.

Notes to Financial Statements

(b) Provision for Warranties

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
At the Beginning of the Year	1.97	2.32
Created during the Year	0.66	1.51
Released during the Year	(1.47)	(1.86)
At the end of the Year	**1.16**	**1.97**

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-2021	As at 31-Mar-2020
At the beginning of the Year	24.25	38.96
Created / (Utilised) during the year	(4.31)	(14.71)
At the end of the year	**19.94**	**24.25**

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-2021	As at 31-Mar-2020
Statutory Liabilities	6.42	5.99
Advances from Customers	8.43	7.94
Total	**14.85**	**13.93**

Notes to Financial Statements

Note 18a. Financial Assets

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Financial Assets - Non Current		
At Fair Value		
Investments at FVTOCI	16.04	16.48
At Amortised Cost		
Other Financial Assets	16.14	17.67
Total Non Current Financial Assets (A)	**32.18**	**34.15**
Financial Assets - Current		
At Fair Value		
Investments at FVTPL	304.30	90.00
Derivative Instruments	-	1.06
At Amortised Cost		
Loans	1.93	3.09
Trade Receivables	605.47	439.15
Cash and Cash Equivalents	7.09	21.64
Bank Balances other than Cash and Cash Equivalents	1.65	1.89
Other Financial Assets	19.39	19.78
Total Current Financial Assets (B)	**939.83**	**576.61**
Total Financial Assets (A + B)	**972.01**	**610.76**

Note 18b. Financial Liabilities

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Financial Liabilities - Non Current		
At Amortised Cost		
Borrowings	51.03	-
Lease Liabilities	33.02	35.54
At Fair Value		
Derivative Instruments	-	0.36
Total Non Current Financial Liabilities (A)	**84.05**	**35.90**
At Amortised Cost		
Short Term Borrowings	207.03	165.93
Trade Payables	1,145.80	630.98
Lease Liabilities	3.80	5.75
Other Financial Liabilities	115.12	135.11
At Fair Value		
Derivative Instruments	1.43	-
Total Current Financial Liabilities (B)	**1,473.18**	**937.77**
Total Financial Liabilities (A + B)	**1,557.23**	**973.67**

Notes to Financial Statements

Note 18c. Government Grants

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Balance at the Beginning of the Year	2.19	3.21
Received during the Year	20.76	5.28
Released to the Statement of Profit and Loss	(4.45)	(6.30)
Balance at the End of the Year	**18.50**	**2.19**
Current	18.50	2.19
Non current	-	-
Total	**18.50**	**2.19**

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-2021	As at 31-Mar-2020
Proposed Dividends on Equity shares:		
Dividend for FY 2020-21 - ₹1.50 (Dividend for FY 2019-20 - Nil per share)	28.92	-
Total	**28.92**	**-**

Proposed Dividend on Equity Shares are subject to approval at the Annual General Meeting and are not recognised as a Liability as at 31st March.

With effect from 1 April 2020, the Dividend Distribution Tax ('DDT') payable by the company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.

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-2021
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%
CG Power and Industrial Solutions Limited (w.e.f. 30th Nov 2020)	Subsidiary	India	53.16% (Refer Note 6a (i))
Subsidiaries of CG Power and Industrial Solutions Limited			
- CG PPI Adhesive Products Limited		India	
- CG International Holdings Singapore Pte Limited		India	
- CG Power Solutions Limited		India	
- CG Power Equipments Limited		India	
- CG Sales Networks Malaysia Sdn. Bhd.		Malaysia	
- PT Crompton Prima switchgear Indonesia		Indonesia	
- CG International BV		The Netherlands	
- CG Drives & Automation Netherlands BV		The Netherlands	
- CG Drives & Automation Germany GmbH		Germany	
- CG Industrial Holdings Sweden AB		Sweden	
- CG Drives & Automation Sweden AB		Sweden	
- CG Power Americas, LLC		USA	
- QEI, LLC		USA	
- CG-Ganz Generator and Motor Limited Liability Company		Germany	
- CG Power Solutions UK Ltd		United Kingdom	
- CG Middle East FZE		UAE	
- CG Power Systems Canada Inc		Canada	
- CG Power and Industrial Solutions Limited Middle East FZCO		UAE	
TI Tsubamex Private Limited (TTPL) (Refer Note 6a (ii))	Joint Venture	India	78.33%
Great Cycles (Private) Limited	Subsidiary	Srilanka	80.00%
Creative Cycles (Private) Limited	Subsidiary	Srilanka	80.00%

Notes to Financial Statements

Note 19. Revenue from Contracts with Customers

₹ in Crores

Particulars	Year Ended 31-Mar-2021				
	Cycles and Accessories	Engineering	Metal Formed Products	Unallocated Corporate Income	Total
Revenue from Contract with Customers					
Finished Goods	704.13	1,996.41	1,171.45	-	3,871.99
Traded Goods	137.73	-	16.51	-	154.24
Sale of Products (A)	**841.86**	**1,996.41**	**1,187.96**	**-**	**4,026.23**
Other Operating Revenue					
Scrap Sales	1.02	149.58	69.35	-	219.95
Service Income from Subsidiaries	-	-	-	2.25	2.25
Conversion Income	-	0.16	-	-	0.16
Others	3.94	1.09	2.08	0.05	7.16
Other Operating Revenue (B)	**4.96**	**150.83**	**71.43**	**2.30**	**229.52**
Total (A+B)	**846.82**	**2,147.24**	**1,259.39**	**2.30**	**4,255.75**

₹ 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

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-2021				Year Ended 31-Mar-2020			
Revenue	**Cycles and Accessories**	**Engineering**	**Metal Formed Products**	**Unallocated Corporate Income**	**Cycles and Accessories**	**Engineering**	**Metal Formed Products**	**Unallocated Corporate Income**
External Customers	846.82	2,147.24	1,259.39	2.30	780.85	2,095.87	1,396.89	2.48
Inter-Segment	-	169.35	14.25	-	-	162.29	1.97	-
	846.82	**2,316.59**	**1,273.64**	**2.30**	**780.85**	**2,258.16**	**1,398.86**	**2.48**
Inter Segment Elimination and Adjustment	-	(169.35)	(14.25)	-	-	(162.29)	(1.97)	-
Total revenue from contracts with customers	**846.82**	**2,147.24**	**1,259.39**	**2.30**	**780.85**	**2,095.87**	**1,396.89**	**2.48**

Timing of Revenue Recognition*

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Revenue recognised at a point in time	4,253.50	4,273.84
Revenue recognised over a period of time	2.25	2.25
Total	**4,255.75**	**4,276.09**

Note

* The entire revenue is recognised at a point in time coinciding with the transfer of control over goods and services as per Ind AS 115 except in the case of certain contracts wherein the Company recognise revenue over the period of time based on progress of performance.

Summary of Contract Balances ₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Trade Receivables	605.47	439.15
Advances from Customers	8.43	7.94

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

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Revenue as per Contracted Price	4,342.00	4,355.69
Adjustments		
- Discounts	(86.25)	(79.60)
Revenue as per Statement of Profit and Loss	**4,255.75**	**4,276.09**

Notes to Financial Statements

Note 20. Other Income

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Dividend income from Investments in Subsidiaries carried at Cost	8.11	16.22
Dividend income from Investments at FVTOCI	0.31	0.66
Rental Income	0.51	0.44
Royalty Income	-	0.24
Gain on Exchange Fluctuation (Net)	5.10	11.52
Profit on Property, Plant and Equipment and ROU Assets sold/discarded (Net)	2.18	0.51
Profit on Sale of Investments at FVTPL	8.96	6.04
Liabilities no longer payable written back	3.60	9.70
Claims recovered	-	0.19
Government Grant	9.37	15.87
Interest Income from Financial Assets		
Fixed Deposits with Banks and Tax Free Bond	0.73	1.41
Others	6.48	1.91
Others*	1.18	0.06
Total	**46.53**	**64.77**

* Includes Income accrued on Corporate Guarantee to CGPISL of ₹0.53 Crores.

Note 21. Cost of Materials Consumed

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Opening stock	128.02	237.91
Purchases	2,516.38	2,185.83
Closing stock	(198.16)	(128.02)
Total	**2,446.24**	**2,295.72**

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

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Closing stock		
Work-in-Progress	154.95	146.13
Finished Goods	145.80	105.03
Stock-in-Trade	8.40	26.41
	309.15	**277.57**
Opening 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**
Changes in Inventories		
Work-in-Progress	(8.82)	(31.07)
Finished Goods	(40.77)	109.86
Stock-in-Trade	18.01	46.41
Changes in inventories of Work-In-Progress, Finished Goods and Stock-in-Trade	**(31.58)**	**125.20**

Notes to Financial Statements

Note 23. Employee Benefits Expense

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Salaries, Wages and Bonus (Refer Note 34)	380.24	376.80
Gratuity Expenses (Refer Note 35a)	3.82	2.71
Contribution to Provident and Other Funds (Refer Note 35b)	20.89	21.62
Staff Welfare Expenses	49.61	49.22
Total	**454.56**	**450.35**

Note on Social Security Code: The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 24. Depreciation and Amortisation Expense

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Depreciation on Property, Plant and Equipment (Refer Note 4a)	142.75	153.07
Ammortisation on Right-of-use assets (Refer Note 4b)	6.19	7.32
Depreciation on Investment Properties (Refer Note 5)	0.09	0.09
Amortisation of Intangible Assets (Refer Note 4c)	0.61	0.23
Total	**149.64**	**160.71**

Note 25. Finance Costs

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Interest Expense on Borrowings	16.12	25.48
Interest Expense on Lease Liability	2.93	3.31
Other Borrowing Costs	0.01	-
Total	**19.06**	**28.79**

Note - Interest Expense on Borrowings is net of interest subvention received, amounting to ₹3.55 Crores (Previous year - ₹6.30 Crores) on Packing Credit loans.

Notes to Financial Statements

Note 26. Other Expenses

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Consumption of Stores and Spares	189.67	182.98
Conversion Charges	74.22	84.39
Power and Fuel *	143.25	145.75
Rent (Net of Recoveries) (Refer Note 39)	3.57	6.43
Repairs and Maintenance - Building	0.71	0.71
Repairs and Maintenance - Machinery	74.12	64.57
Insurance	4.33	3.15
Rates and Taxes	6.70	5.40
Travelling and Conveyance	6.80	22.10
Printing, Stationery and Communication	3.21	4.69
Freight, Delivery and Shipping Charges	144.89	145.02
Commission on Sales	11.41	15.03
Advertisement and Publicity	25.78	21.02
Impairment allowance for receivables and advances (Net) (includes bad debts written off - CY - ₹1.37 Crores; PY - ₹0.02 Crores)	11.33	6.53
Auditor's Remuneration (Refer Note a below)	0.76	0.61
Commission to Non Whole Time Directors (Refer Note 37)	1.10	1.65
Directors' Sitting Fees	0.46	0.27
Bank Charges	1.51	1.36
Information Technology Expenses	10.07	7.25
Donations to Charitable and other institutions (includes contribution to political trust - CY - ₹0.50 Crores; PY - ₹1.00 Crores)	0.98	1.03
Expenditure on Corporate Social Responsibility (Refer Note b below)	7.50	5.29
Other Expenses	69.62	53.75
Total	**791.99**	**778.98**
* Includes Stores Consumed	50.70	50.34

(a) Auditor's Remuneration

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
As Auditor:		
Audit Fee	0.54	0.43
Tax Audit Fee	0.06	0.05
Audit of Consolidated Financial Statements	0.06	0.05
In other capacity:		
Certification Engagements	0.10	0.08
Total	**0.76**	**0.61**

Notes to Financial Statements

(b) Corporate Social Responsibility

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Gross amount required to be spent by the Company during the year	6.33	4.94
Amount approved by the Board to be spent during the year	7.50	5.29

Amount spent during the year:	Year Ended 31-Mar-2021			Year Ended 31-Mar-2020		
	In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above	7.50	-	7.50	5.13	0.16	5.29

Amount spent during the year:	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
(i) Contribution to Charitable Trust	3.25	2.50
(ii) Others	4.25	2.79
Total	**7.50**	**5.29**

In case of S. 135(5) Excess amount spent

Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	6.33	7.50	1.17

Note 27. Exceptional Items

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Profit on Shares tendered through buyback (Refer Note a)	-	(19.11)
Provision for Employee Voluntary Retirement Scheme (Refer Note b)	21.67	21.97
Total	**21.67**	**2.86**

a. During the previous 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 Crores and recognised a profit of ₹19.11 Crores

b. During the year, the Company implemented voluntary retirement schemes in certain locations at a cost of ₹21.67 Crores (Previous year - ₹21.97 Crores) to improve the productivity and competitiveness of its business.

Note 28. Income Tax Expense

The major components of income tax expense for the years ended 31st March 2021 and 31st March 2020 are:

Statement of Profit and Loss

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Current Tax:		
Current income tax charge	106.49	115.23
Adjustments in respect of current income tax of previous years	(5.27)	(5.48)
Deferred Tax:		
Relating to the origination and reversal of temporary differences	(15.36)	(22.44)
Income Tax expense reported in the Statement of Profit and Loss	**85.86**	**87.31**

Notes to Financial Statements

Other Comprehensive Income(OCI)

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Tax effect on		
(Loss) / Gain on FVTOCI Securities Investments	(0.12)	(0.13)
Re-measurement Gain Loss on Defined Benefit Obligations	(0.83)	(3.37)
Movement on cash flow hedges	0.09	(2.37)
Income Tax charged to OCI	**(0.86)**	**(5.87)**

Note 29. Reconciliation of Tax Expense and the Accounting Profit multiplied by Corporate Income Tax Rate applicable for 31st March 2021 and 31st March 2020

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. Accordingly, Deferred Tax Liability have reduced by ₹11.29 Crores in the Previous Year.The tax on the Company's profit before tax differs from the theoretical amount that would arise on using the standard rate of corporate tax in India (25.168%) as follows:

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Accounting Profit before Income Tax	**359.04**	**417.86**
Profit before Income Tax multiplied by Standard Rate of Corporate Tax in India of 25.168%	90.36	105.17
Effects of:		
Dividend Income - Exempt from tax	(2.12)	(4.25)
Change in Income Tax Rate	-	(11.29)
Other Disallowances	1.82	3.16
Reversal of provision with respect to prior years	(5.27)	(5.48)
Short Term Capital Gains taxed at Special Rate	**1.07**	**-**
Net Effective Income Tax	**85.86**	**87.31**

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-2021 ₹ in Crores

Particulars	Cash flow hedge reserve	FVTOCI reserve	Retained Earnings	Total
Foreign Exchange Forward Contracts	0.26	-	-	0.26
Loss on FVTOCI Financial Assets	-	(0.31)	-	(0.31)
Re-measurement losses on Defined Benefit Plans	-	-	(2.46)	(2.46)
Total	**0.26**	**(0.31)**	**(2.46)**	**(2.51)**

Notes to Financial Statements

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)**

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-2021	Year Ended 31-Mar-2020
Profit After Tax (₹ in Crores)	273.18	330.55
Weighted average number of Shares *		
- Basic	18,92,24,350	18,77,88,247
- Diluted	18,96,70,875	18,81,26,842
Earning Per Share of ₹1 each		
- Basic	14.44	17.60
- Diluted	14.40	17.57
Weighted average number of Equity Shares in calculating Basic Earnings Per Share	18,92,24,350	18,77,88,247
Dilution - Stock Options granted under ESOP	4,46,525	3,38,595
Weighted average number of Equity Shares in calculating Diluted EPS	18,96,70,875	18,81,26,842

* 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

Notes to Financial Statements

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 2021.

Note 34. Stock Options

During the year, no fresh grant was approved by the Nomination and Remuneration Committee of the Board of Directors of the Company.

With reference to the grant approved by the Nomination and Remuneration Committee of the Board of Directors of the Company on 24th July 2019, the Company has recognised expense amounting to ₹1.32 Crores (Previous Year - ₹3.06 Crores) 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 2020-21			Options outstanding	Options vested but not exercised
		As at 31-Mar-2020	Options Granted	Options Cancelled/ lapsed	Options Exercised and allotted	As at 31-Mar-2021	As at 31-Mar-2021
Grant 1	21-Nov-17	8,964	-	-	5,000	3,964	3,964
Grant 2	21-Nov-17	-	-	-	-	-	-
Grant 3	21-Nov-17	8,208	-	-	8,208	-	-
Grant 4	21-Nov-17	-	-	-	-	-	-
Grant 5	21-Nov-17	-	-	-	-	-	-
Grant 6	21-Nov-17	49,480	-	-	16,920	32,560	32,560
Grant 7	12-Feb-18	5,19,975	-	-	96,470	4,23,505	4,03,773
Grant 8	12-Feb-18	1,57,320	-	19,732	20,976	1,16,612	89,148
Grant 9	27-Mar-19	62,562	-	-	10,488	52,074	20,610
Grant 10	24-Jul-19	38,684	-	-	-	38,684	19,342
Total		**8,45,193**	**-**	**19,732**	**1,58,062**	**6,67,399**	**5,69,397**

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 Excercised 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 Financial Statements

The details of Stock Options granted to certain employees for 2020-21 and 2019-20 are given below:

2020-21	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	-	-	5,000	3,964	-	21-Nov-17	0.59
Grant 2	21-Nov-17	17.61	-	-	-	-	-	-	-
Grant 3	21-Nov-17	43.42	-	-	8,208	-	-	21-Nov-17	-
Grant 4	21-Nov-17	43.42	-	-	-	-	-	-	-
Grant 5	21-Nov-17	13.78	-	-	-	-	-	-	-
Grant 6	21-Nov-17	187.29	-	-	16,920	32,560	-	15-Mar-18	1.96
Grant 7	12-Feb-18	270.20	-	-	96,470	4,23,505	-	Partially vested on 12-Feb-21, 12-Feb-20 & 12-Feb-19	2.87
Grant 8	12-Feb-18	270.20	-	19,732	20,976	69,416	47,196		3.87
Grant 9	27-Mar-19	378.25	-	-	10,488	20,610	31,464	Partially vested on 27-Mar-21 & 27-Mar-20	3.50
Grant 10	24-Jul-19	384.20	-	-	-	19,342	19,342	-	4.82
Total			**-**	**19,732**	**1,58,062**	**5,69,397**	**98,002**		

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-Feb-19 & 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**		

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 2021:

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-2021	31-Mar-2020
1.	Defined benefit obligation at beginning of period	69.60	56.71
2.	Service cost		
	a. Current service cost	3.76	3.18
3.	Interest expenses	4.70	4.29
4.	Cash flows		
	a. Benefit payments from plan	(11.45)	(4.10)
5.	Remeasurements		
	a. Effect of changes in demographic assumptions	1.90	-
	b. Effect of changes in financial assumptions	0.39	6.15
	c. Effect of experience adjustments	0.81	3.44
6.	Transfer In /Out	-	(0.07)
7.	Defined benefit obligation at end of period	69.71	69.60

₹ in Crores

B.	Change in fair value of plan assets	31-Mar-2021	31-Mar-2020
1.	Fair value of plan assets at beginning of period	68.70	56.79
2.	Interest income	4.64	4.76
3.	Cash flows		
	a. Total employer contributions	8.00	11.85
	b. Benefit payments from plan assets	(11.45)	(4.10)
4.	Remeasurements		
	a. Return on plan assets (excluding interest income)	(0.15)	(0.53)
5.	Transfer In /Out	-	(0.07)
6.	Fair value of plan assets at end of period	69.74	68.70

Notes to Financial Statements

₹ in Crores

C.	Amounts recognized in the Balance Sheet	31-Mar-2021	31-Mar-2020
1	Defined benefit obligation	69.71	69.60
2	Fair value of plan assets	(69.74)	(68.70)
3.	Funded status	(0.03)	0.90
4.	Net defined benefit liability (asset)	(0.03)	0.90

₹ in Crores

D.	Components of defined benefit cost	31-Mar-2021	31-Mar-2020
1.	Service cost		
	a. Current service cost	3.76	3.18
2.	Net interest cost		
	a. Interest expense on DBO	4.70	4.29
	b. Less - Interest income on plan assets	4.64	4.76
	c. Total net interest cost	0.06	(0.47)
3.	Remeasurements (recognized in OCI)		
	a. Effect of changes in demographic assumptions	1.90	-
	b. Effect of changes in financial assumptions	0.39	6.15
	c. Effect of experience adjustments	0.81	3.44
	d. Less - (Return) on plan assets (excluding interest income)	(0.15)	(0.53)
	e. Total remeasurements included in OCI	3.25	10.12
4.	Total defined benefit cost recognized in P&L and OCI	7.07	12.83

₹ in Crores

E.	Re-measurement	31-Mar-2021	31-Mar-2020
	a. Actuarial Loss on DBO	3.10	9.59
	b. Less - Returns above Interest Income	0.15	0.53
	Total Re-measurements (OCI)	3.25	10.12

₹ in Crores

F.	Employer Expense (P&L)	31-Mar-2021	31-Mar-2020
	a. Current Service Cost	3.76	3.18
	b. Interest Cost on net DBO	0.06	(0.47)
	c. Total P&L Expenses	3.82	2.71

₹ in Crores

G.	Net defined benefit liability (asset) reconciliation	31-Mar-2021	31-Mar-2020
1.	Net defined benefit asset as of beginning of period	0.90	(0.08)
2.	Defined benefit cost included in P&L	3.82	2.71
3.	Total remeasurements included in OCI	3.25	10.12
4.	Employer contributions	(8.00)	(11.85)
5.	Net benefit paid from plan assets	-	-
6.	Net defined benefit liability (asset) as of end of period	(0.03)	0.90

₹ in Crores

H.	Reconciliation of OCI (Re-measurement)	31-Mar-2021	31-Mar-2020
1.	Recognised in OCI during the period	3.25	10.12
2.	Recognised in OCI at the end of the period	3.25	10.12

Notes to Financial Statements

₹ in Crores

I.	Sensitivity analysis - DBO end of Period	31-Mar-2021	31-Mar-2020
1.	Discount rate +1%	66.04	64.79
2.	Discount rate - 1%	73.78	75.06
3.	Salary Increase Rate +1%	73.60	74.89
4.	Salary Increase Rate -1%	66.15	64.84
5.	Attrition Rate +1%	70.55	69.97
6.	Attrition Rate -1%	68.61	69.21

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-2021	31-Mar-2020
1.	Discount rate Current Year	6.45%	6.55%
2.	Discount rate Previous Year	6.55%	7.85%
3.	Salary increase rate	Uniform 5.0%	Uniform 5.0%
4.	Attrition Rate	6.0% [AGE 0TO30] 6.0% [AGE 31TO40] 6.0% [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-2021	31-Mar-2020
1.	No.	3,118	3,297
2.	Avg. Age (years)	41	41
3.	Avg. Past Service (years)	14	14
4.	Avg. Sal. Monthly (`)	26,305	25,170
5.	Future Service (years)	18	18
6.	Weighted average duration of DBO	10	10

₹ in Crores

L.	Expected cash flows for following year	31-Mar-2021	31-Mar-2020
1.	Expected employer contributions / Additional. Provision Next Year	4.00	3.39
2.	Expected total benefit payments		
	Year 1	10.28	6.58
	Year 2 to Year 5	31.13	24.25
	Year 6 to Year 10	33.82	35.62
	More than 10 Years	31.22	57.35

₹ in Crores

M.	Defined benefit obligation at end of period	31-Mar-2021	31-Mar-2020
	Current Obligation	9.97	6.38
	Non-Current Obligation	59.74	63.22
	Total	69.71	69.60

Notes to Financial Statements

SUMMARY			₹ in Crores
	Assets / Liabilities	**31-Mar-2021**	**31-Mar-2020**
1.	Defined benefit obligation at end of period	69.71	69.60
2.	Fair value of plan assets at end of period	69.74	68.70
3.	Net defined benefit liability (asset)	(0.03)	0.90
4.	Defined benefit cost included in P&L	3.82	2.71
5.	Total remeasurements included in OCI	3.25	10.12
6.	Total defined benefit cost recognized in P&L and OCI	7.07	12.83

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 vests immediately on rendering of the services by the employee. The Company 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 company is a defined benefit plan under Ind AS 19 - Employee Benefits.

The Company has obtained the actuarial valuation of interest rate obligation in respect of provident fund and a loss of ₹5.66 Crores (31st March 2020 ₹4.35 Crores) on re-measurement of the defined benefit plan is recognised in financial statements.

The Company has provided ₹0.04 Crores (31st March 2020 ₹3.29 Crores) 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-21	31-Mar-20
1.	Defined benefit obligation at the beginning of the period	158.12	141.98
2.	Service cost		
	a. Current service cost	6.88	7.08
3.	Interest expenses	13.15	12.16
4.	Employees' Contribution	12.69	13.25
5.	Cash flows		
	a. Benefit payments from plan	(27.23)	(23.09)
6.	Remeasurements		
	a. Effect of changes in demographic assumptions	-	-

Notes to Financial Statements

A.	Change in defined benefit obligation	31-Mar-21	31-Mar-20
	b. Effect of financial adjustments	0.02	0.51
	c. Effect of experience adjustments	(3.42)	4.86
7.	Transfer In / Out	0.90	1.37
8.	Defined benefit obligation at end of period	**161.11**	**158.12**

₹ in Crores

B.	Change in Fair Value of Plan Assets	31-Mar-21	31-Mar-20
1.	Fair value of plan assets at beginning of period	153.77	143.10
2.	Interest income	11.88	11.10
3.	Cash flows		
	a. Total employer contributions	6.88	7.08
	b. Benefit payments from plan assets	(27.23)	(23.09)
4.	Employee contributions	12.69	13.25
5.	Remeasurement on Plan assets	(3.44)	0.96
6.	Transfer In /Out	0.90	1.37
7.	Fair value of plan assets at end of period	**155.45**	**153.77**

₹ in Crores

C.	Components of Defined Benefit Cost	31-Mar-21	31-Mar-20
1.	Interest cost on obligation	13.15	12.16
2.	Interest income on Plan assets	(11.88)	(11.10)
3.	Current Service cost	6.88	7.08
4.	Defined Benefit Cost recognized in P&L	**8.15**	**8.14**

₹ in Crores

D.	Remeasurement	31-Mar-21	31-Mar-20
1.	Remeasurements on Plan assets	3.44	(0.96)
2.	Remeasurements for Change in financial assumption	0.02	0.51
3.	Remeasurements towards Experience variance	(3.42)	4.86
		0.04	**4.41**

₹ in Crores

E.	Net Defined Benefit Liability (Asset) Reconciliation	31-Mar-21	31-Mar-20
1.	Net defined benefit asset	4.35	(1.12)
2.	Defined benefit cost included in P&L	8.15	8.14
3.	Total remeasurements included in OCI	0.04	4.41
4.	Contributions to the fund	(6.88)	(7.08)
5.	Net transfers in	-	-
6.	Net Defined Benefit Liability (Asset) at the end of the period	**5.66**	**4.35**

₹ in Crores

F.	Proportion of Total Asset Categories	31-Mar-21	Expected Return
1.	Government of India securities	53.22%	10.22%
2.	State Government securities	6.55%	52.50%
3.	High quality corporate bonds	29.12%	21.61%
4.	Equity	0.09%	3.46%
5.	Special Deposits	11.03%	12.21%
6.	Bank balance and others	0.00%	0.00%

Notes to Financial Statements

F.	Proportion of Total Asset Categories	31-Mar-21	Expected Return
7.	Funds managed by Insurer	0.00%	0.00%
	Total	**100.00%**	**100.00%**

₹ in Crores

G.	Funded Status	31-Mar-21	31-Mar-20
1.	Fair Value of Plan assets	155.45	153.77
2.	Present value of obligation	161.11	158.12
3.	**Net Liability/(Asset)**	**(5.66)**	**(4.35)**

₹ in Crores

H.	Current and Non-Current liability	31-Mar-21	31-Mar-20
1.	Current Liability (Less than 1 year)	21.18	17.97
2.	Non-current liability (More than 1 year)	139.93	140.15

₹ in Crores

I.	Sensitivity analysis on Interest rate Guarantee Liability	Liability	Change
1.	Best estimate - Base scenario	6.69	0%
2.	Discount Rate - Increased by 0.5%	6.51	-3%
3.	Discount Rate - Decreased by 0.5%	6.89	3%
4.	Return on Gov.Securities - Increased by 1.00%	-0.24	-104%
5.	Return on Gov.Securities - Decreased by 1.00%	13.63	104%
6.	Return on Equities - Increased by 1.00%	6.68	0%
7.	Return on Equities - Decreased by 1.00%	6.70	0%
8.	Return on Bonds - Increased by 1.00%	3.32	-50%
9.	Return on Bonds - Decreased by 1.00%	10.07	50%

J.	Significant actuarial assumptions	31-Mar-21	31-Mar-20
1.	Discount rate	6.60%	7.75%
2.	Interest rate guarantee	8.50%	8.65%
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-21	31-Mar-20
1.	Number of employees	16,894	17,123
2.	Employee contribution	12.21	13.25
3.	Employer contribution	6.78	7.08
4.	Average attained age	33 years	32 years
5.	Average Past Service	-	-

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-2021	31-Mar-2020
Discount Rate	6.60%	6.65%
Future Salary Increase (%)	5.00%	5.00%
Attrition Rate	1 to 3%	1 to 3%

Notes to Financial Statements

d. Contributions to Defined Contribution Plans

During the year, the Company recognised ₹6.96 Crores (Previous Year - ₹7.21 Crores) to Provident Fund under Defined Contribution Plan, ₹6.04 Crores (Previous Year - ₹6.30 Crores) for Contributions to Superannuation Fund and ₹0.69 Crores (Previous Year - ₹1.02 Crores) for Contributions to Employee State Insurance Scheme in the Statement of Profit and Loss.

Note 36a. Contingent Liabilities

Note i

a) Matters wherein management has concluded the Company's liability to be probable have accordingly been provided for in the books. Also refer note 16.

b) Matters wherein management has concluded the Company's liability to be possible have accordingly been disclosed under Note 36a (ii) Contingent liabilities below.

c) Matters wherein management is confident of succeeding in these litigations and have concluded the Company's liability to be remote. This is based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceedings and claims, in different stages of process.

Note ii: Contingent Liabilities

₹ in Crores

	Particulars	As at 31-Mar-2021	As at 31-Mar-2020
(i)	Disputed Income-Tax demands under appeal / remand pending before various appellate/ assessing authorities against the Demerged Company (including interest and penalty).	7.05	28.94
(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	1.21	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
(v)	Corporate Guarantee (Refer Note d)	617.50	-

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.

(d) The Company has given Corporate Guarantee to the lenders of CG Power and Solutions Limited (CGPISL) in connection with the rupee term loan and fund based working capital limits sanctioned to CGPISL for an amount not exceeding ₹1,365 Crores pursuant to the shareholders' approval obtained by the Company under the provisions of Section 186 of the Companies Act, 2013. As at 31st March 2021, CGPISL has utilised ₹617.50 Crores.

Notes to Financial Statements

Note 36b. Commitments

₹ in Crores

	Particulars	As at 31-Mar-2021	As at 31-Mar-2020
(i)	Estimated amount of contracts remaining to be executed on capital expenditure and not provided for	52.21	80.45
(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.	194.56	3.82

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

e. CG Power and Industrial Solutions Limited and its Subsidiaries namely (w.e.f. 26th Nov 2020)

  i. CG PPI Adhesive Products Limited

  ii. CG International Holdings Singapore Pte Limited

  iii. CG Power Solutions Limited

  iv. CG Power Equipments Limited

  v. CG Sales Networks Malaysia Sdn. Bhd.

  vi. PT Crompton Prima switchgear Indonesia

  vii. CG International BV

  viii. CG Drives & Automation Netherlands BV

  ix. CG Drives & Automation Germany GmbH

  x. CG Industrial Holdings Sweden AB

  xi. CG Drives & Automation Sweden AB

  xii. CG Power Americas, LLC

  xiii. QEI, LLC

  xiv. CG-Ganz Generator and Motor Limited Liability Company

  xv. CG Power Solutions UK Ltd

  xvi. CG Middle East FZE

  xvii. CG Power Systems Canada Inc

  xviii. CG Power and Industrial Solutions Limited Middle East FZCO

II. Joint Venture Company

a. TI Tsubamex Private Limited (Refer Note 6a(ii))

Notes to Financial Statements

III. Company having Significant Influence

a. Ambadi Investments Limited

IV. Other Related Parties

a. Parry Enterprises India

b. Parry Agro Industries

V. Key Management Personnel (KMP)

a. Mr. Vellayan Subbiah - Managing Director

b. Mr. K R Srinivasan - Executive Director (w.e.f 11th November 2020)

c. Mr S Suresh - Company Secretary

d. Mr K Mahendra Kumar - Chief Financial Officer

VI. Non Executive Directors

a. Mr. M A M Arunachalam, Chairman (w.e.f 11th Nov 2020)

b. Mr. MM Murugappan, Chairman (till 11th Nov 2020)

c. Ms Madhu Dubhashi

d. Mr Sanjay Johri

e. Mr Mahesh Chhabria

f. Mr Anand Kumar (w.e.f 24th Mar 2021)

g. Mr Ramesh K B Menon (till 11th Nov 2020)

h. Mr Pradeep V Bhide (till 23rd Jul 2020)

VII. 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-2021	Year Ended 31-Mar-2020
Services Received	Parry Enterprises India Limited	2.31	9.36
Dividend Paid	Ambadi Investments Limited	13.79	29.26
	Mr. M M Murugappan	0.10	0.21
	Mr. Mahesh Chhabria	0.00	0.01
	Mr M A M Arunachalam	0.32	-
Dividend Received	Shanthi Gears Limited	8.11	16.22
Proceeds received on Equity Shares tendered for buyback scheme	Shanthi Gears Limited	-	45.35
Sales and Services rendered	Shanthi Gears Limited	2.25	2.25
	Creative Cycles (Private) Limited	0.32	0.68
	Sedis SAS	13.70	18.34
Purchases and Services received	Shanthi Gears Limited	0.84	1.38
	Sedis SAS	0.05	0.22
	Great Cycles (Private) Limited	1.21	1.13
	Creative Cycles (Private) Limited	27.63	7.31

Notes to Financial Statements

₹ in Crores

Transaction	Related Party	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Purchase of Property Plant and Equipment	TI Tsubamex Private Limited	-	0.05
Remuneration (Refer note i below)	Key Management Personnel	10.01	9.23
Fair value Cost of Stock options granted (Refer note i below)	Key Management Personnel	0.23	0.43
Sitting Fees and Commission	Non executive directors	1.56	1.92
Reimbursement of Expenses - Received	Shanthi Gears Limited	0.62	0.74
Contribution to Post Employment Benefit Funds	T.I.I.(Subsidiaries) Employees Provident Fund	4.81	1.94
	TI Employees Provident Fund India Ltd	5.51	1.96
	Tube Products Of India Employees Provident Fund	9.30	3.19
	Tube Investments of India Limited, Senior Officer, Superannuation Fund	4.57	5.03
Subscription to Equity Shares	CG Power and Industrial Solutions Limited	650.00	-
Subscription to Share Warrants	CG Power and Industrial Solutions Limited	37.50	-
Corporate Guarantee (Refer Note 36a(ii))	CG Power and Industrial Solutions Limited	617.50	-

₹ in Crores

Balances	Related Party	As at 31-Mar-2021	As at 31-Mar-2020
Payable	Parry Enterprises India Limited	0.02	0.18
	Shanthi Gears Limited	-	0.13
	Sedis SAS	0.02	0.03
	Great Cycles (Private) Limited	0.66	-
	Creative Cycles (Private) Limited	13.82	-
	Key Managerial Personnel	2.39	2.26
	T.I.I.(Subsidiaries) Employees Provident Fund	0.43	0.44
	TI Employees Provident Fund India Ltd	0.50	0.45
	Tube Products Of India Employees Provident Fund	0.79	0.78
Receivable	Shanthi Gears Limited	0.97	0.83
	Creative Cycles (Private) Limited	-	0.68
	Sedis SAS	3.53	0.81
Advance Paid	Great Cycles (Private) Limited	0.58	0.02
	Creative Cycles (Private) Limited	19.41	0.57
Dividend Receivable	Financiere C10 SAS	-	2.45

Notes to Financial Statements

Terms and Conditions of transaction with Related Parties

The sale to and purchases from Related Parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in Cash. For the year ended 31st March 2021, 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-2021	Year Ended 31-Mar-2020
- Salaries and Allowances	6.52	5.71
- Provident Fund and Super Annuation	0.75	0.65
- Perquisites	0.35	0.61
- Incentive	2.39	2.26
- Fair value Cost of Stock options granted	0.23	0.43
- Sitting Fees and Commission to Non executive directors	1.56	1.92
Total	**11.80**	**11.58**

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.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Notes to Financial Statements

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	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
REVENUE										
External Sales	841.86	775.94	1,996.41	1,939.37	1,187.96	1,337.36	-	-	4,026.23	4,052.67
Inter-Segment Sales	-	-	169.35	162.29	14.25	1.97	(183.60)	(164.26)	-	-
Other Operating Revenue	4.96	4.91	156.50	156.50	71.43	59.53	-	-	227.22	220.94
Unallocated Corporate Income	-	-	-	-	-	-	-	-	2.30	2.48
Total Revenue	**846.82**	**780.85**	**2,316.59**	**2,258.16**	**1,273.64**	**1,398.86**	**(183.60)**	**(164.26)**	**4,255.75**	**4,276.09**
Unallocated Corporate Expenses net of Income	-	-	-	-	-	-	-	-	(0.25)	13.47
RESULTS										
Operating Profit	43.88	25.76	251.03	264.11	86.86	122.83	-	-	381.52	426.17
Profit / (Loss) on Sale of Property, Plant and Equipment	0.37	(0.13)	0.13	0.26	0.37	0.29	-	-	0.87	0.42
Net Operating Profit	**44.25**	**25.63**	**251.16**	**264.37**	**87.23**	**123.12**	**-**	**-**	**382.39**	**426.59**
Dividend Income	-	-	-	-	-	-	-	-	8.42	16.88
Finance Costs	-	-	-		-	-	-	-	(19.06)	(28.79)
Tax Expense	-	-	-	-	-	-	-	-	(85.86)	(87.31)
Exceptional Items										
- Profit on Shares tendered through buyback	-	-	-	-	-	-	-	-	-	19.11
- Provision for Employee Voluntary Retirement Scheme	(9.69)	-	(3.19)	(11.42)	(8.79)	(10.55)	-	-	(21.67)	(21.97)
Profit on Sale of Current Investments (Net)									8.96	6.04
Net Profit	**34.56**	**25.63**	**247.97**	**252.95**	**78.44**	**112.57**	**-**	**-**	**273.18**	**330.55**
ASSETS										
Segment Assets	259.31	268.74	1,339.13	1,016.26	725.21	752.05	(57.74)	(39.36)	2,265.91	1,997.69
Unallocated Corporate Assets									1,663.48	773.56
Total Assets	**259.31**	**268.74**	**1,339.13**	**1,016.26**	**725.21**	**752.05**	**(57.74)**	**(39.36)**	**3,929.39**	**2,771.25**
LIABILITIES										
Segment Liabilities	230.85	120.59	752.46	377.29	346.21	283.11	(57.74)	(39.36)	1,271.78	741.63
Unallocated Corporate Liabilities									56.57	36.27
Total Liabilities	**230.85**	**120.59**	**752.46**	**377.29**	**346.21**	**283.11**	**(57.74)**	**(39.36)**	**1,328.35**	**777.90**
OTHER INFORMATION										
Capital Expenditure	6.26	1.93	69.73	85.52	45.53	107.43	-	-	121.52	194.88
Unallocated Corporate Capital Expenditure									7.20	1.99
Depreciation and Amortisation expense	13.22	17.62	78.09	81.60	53.99	56.55	-	-	145.30	155.77
Unallocated Corporate Depreciation	-	-	-	-	-	-	-	-	4.34	4.94

Notes to Financial Statements

Revenue from external customers

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
India	3,880.41	3,929.08
Outside India	375.34	347.01
Total Revenue per Statement of Profit or Loss	**4,255.75**	**4,276.09**

There are no sales to external customers more than 10% of Total Revenue.

Non-Current operating assets

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
India	2,342.15	1,657.65
Outside India	84.60	84.60
Total	**2,426.75**	**1,742.25**

Reconciliation of Segment assets and liabilities to amounts reflected in the Standalone Financial Statements

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Add: Deferred Tax Assets	3,929.39	2,771.25
Add: Derivative Instruments	2.61	-
Total Assets	-	1.06
Total Assets	**3,932.00**	**2,772.31**

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Segment Liabilities	1,328.35	777.90
Add: Deferred Tax Liabilities (Note 14)	-	13.61
Add: Long term and Short term Borrowings (Note 13a and Note 15a)	258.06	165.93
Add: Current maturities of Long term Borrowings (Note 15d)	51.03	101.97
Add: Derivative Instruments	1.43	0.36
Total Liabilities	**1,638.87**	**1,059.77**

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:

Notes to Financial Statements

Movement of Lease Liability ₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Opening Balance	41.29	-
Add: Additions during the year	6.12	46.18
Less: Deletions / Remeasurements during the year	(6.35)	-
Add / Less: Accretion of Interest	2.93	3.31
Less: Payments during the year	(7.17)	(8.20)
Closing Balance	**36.82**	**41.29**
Current	3.80	5.75
Non Current	33.02	35.54

Maturity Analysis of Lease Liability

Year Ended	Less than 1 Year	1 - 5 Years	More than 5 Years
31-Mar-2021	6.61	21.48	32.83
31-Mar-2020	8.85	23.31	35.73

The effective interest rate for lease liabilities is 8% (PY 8%).

The following are the amounts recognised in profit or loss:

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Depreciation expense of right-of-use assets	6.19	7.32
Interest expense on lease liabilities	2.93	3.31
Expense relating to short-term leases (included in other expenses)	3.57	6.63
Expense relating to variable leases (included in other expenses)	0.15	0.17
Income from right-of-use assets (included in other expenses)	-	(0.20)
Income from right-of-use assets (included in other income)	(0.63)	-
Total	**12.21**	**17.23**

The Company had total cash outflows for leases of ₹10.74 Crores in 31st March 2021 (₹14.62 Crores during the year ended 31st March 2020). The Company also had non-cash additions to right-of-use assets and lease liabilities of ₹6.12 Crores during the year (₹46.18 Crores during the year ended 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).

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:

2020-21

Particulars	Within 3 years	More than 3 years	Total
Extension options expected not to be exercised	-	-	-
Termination options expected to be exercised	-	-	-
Total	**-**	**-**	**-**

2019-20

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**

Notes to Financial Statements

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-2021		As at 31-Mar-2020	
	Assets	Liabilities	Assets	Liabilities
Fair Value of Foreign Exchange Forward Contracts	-	1.43	1.06	0.36

Disclosure of effects of Hedge accounting

As at 31-Mar-2021

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	4	54	12.42	92.63	7-Apr-2021 to 31-Mar-2022	1:1	1 USD - ₹74.33 1 EUR - ₹89.04	1.18	(1.18)

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	(0.93)	-	1.29	Other Income

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

Notes to Financial Statements

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-2021	31-Mar-2020	31-Mar-2021	31-Mar-2020
Financial assets				
FVTOCI Investments	16.04	16.48	16.04	16.48
FVTPL Investments	304.30	90.00	304.30	90.00
Other Financial Assets - Non Current	16.14	17.67	16.14	17.67
Loans	1.93	3.09	1.93	3.09
Trade Receivables	605.47	439.15	605.47	439.15
Cash & Bank balances	8.74	23.53	8.74	23.53
Derivative Instruments	-	1.06	-	1.06
Other Financial Assets - Current	19.39	19.78	19.39	19.78
Total	**972.01**	**610.76**	**972.01**	**610.76**
Financial liabilities				
Borrowings - Non-Current	51.03	-	51.03	-
Borrowings - Current	207.03	165.93	207.03	165.93
Trade Payables	1,145.80	630.98	1,145.80	630.98
Lease Liability - Non Current	33.02	35.54	33.02	35.54
Lease Liability - Current	3.80	5.75	3.80	5.75
Derivative Instruments	1.43	0.36	1.43	0.36
Other Financial Liabilities - Current	115.12	135.11	115.12	135.11
Total	**1,557.23**	**973.67**	**1,557.23**	**973.67**

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 2021:

Particulars	Fair Value Measurement using			
	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value:				
FVTOCI Investments	16.04	-	7.63	8.41
FVTPL Investments	304.30	304.30	-	-
Foreign Exchange forward Contracts	-	-	-	-
Assets for which fair values are disclosed:				
Investment Properties *	8.44	-	-	8.44

There have been no transfers between the level 1, level 2 and level 3 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 2021:

Particulars	Fair Value Measurement using			
	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Long term Borrowings	51.03	-	51.03	-
Foreign Exchange Forward Contracts	1.43	-	1.43	-

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 2020:

Particulars	Fair Value Measurement using			
	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value:				
FVTOCI 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	Fair Value Measurement using			
	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Long term Borrowings	-	-	-	-
Foreign Exchange Forward Contracts	0.36	-	0.36	-

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 2021 and 31st March 2020 are given below:

Particulars	Valuation technique	Significant unobservable inputs	Range (Weighted average)	Sensitivity of the input to fair value
Unquoted FVTOCI Securities investments As at 31st March 2021	DCF Model	Discount Rate	15%	5% sensitivity 2020-21- Discount Rate-20%, ₹(2.05) Crores Discount Rate-10%, ₹4.10 Crores
Unquoted FVTOCI Securities investments As at 31st March 2020	DCF Model	Discount Rate	15%	5% sensitivity 2019-20- Discount Rate-20%, ₹(2.26) Crores Discount Rate-10%, ₹4.64 Crores
Investment Property As at 31st March 2021	Valuation by External Independent Valuer	Price per Sq. feet	₹4000 - ₹13,000 per Sq. ft.	5% sensitivity 2020-21 - Rate per Sq. ft - 5%, ₹0.42 Crores
Investment Property As at 31st March 2020	Valuation by External Independent Valuer	Price per Sq. feet	₹4000 - ₹13,000 per Sq. ft.	5% sensitivity 2019-20 - Rate per Sq. ft - 5%, ₹0.36 Crores

Reconciliation of Fair Value Measurement of Unquoted FVTOCI Securities Investments **₹ in Crores**

Unquoted FVTOCI Securities Investments	**As at 31-Mar-2021**	**As at 31-Mar-2020**
As at the beginning of the period	8.92	8.60
Re-measurement recognised in OCI	(0.51)	(0.59)
Purchases	-	0.91
Sales	-	-
As at the end of the period	**8.41**	**8.92**

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.

Notes to Financial Statements

The Company, as per its forex policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its forex policy

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 5%.

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to 5% appreciation in USD and EURO exchange rates on foreign currency exposures as at the year end, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material

As at	Nature	Increase/ (Decrease) in PBT for change in USD rates	Increase/ (Decrease) in PBT for change in EURO rates
31-Mar-2021	Receivables	3.90	1.31
	Payables	(1.79)	(0.02)
31-Mar-2020	Receivables	2.14	0.98
	Payables	(0.93)	(0.01)

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-2021	Derivative Contracts	(1.71)	(1.37)	0.26	(4.10)	-
31-Mar-2020	Derivative Contracts	(0.89)	(1.32)	(1.84)	(9.23)	2.44

Conversely, 5% depreciation in the USD and Euro rates against the significant foreign currencies as at 31st March 2021 and 31st March 2020 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 ₹8.41 Crores as at 31st March 2021. (As at 31st March 2020 – ₹8.92 Crores).

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 ₹963.59 Crores as at 31st March 2021 and ₹601.83 Crores as at 31st March 2020, 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 2021, the company had 152 customers (as at 31st March 2020 - 110 customers) that owed the Company more than ₹1 Crore each and accounted for approximately 99% (as at 31st March 2020 - 99%) of the total trade receivables outstanding. There were 12 customers (as at 31st March 2020 - 9 Customers) with balances greater than ₹10 Crores accounting for around 31% of the trade receivables (Previous year – 31%).

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, ₹73.56 Crores (Previous year – ₹70.88 Crores) is backed by Export Credit Guarantee Cover / Letter of Credit as at 31st March 2021.

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 2021, the Company has undrawn committed lines of ₹317.97 Crores (As at 31st March 2020 - ₹359.07 Crores)

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-2021					
Borrowings	0.12	206.91	54.80	51.20	313.03
Other Financial Liabilities	1.60	62.49	-	-	64.09
Trade and Other Payables	114.20	1,015.89	15.71	-	1,145.80
Derivatives	-	-	1.43	-	1.43
Lease Liabilities	-	1.63	4.98	54.31	60.92
Total	**115.92**	**1,286.92**	**76.92**	**105.51**	**1,585.27**
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**

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-2021	As at 31-Mar-2020
Borrowings		
- Long term	51.03	-
- Short term	207.03	165.93
- Other Current liabilities (Current maturities of Long term Borrowing)	51.03	101.97
Total Debt	**309.09**	**267.90**
Equity Share Capital	19.28	18.79
Other Equity	2,273.85	1,693.75
Equity	**2,293.13**	**1,712.54**
Debt Equity ratio	**0.13**	**0.16**

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 **Aravind K**
Partner
Membership No : 221268

Chennai
17th June 2021

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

S Vellayan
Managing Director

M A M Arunachalam
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 Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated 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 venture, comprising the Consolidated Balance sheet as at March 31 2021, 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 Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated 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 the audited Financial Information / Financial Statements and on the other financial information of the Subsidiaries and Joint Venture, except for the effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid Consolidated 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, its Joint Venture as at March 31, 2021, 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 Qualified Opinion

We are unable to comment on the consequential effects of the following, on the Consolidated Financial Statements of the Group for the year ended March 31, 2021

a) The matters more fully discussed in Note 40.2(c)(i) to the Consolidated Financial Statements pertaining to reopening of the books of accounts and recasting of financial statements of CG Power and Industrial Solutions Limited ("CGPISL") and certain subsidiaries for certain past financial years and consequential effects on deferred tax assets recognised by that CGPISL, ongoing investigations by regulatory agencies, and resulting non-compliance of laws and regulations, which form, inter alia, the basis for disclaimer of opinion on the consolidated financial statements of CGPISL and its subsidiaries (together, "CG Power") for the period from November 26, 2020 (the date of acquisition of CG Power by the Company) to March 31, 2021.

b) The auditors of CG Power have, in their Auditor's Report on the Consolidated Financial Statements of CG Power for the period from November 26, 2020 to March 31, 2021 prepared for the purpose of inclusion in the accompanying consolidated financial statements, reported that such Consolidated Financial Statements include Financial Information in respect of 18 step-down subsidiaries, whose Financial Statements and other financial information reflect total assets of INR 815.14 Crores as at March 31, 2021 and total revenue of INR 143.11 Crores, profit after tax (net) of INR 428.34 Crores and total comprehensive income of INR 428.34 Crores for the period from November 26, 2020 to March 31, 2021 and total net cash inflow of INR 11.93 Crores for the period from November 26, 2020 to March 31, 2021, which have been consolidated by CG Power based on information prepared by management, and have not been subjected to audit / review.

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statement" section of our report. We are independent of the Group and joint venture 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 obtained by us and other auditors in terms of their reports referred to in "Other matter" paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters in the 'Basis for Qualified Opinion' section, we have determined the matters described below to be the key audit matters to be communicated in our report. 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 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 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 Financial Statements.

Key audit matters	How our audit addressed the key audit matter
Accounting for business combinations - Acquisition of CG Power by the Holding Company (as described in Note 40.2 of the Consolidated Financial Statements)	
During the year ended March 31, 2021, the Company acquired shares in CGPISL. The Company determined the acquisition to be a business combination in accordance with Ind AS 103 'Business Combinations'. Ind AS 103 which requires the identified assets and liabilities to be recognised at fair value as at the date of acquisition. The accounting for this transaction includes the identification and valuation of net assets acquired and liabilities assumed, and the consequent allocation of the purchase price to the assets and liabilities arising from this transaction, and management's use of external valuation experts and estimates and assumptions for this purpose. As the initial accounting for this business combination is incomplete as at year end, the Company has accounted for the acquisition based on provisional amounts for the items for which the accounting is incomplete as permitted by Paragraph 45 of Ind AS 103. Considering the complex accounting and the significant estimates and judgements involved, we have considered this as key audit matter.	Our audit procedures included the following: • We obtained and read the Share Subscription Agreement and other relevant agreements in relation to this acquisition. • We understood and assessed the design and tested the operating effectiveness of the key controls over the accounting of business combination. • We evaluated the competence and objectivity of the management's expert engaged for the valuation of tangible and intangible assets including Goodwill, obtained an understanding of the work of management's expert. • We evaluated the value of the consideration transferred as a part of acquisition with reference to the Share Subscription Agreements. • We reviewed (including through the use of auditor's experts as considered necessary) the provisional valuation of tangible and intangible assets including Goodwill and assess the reasonableness of the underlying key estimates and assumptions used in determining the fair value of assets and liabilities as at the acquisition date. • We examined the computation of Goodwill computed based on provisional amounts, provided by Management. • We assessed the disclosures for compliance with applicable accounting standards.

Key audit matters	How our audit addressed the key audit matter
Timing of Revenue recognition (as described in Note 5.12 and Note 21 of the Consolidated financial statements)	
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.	Our audit procedures included the following: • We read the Holding Company's accounting policy for timing of revenue recognition. • We understood the Holding Company's revenue process, including design and implementation of controls which vary based on product segment and customer, and tested the operating effectiveness of such controls in relation to revenue recognition. • On a sample basis, we tested contracts with customers, purchase orders issued by customers, and sales invoices raised by the Holding Company to determine the timing of transfer of control along with pricing terms and the timing of revenue recognition in respect of such contracts. • We performed substantive analytical procedures to identify any unusual trends for further testing. • We analyzed revenue transactions near the reporting date and tested whether the timing of revenue was recognized in the appropriate period with reference to shipping records, sales invoices etc, for sample transactions. • We evaluated the Holding Company's accounting policies pertaining to revenue recognition and assessed compliance with the policies in terms of Ind AS 115 - Revenue from Contracts with Customers. • We assessed the disclosures for compliance with applicable accounting standards.

Key audit matters	How our audit addressed the key audit matter
Existence of Inventories and allowance of Slow / Non-Moving Inventory and Obsolescence (as described in Note 5.11 and Note 10 of the Consolidated Financial Statements)	
Inventories pertaining to the Holding Company represent 5.68% of total assets of the Group as at March 31, 2021. 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 slow / non-moving / obsolete 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.	Our audit procedures included the following: • We tested the existence of inventories, relating to Holding Company, consisting of testing the relevant internal controls, including in specific the testing of the inventory physical verification process that is performed annually by Holding Company management at various locations. Further the testing of automated recording of revenue and purchase transactions in the Information Technology (IT) system (three-way-match) were tested by IT experts. • We observed the physical verification of Inventory conducted by Holding Company management at certain locations selected by us. Our procedures in this regard included: - Inquiring that the stock count instructions were sent by Holding Company 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, testing the reconciliation of the differences in inventory quantity between the physical count and the books of accounts, including accounting of such variance basis Holding Company management approval; and - Performing roll-forward procedures on sample basis from date of count to the reporting date as the physical verification of inventory was undertaken by Holding Company management on different dates across various locations during the year. • On a sample basis, we performed testing of purchase and revenue transactions 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 the Holding Company management in this regard including the related adjustments by testing a sample of inventory items as at the reporting date

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">In connection with Subsidiary Company – Shanthi Gears Limited ("SGL")</td></tr>
<tr><td colspan="2">Valuation of inventory Work in Progress (as described in Note 5.11 and Note 10 of the Consolidated 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. Shanthi Gears has significant balance in Inventory work in progress. 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.

SGL's 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:

• They 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.

• They 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. They also tested the controls placed in Information Technology for overheads allocation in inventory work in progress using their experts.

• They 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 of Shanthi Gears Limited.

• They have tested on a sample basis, the correctness of capturing of cost of overheads from various process, and tested on sample basis the correctness of basis of allocation of overheads in accordance with the GAAP.

• They have verified on a sample basis, the cost of inventory and sales value agreed for inventory in the sales contract.

• They have 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>
</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 Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated 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 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 Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated

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 venture 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 of its Joint Venture 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 Venture 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 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 Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the Companies included in the Group and of its Joint Venture are responsible for assessing the ability of the Group and of its Joint Venture 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 Venture are also responsible for overseeing the financial reporting process of the Group and of its Joint Venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated 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 Venture 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 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 Venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated 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 Venture of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated 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 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 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 Financial Statements for the financial year ended March 31, 2021 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 Matters

We did not audit the financial statements and other financial information, in respect of 8 subsidiaries (including 3 step-down subsidiaries), whose financial statements include total assets of ₹5,089.48 Crores as at March 31, 2021, and total revenues of ₹1,748.34 Crores and net cash inflow of ₹216.70 Crores for the year ended on that date. These 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. Our opinion on the Consolidated 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-sections (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 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 the financial statements and the other financial information of Subsidiaries and Joint Venture, as noted in the 'other matters' paragraph we report, that except for the possible effects of the matters stated in the Basis for Qualified Opinion paragraph above on sub clauses (a)(ii), (b), (d) and (h) below:

(a) we/the other auditors whose report we have relied upon have, (i) sought and (ii) 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 Financial Statements;

(b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated 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 Financial Statements;

(d) in our opinion, the aforesaid Consolidated 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, 2021 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 venture, none of the directors of the Group's companies, its joint venture, incorporated in India, is disqualified as on March 31, 2021 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 with reference to Consolidated Financial Statements of the Holding Company and its subsidiary companies and joint venture, incorporated in India, refer to our separate Report in "Annexure I" to this report;

(g) in our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and joint venture incorporated in India, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company, its subsidiaries and joint venture incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act except as regards CGPISL in respect of which the auditors of CGPISL have reported that in their opinion the remuneration of the Managing Director of CGPISL for the year ended March 31, 2021 is in excess of the limits applicable under section 197 of the Act, read with Schedule V thereto; and subsequent to year-end, approval of the shareholders, by way of a special resolution, has been obtained for such remuneration paid;

(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 venture incorporated in India:

i. the Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group, its joint venture in its Consolidated Financial Statements – Refer Note 35(a) to the Consolidated Financial Statements;

ii. the Group, and its joint venture did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;

iii. other than those stated in note 17(c) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and joint venture, incorporated in India during the year ended March 31, 2021.

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

per Aravind K
Partner
Membership Number: 221268
UDIN: 21221268AAAADL2814
Place of Signature: Chennai
Date: June 17, 2021

Annexure I - To the Independent Auditor's Report of even date on the Consolidated Financial Statements of Tube Investments of India Limited

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

In conjunction with our audit of the Consolidated Financial Statements of Tube Investments of India Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group and its joint venture which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on, the internal financial 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to Consolidated 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Holding Company's internal financial controls with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Qualified Opinion

According to the information and explanations given to us and based on the report issued by other auditors on internal financial controls with reference to Consolidated Financial Statements, in case of subsidiary companies, its joint venture, which are companies incorporated in India, as at March 31, 2021, in respect of the consolidated financial statements of CGPISL, that entity's auditors have issued a disclaimer of opinion on the Internal Financial Controls with reference to the consolidated financial statements of CGPISL, due to the possible effects of the matters resulting in a disclaimer of opinion on the consolidated financial statements of CGPISL for the year ended March 31, 2021 .

In our opinion, except for the possible effects of the matter described above, the Holding Company, its subsidiaries, and joint venture incorporated in India have in all material respects, adequate internal financial controls with reference to these Consolidated Financial Statements, and such internal financial controls with reference to these Consolidated Financial Statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to these Consolidated Financial Statements insofar as it relates to two subsidiaries and its step down subsidiaries , which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

We also have audited, in accordance with the Standards on Auditing issued by the ICAI as specified under section 143(10) of the Act, the Consolidated Financial Statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2021, and 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 Financial Statements, including a summary of significant accounting policies and other explanatory information, and our report dated June 17, 2021 expressed a qualified opinion thereon.

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

per Aravind K
Partner
Membership Number: 221268
UDIN: 21221268AAAADL2814
Place : Chennai
Date : June 17, 2021

Consolidated Balance Sheet

₹ in Crores

	Notes	As at 31-Mar-2021	As at 31-Mar-2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	6a	1,974.00	1,120.48
Right-of-use assets	6b	339.37	62.07
Capital Work-in-Progress		135.34	58.49
Investment property	7	12.26	12.10
Intangible Assets	6c	551.98	10.73
Goodwill on Consolidation	6d	599.84	309.22
Financial Assets			
- Other Investments	8a	45.57	44.15
- Other Financial Assets	8b	45.41	28.71
Deferred Tax Assets	16	759.23	10.57
Non-Current Tax Assets		27.71	29.43
Other Non-Current Assets	9	48.02	43.19
		4,538.73	**1,729.14**
Current Assets			
Inventories	10	1,109.36	558.62
Financial Assets			
(a) Loans	11a	1.93	3.13
(b) Trade Receivables	11b	1,278.52	524.64
(c) Investments	11c	323.49	141.65
(d) Derivative Instruments		-	1.06
(e) Cash and Cash Equivalents	11d	526.28	34.99
(f) Bank Balances other than (e) above	11e	49.26	2.82
(g) Other Financial Assets	11f	275.46	31.17
Current Tax Assets		53.39	1.53
Other Current Assets	12	389.27	62.09
		4,006.96	**1,361.70**
Assets classified as held for sale and discontinued operations	43	501.38	-
Total Assets		**9,047.07**	**3,090.84**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	19.28	18.79
Other Equity	14	2,152.50	1,714.91
Equity Attributable to equity holders of the Parent		**2,171.78**	**1,733.70**
Non-Controlling Interests	39	335.97	72.58
Total Equity		**2,507.75**	**1,806.28**
Non-Current Liabilities			
Financial Liabilities			
(a) Long Term Borrowings	15a	920.06	15.79
(b) Lease Liabilities	15b	44.90	37.09
(c) Derivative Instruments		-	0.36
(d) Other Financial Liabilities	15c	8.07	-
Long term Provisions	15d	27.62	-
Deferred Tax Liabilities	16	10.74	18.14
		1,011.39	**71.38**
Current Liabilities			
Financial Liabilities			
(a) Short Term Borrowings	17a	406.10	253.64
(b) Trade Payables	17b		
- total outstanding dues of micro enterprises and small enterprises		34.17	3.99
- total outstanding dues of creditors other than micro enterprises and small enterprises		2,222.84	691.95
(c) Lease Liabilities	38	12.88	5.75
(d) Derivative Instruments		1.43	
(e) Other Financial Liabilities	17c	1,626.94	136.30
Government Grants	20c	20.82	3.57
Short Term Provisions	18	275.58	63.98
Current Tax Liabilities		5.82	-
Other Current Liabilities	19	910.30	54.00
		5,516.88	**1,213.18**
Liabilities associated with group of assets classified as held for sale and discontinued operations	43	11.05	-
Total Liabilities		**6,539.32**	**1,284.56**
Total Equity and Liabilities		**9,047.07**	**3,090.84**
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 **Aravind K**
Partner
Membership No : 221268

Chennai
17th June 2021

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

S Vellayan
Managing Director

M A M Arunachalam
Chairman

K Mahendra Kumar
Chief Financial Officer

S Suresh
Company Secretary

Consolidated Statement of Profit and Loss

₹ in Crores

	Notes	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Revenue from Contracts with Customers	21		
Revenue from Operations		5,827.46	4,520.30
Other Operating Revenues		255.83	230.09
		6,083.29	**4,750.39**
Other Income	22	111.43	62.32
Total Income		**6,194.72**	**4,812.71**
Expenses			
Cost of Materials Consumed	23	3,578.66	2,425.47
Purchase of Stock-in-Trade		171.02	135.50
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	(107.65)	142.83
Employee Benefits Expense	25	710.56	587.40
Depreciation and Amortisation Expense	26	251.30	185.27
Finance Costs	27	40.90	30.37
Other Expenses	27a	1,095.86	880.69
Total Expenses		**5,740.65**	**4,387.53**
Profit Before Exceptional Items and Tax		**454.07**	**425.18**
Less: Exceptional Items	27b	41.85	21.97
Profit Before Tax after Exceptional Items		**412.22**	**403.21**
Income Tax Expense	28		
- Current Year		112.89	119.85
- Adjustment of tax relating to earlier years		(5.51)	(5.48)
- Deferred Tax (Net) (Refer Note 16)		0.15	(24.43)
		107.53	**89.94**
Profit for the year (I)		**304.69**	**313.27**
Other Comprehensive Income:	29		
Other Comprehensive Income to be reclassified to Statement of Profit and Loss in subsequent periods:			
Movement on Cash Flow Hedges		10.11	(6.54)
Income Tax Effect		(0.09)	2.37
		10.02	**(4.17)**
Exchange Difference on Translation of Foreign Subsidiaries		12.12	3.04
Income Tax Effect		(3.54)	(0.13)
		8.58	**2.91**
Other Comprehensive Income not to be reclassified to Statement of Profit and Loss in subsequent periods:			
Re-measurement Loss on Defined Benefit Obligations (Net)		(7.43)	(14.21)
Income Tax Effect		2.27	3.74
		(5.16)	**(10.47)**
Net Loss on FVTOCI Equity Securities		(0.43)	(0.39)
Income Tax Effect		0.12	0.13
		(0.31)	**(0.26)**
Other Comprehensive Income/(Loss) for the Year, Net of Tax (II)		**13.13**	**(11.99)**
Total Comprehensive Income for the Year, Net of Tax (I + II)		**317.82**	**301.28**
Profit for the year attributable to :			
- Equity holders of the Parent Company		286.32	306.34
- Non-Controlling Interest		18.37	6.93
Other Comprehensive Income for the year attributable to :			
- Equity holders of the Parent Company		8.82	(11.60)
- Non-Controlling Interest		4.31	(0.39)
Total Comprehensive Income for the year attributable to :			
- Equity holders of the Parent Company		295.14	294.74
- Non-Controlling Interest		22.68	6.54
Earnings Per Equity Share of ₹1 each	30		
Basic		15.13	16.31
Diluted		15.10	16.28

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 **Aravind K**
Partner
Membership No : 221268

S Vellayan
Managing Director

M A M Arunachalam
Chairman

Chennai
17th June 2021

K Mahendra Kumar
Chief Financial Officer

S Suresh
Company Secretary

Consolidated Statement of Changes in Equity

a. Equity Share Capital:

	No. of shares	₹ in Crores
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 13)	1,64,148	0.02
As at 31st March 2020 Equity shares of ₹1 each issued, subscribed and fully paid	**18,78,75,429**	**18.79**
Issue of Share Capital (Refer Note 13)	49,41,442	0.49
As at 31st March 2021	**19,28,16,871**	**19.28**

b. Other Equity

For the year ended 31st March 2021

Particulars	Reserves & 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 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**
Additions / Adjustments pertaining to Business Combination (Refer Note 40.2) and preferential issue	401.02		(225.50)									**175.52**	244.11	**419.63**
Profit for the Year	-	-	286.32	-	-	-	-	-	-	-	-	**286.32**	18.37	**304.69**
Other comprehensive income for the Year (Refer Note 29)	-	-	(4.06)	-	-	-	-	5.98	-	7.21	(0.31)	**8.82**	4.31	**13.13**
Exercise of share options	5.49	(1.88)	0.03	-	-	-	0.30	-	-	-	-	**3.94**	-	**3.94**
Share-based payments	-	1.55	-	-	-	-	-	-	-	-	-	**1.55**	-	**1.55**
DRR transferred to Retained Earnings (Net)	-	-	25.00	(25.00)	-	-	-	-	-	-	-	**-**	-	**-**
Dividend paid during the year	-	-	(38.56)	-	-	-	-	-	-	-	-	**(38.56)**	(3.40)	**(41.96)**
As at 31st March 2021	**415.44**	**8.74**	**1,343.57**	**-**	**0.01**	**0.60**	**359.81**	**6.60**	**-**	**14.48**	**3.25**	**2,152.50**	**335.97**	**2,488.47**

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2020

Particulars	Reserves & 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 (Refer 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 shareholding on account of Buyback of equity shares by Subsidiary	-	-	-	-	-	-	(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 14k)	-	-	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**

As per our report of even date
For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Regn. No : 101049W / E300004

per **Aravind K**
Partner
Membership No : 221268

Chennai
17th June 2021

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

S Vellayan
Managing Director

M A M Arunachalam
Chairman

K Mahendra Kumar
Chief Financial Officer

S Suresh
Company Secretary

Consolidated Cash Flow Statement

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
A. Cash Flow from Operating Activities:		
Profit Before Tax	**412.22**	**403.21**
Adjustments to reconcile Profit Before Tax to Net Cash Flows:		
Depreciation on Property, Plant and Equipment	202.14	171.46
Amortisation of Right-of-use assets	16.81	12.64
Depreciation on Investment Properties	0.21	0.16
Amortisation of Intangible assets	32.14	1.01
Share based payment expenses	1.32	3.18
Profit on Property, Plant & Equipment sold/discarded (Net)	(45.62)	(5.29)
Profit on Sale of Investments carried at FVTPL	(9.02)	(6.10)
Impairment allowance for receivables and advances (Net) (includes bad debts written off)	45.49	6.84
Net Foreign Exchange differences including impact of Foreign Currency Translation	(0.93)	1.50
Finance Income (including Fair Value changes in Financial Instruments)	(16.72)	(2.23)
Finance Costs	40.90	30.37
Liabilities/Provisions no longer payable written back	(3.60)	(9.70)
Intangible assets writen off	7.15	-
Dividend Income	(1.29)	(4.85)
Operating Profit before Working Capital / Other Changes	**681.20**	**602.20**
Adjustments for :		
(Decrease)/Increase in Long Term Liabilities	(44.20)	(7.62)
(Decrease)/Increase in Provisions and Government Grants	(7.40)	(34.22)
(Decrease)/Increase in Trade and Other Payables	240.91	(231.46)
(Decrease)/Increase in Other Financial Liabilities	(36.94)	(4.16)
(Decrease)/Increase in Other Current Liabilities	5.45	(5.68)
(Increase)/Decrease in Other Non-Current Assets	22.94	10.19
(Increase)/Decrease in Other Financial and Current Assets	7.51	6.44
(Increase)/Decrease in Trade and Other Receivables	(297.27)	126.18
(Increase)/Decrease in Inventories	(206.89)	256.53
Cash Generated From Operations	**365.31**	**718.40**
Income Tax paid (Net of refunds)	(100.39)	(122.34)
Non-Controlling Interest in Loss	2.07	-
Net Cash Flow used in discontinued operating activities	1.45	-
Net Cash Flow from Operating Activities	**268.44**	**596.06**
B. Cash Flow from Investing Activities:		
Capital Expenditure (Including Capital Work In Progress and Capital Advances)	(150.36)	(221.90)
Proceeds from Sale of Property, Plant and Equipment	7.14	2.80
(Purchase) of Current Investments (Net) (Refer Note 11c)	(311.09)	(32.56)
(Purchase) of Non Current Investments	-	(21.78)
Proceeds/(Investment) in deposits having a original maturity of more than 3 months (Net)	94.41	19.96
Unrealised Exchange gain on Consolidation (net)	6.15	-

Consolidated Cash Flow Statement

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Interest Income received	12.29	2.74
Dividend received	1.29	4.85
Net Cash Used in Investing Activities	**(340.17)**	**(245.89)**
C. Cash Flow from Financing Activities: (Refer Note 11d)		
Proceeds from Exercise of Share Options	4.17	3.99
Proceeds from Issue of Shares on Preferential basis, net of expenses relating to the issue	342.86	-
Proceeds from Long Term Borrowings	770.52	-
(Repayment) of Long Term Borrowings	(736.26)	(105.24)
(Repayment)/Proceeds from Short Term Borrowings (Net)	9.65	(69.20)
Buyback 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	(11.33)	(11.81)
Finance Costs Paid	(33.67)	(28.10)
Dividends Paid (Including Net Dividend Distribution Tax)	(42.25)	(105.92)
Unrealised Exchange (gain)/loss on Consolidation (net)	(13.83)	-
Changes in Non-controlling Interest	(4.15)	-
Net Cash Used in Financing Activities	**285.71**	**(284.12)**
Net Increase in Cash and Cash Equivalents [A+B+C]	213.98	66.05
Cash and Cash Equivalents at the Beginning of the Year	**34.96**	**(31.09)**
Additions on account of Business Combination (Refer Note 40.2)	**277.22**	**-**
Cash and Cash Equivalents at the End of the Year (Refer Note 11d)	**526.16**	**34.96**

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 **Aravind K**
Partner
Membership No : 221268

Chennai
17th June 2021

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

S Vellayan
Managing Director

M A M Arunachalam
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 six product segments namely, Cycles and Accessories, Engineering, Metal Formed Products, Gear and Gear Products, Power Systems, and Industrial Systems. The Company also has Subsidiaries and Joint Venture Companies, Viz., Shanthi Gears Limited, Financiere C10 SAS and its Subsidiaries, Great Cycles (Private) Limited, Creative Cycles (Private) Limited and CG Power and Industrial Solutions Limited (CGPISL) and its Subsidiaries (together 'CG Power'). During the year, the Company had acquired controlling state in CGPISL (Refer Note 40.2).

The Consolidated Financial Statements were authorised for issue in accordance with a resolution of the directors on 17th June 2021.

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 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

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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.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity and any resultant gain or loss arising from such loss of control, is recognised in consolidated statement of profit and loss. Any investment retained is recognised at fair value.

Changes in the Group's holding that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's holding and the non-controlling interests are adjusted to reflect the changes in their relative holding. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

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 intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and Property, Plant and Equipment, are eliminated in full). Intragroup 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 intragroup 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).

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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 or associate 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.

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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 2021	Proportion of ownership As at 31st March 2020
Financiere C10 SAS (FC 10) Subsidiaries of FC 10 - Sedis SAS - Sedis GmbH - Sedis Co. Ltd	Subsidiary –Metal Formed Products	31st December	France Germany United Kingdom	100.00%	100.00%
Shanthi Gears Limited (SGL)	Subsidiary – Gear and Gear Products	31st March	India	70.47%	70.47%
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%
CG Power and Industrial Solutions Limited Subsidiaries of CG Power and Industrial Solutions Limited:	Subsidiary - Power generation and Transmission	31st March	India	58.58% (Refer Note 40.2)	NA
- CG PPI Adhesive Products Limited			India		
- CG International Holdings Singapore Pte Limited			Singapore		
- CG Power Solutions Limited			India		
- CG Power Equipments Limited			India		
- CG Sales Networks Malaysia Sdn. Bhd.			Malaysia		
- PT Crompton Prima switchgear Indonesia			Indonesia		
- CG International BV			The Netherlands		
- CG Drives & Automation Netherlands BV			The Netherlands		
- CG Drives & Automation Germany GmbH			Germany		
- CG Industrial Holdings Sweden AB			Sweden		
- CG Drives & Automation Sweden AB			Sweden		
- CG Power Americas, LLC			USA		
- QEI, LLC			USA		
- CG-Ganz Generator and Motor Limited Liability Company			Germany		
- CG Power Solutions UK Ltd			United Kingdom		

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Company	Relationship	Year End	Country of Incorporation	Proportion of ownership	
				As at 31st March 2021	As at 31st March 2020
- CG Middle East FZE			UAE		
- CG Power Systems Canada Inc			Canada		
- CG Power and Industrial Solutions Limited Middle East FZCO			UAE		

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 Group has considered the possible effects that may result from COVID-19 in the preparation of these CFS including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of COVID-19, the Group has, at the date of approval of these CFS, used internal and external sources of information which are relevant and expects that the carrying amount of these assets will be recovered. The impact of Covid-19 on the Group's financial statements may differ from that estimated as at the date of approval of these CFS and the Group will continue to monitor any material changes to the future economic conditions.

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

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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. Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

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.

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

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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.

Where it is not possible to complete the determination of fair values by the date on which the first post-acquisition financial statements are approved, a provisional assessment of fair value is made and any adjustments required to those provisional fair values are finalised within 12 months of the acquisition date. 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 recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed twelve months 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

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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 (PPE) 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

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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 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 and 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 30-60 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.

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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 & 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

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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 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.

Construction Contracts:

Performance obligations with reference to construction contracts are satisfied over the period of time, and accordingly, Revenue from such contracts is recognised based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs. Revenue is adjusted towards liquidated damages, and price variations / escalation, wherever, applicable. Variation in contract work and other claims are included to the extent that the amount can be measured reliably and generally when it is agreed with customer. Estimates of revenue and costs are reviewed periodically and revised, wherever circumstances change, resulting increases or decreases in revenue determination, is recognised in the period in which estimates are revised.

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

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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 the services are rendered.

c. Employee State Insurance

Contributions to Employees State Insurance Scheme are recognised as expense in the year in which the services are rendered.

II. Defined Benefit Plan

a. Gratuity

Annual contributions in respect of Company and certain subsidiaries incorporated in India are made to Gratuity Funds administered by

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trustees and the Contributions are invested in a Scheme with Life Insurance Corporation of India, as permitted by Indian Law. In respect of certain other subsidiaries incorporated in India the contributions are made to the Funds operated by such subsidiaries. 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 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 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.

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

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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.

VI. Termination benefits:

Termination benefits are recognised as an expense when the entity can no longer withdraw the offer of the termination benefits or when the entity recognise any related restructuring costs whichever is earlier.

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 and low value 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, building, and vehicles having a lease term of 2 to 99 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 and Leases of Low Value Assets

The Group applies the short-term lease recognition exemption to its short-term leases (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). It also applies the lease of low value assets recognition exemption to leases of assets that are considered to be low value. Lease payments

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on short-term leases and leases on low value assets 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 and 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 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

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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 & Machinery	7.5 Years - 15 Years
Electrical Appliances	5 Years – 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 and Intangibles are not depreciated/ amortised as per Schedule II of Companies Act, 2013. These category of Property, Plant and Equipment and intangibles are depreciated/amortised based on the Group's estimate of their useful lives taking into consideration, technical advice:

Description of Assets	Category	Useful life
Buildings - Roof structure on certain factory areas, where useful life is less	PPE	3 Years – 60 Years
Plant and Machinery - Special tools and special purpose machines used in door frame products	PPE	4 Years
Plant and Machinery - Electrical Appliances such as Air Conditioner, Fridge, Water Cooler, Camera, TV, Grinder etc.,	PPE	5 Years
Plant and Machinery - used in die making process	PPE	10 Years
Plant and Machinery – Others	PPE	1 Year - 15 Years
Office Equipment - Data Processing Equipment	PPE	1 Year - 15 Years
Vehicles - Motor Vehicles	PPE	1 Year - 8 Years
Furniture & Fixtures	PPE	1 Year - 15 Years
Software	Intangibles	3 Years - 15 Years
Other Intangibles	Intangibles	2 Years - 15 Years
Intangible Asset on Lease Contract	Intangibles	19 Years - 71 Years
Technical Know-How	Intangibles	7 Years
Brand	Intangibles	10 Years – 15 Years
Customer Relationship	Intangibles	3 Years – 7 Years
Development cost R&D	Intangibles	3 Years

Depreciation / Amortisation 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.

Development expenditure on an individual project is capitalised as intangible asset, if all of the following criteria can be demonstrated:

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a. The technical feasibility of completing the intangible asset so that it will be available for use or sale;

b. The Group has intention to complete the development of intangible asset and use or sell it;

c. The Group has ability to use or sell the intangible asset;

d. The manner in which the probable future economic benefit will be generated including the existence of a market for output of the intangible asset or the intangible asset itself or if it is to be used internally, the usefulness of the intangible asset;

e. The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

f. The Group has ability to measure the expenditure attributable to the intangible asset during the development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over a period of five years. During the period of development, the asset is tested for impairment annually.

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

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forward of unused tax credits and unused tax losses can be utilised except

i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of profit and loss is recognised outside Statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

In the situations where 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.

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If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

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.

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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 previous 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.

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.

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Debt instruments at FVTOCI

The Group 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 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

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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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off Criteria, the group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in Credit risk and impairment loss, the group combines financial instruments on the basis of shared Credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in Credit risk to be identified on a timely basis.

B. Financial Liabilities

i. Initial Recognition and Measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss include derivatives. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the Criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses 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

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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.

C. Financial Guarantee Contracts

A Financial guarantee contract is a contract that requires the Group to make specified payment to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are Subsequently measured at the higher of, the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

5.29 Segment accounting:

Operating segments are those components of the business whose operating results are regularly reviewed by the management to make decisions for performance assessment and resource allocation. Segment performance is evaluated based on the profit or loss of reportable segment and is measured consistently.

The Operating segments have been identified on the basis of the nature of products / services.

a. Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.

b. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.

c. Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.

d. Segment result includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Company.

e. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

5.30 Exceptional items:

An item of income or expense which by its size, type or incidence is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed as such in the standalone financial statements.

5.31 Non-current assets held for sale and discontinued operations:

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss. Also comparative statement of profit and loss is represented as if the operation had been discontinued from the start of the comparative period. Assets and liabilities classified as held for disposal are presented separately from other assets and liabilities in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

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5.32 New and amended standards

Amendments to Ind AS 116: Covid-19-Related Rent Concessions

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1st April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1st April 2019. This amendment had no impact on the CFS of the Group.

Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments are applicable prospectively for annual periods beginning on or after the 1st April 2020. The amendments to the definition of material are not expected to have a significant impact on the Group's CFS.

Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the CFS of the Group as it does not have any interest rate hedge relationships.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1st April 2020. These amendments are not expected to have any impact on the Group's CFS.

Amendments to Ind AS 103 Business Combinations

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1st April 2020 and to asset acquisitions that occur on or after the beginning of that period. This amendment had no impact on the CFS of the Group but may impact future periods should the Group enter into any business combinations.

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Note 6a. Property, Plant and Equipment

₹ in Crores

Particulars	Gross Block at Cost							Depreciation						Net Block	
	As at 31-Mar-2020	Acquisition through Business Combination (Refer Note 40.2)	Re-classification	Exchange Fluctuation pertaining to Foreign Subsidiaries	Additions	Deletions	As at 31-Mar-2021	As at 31-Mar-2020	Re-classification	Exchange Fluctuation pertaining to Foreign Subsidiaries	For the Year	On Deletions	As at 31-Mar-2021	As at 31-Mar-2021	As at 31-Mar-2020
Land (Freehold)	**136.04**	98.14	-	**(0.14)**	**0.17**	-	**234.21**	-	-	-	-	-	-	**234.21**	**136.04**
	(135.31)	-	-	(0.02)	(0.71)	-	(136.04)	-	-	-	-	-	-	(136.04)	(135.31)
Land (Leasehold) (Refer Note d)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(17.53)	-	(17.53)	-	-	-	-	(13.44)	(13.44)	-	-	-	-	-	(4.09)
Buildings	**424.91**	**456.20**	**(1.14)**	**2.89**	**24.12**	**0.51**	**906.47**	**86.38**	**(0.77)**	**3.36**	**22.92**	**0.15**	**111.74**	**794.73**	**338.53**
	(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)
Plant & Machinery	**1,258.91**	**344.34**	-	**18.96**	**81.81**	**10.96**	**1,693.06**	**632.09**	-	**12.45**	**168.46**	**10.21**	**802.79**	**890.27**	**626.82**
	(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)
Railway Siding	**0.01**	-	-	-	-	-	**0.01**	-	-	-	-	-	-	**0.01**	**0.01**
	(0.01)	-	-	-	-	-	(0.01)	-	-	-	-	-	-	(0.01)	(0.01)
Office Equipment	**28.43**	**22.23**	-	**0.70**	**3.93**	**0.37**	**54.92**	**21.15**	-	**0.66**	**6.49**	**0.26**	**28.04**	**26.88**	**7.28**
	(25.24)	-	-	(0.03)	(3.93)	(0.77)	(28.43)	(17.86)	-	(0.02)	(3.55)	(0.28)	(21.15)	(7.28)	(7.38)
Furniture & Fixtures	**13.31**	**13.98**	-	-	**1.17**	**0.24**	**28.22**	**6.39**	-	-	**1.90**	**0.03**	**8.26**	**19.96**	**6.92**
	(12.86)	-	-	-	(0.74)	(0.29)	(13.31)	(5.04)	-	-	(1.46)	(0.11)	(6.39)	(6.92)	(7.82)
Vehicles	**11.81**	**3.71**	-	**(0.03)**	**2.29**	**2.86**	**14.92**	**6.93**	-	**(0.02)**	**2.37**	**2.30**	**6.98**	**7.94**	**4.88**
	(12.21)	-	-	(0.01)	(2.18)	(2.59)	(11.81)	(6.43)	-	-	(2.59)	(2.09)	(6.93)	(4.88)	(5.78)
TOTAL	**1,873.42**	**938.60**	**(1.14)**	**22.38**	**113.49**	**14.94**	**2,931.81**	**752.94**	**(0.77)**	**16.45**	**202.14**	**12.95**	**957.81**	**1,974.00**	**1,120.48**
	(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)**

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Note 6b - Right-of-use assets

₹ in Crores

Particulars	Gross Block at Cost							Depreciation						Net Block	
	As at 31-Mar-2020	Acquisition through Business Combination (Refer Note 40.2)	Re-classification	Exchange Fluctuation pertaining to Foreign Subsidiaries	Additions	Deletions	As at 31-Mar-2021	As at 31-Mar-2020	Re-classification	Exchange Fluctuation pertaining to Foreign Subsidiaries	For the Year	On Deletions	As at 31-Mar-2021	As at 31-Mar-2021	As at 31-Mar-2020
Land (Leasehold) (Refer Note d)	**24.95**	**288.60**	**-**	**2.31**	**7.76**	**1.50**	**322.12**	**15.34**	**-**	**3.02**	**7.88**	**0.39**	**25.85**	**296.27**	**9.61**
	-	-	(17.53)	(0.06)	(7.36)	-	(24.95)	-	(13.44)	(0.07)	(1.83)	-	(15.34)	(9.61)	-
Buildings	**61.36**		**-**	**1.47**	**6.12**	**11.30**	**57.65**	**9.87**	**-**	**0.38**	**8.12**	**3.58**	**14.79**	**42.86**	**51.49**
	-	-	-	-	(61.36)	-	(61.36)	-	-	(0.04)	(9.83)	-	(9.87)	(51.49)	-
Vehicles	**1.97**		**-**	**0.22**	**-**	**-**	**2.19**	**1.00**	**-**	**0.14**	**0.81**	**-**	**1.95**	**0.24**	**0.97**
	-	-	-	-	(1.97)	-	(1.97)	-	-	(0.02)	(0.98)	-	(1.00)	(0.97)	-
TOTAL	**88.28**	**288.60**	**-**	**4.00**	**13.88**	**12.80**	**381.96**	**26.21**	**-**	**3.54**	**16.81**	**3.97**	**42.59**	**339.37**	**62.07**
	-	**-**	**(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-2020	Acquisition through Business Combination (Refer Note 40.2)	Re-classification	Exchange Fluctuation pertaining to Foreign Subsidiaries	Additions	Deletions	As at 31-Mar-2021	As at 31-Mar-2020	Re-classification	Exchange Fluctuation pertaining to Foreign Subsidiaries	For the Year	On Deletions	As at 31-Mar-2021	As at 31-Mar-2021	As at 31-Mar-2020
Software	**3.39**		**-**	**-**	**1.90**	**-**	**5.29**	**1.72**	**-**	**-**	**2.35**	**-**	**4.07**	**1.22**	**1.67**
	(1.67)	-	(0.24)	-	(1.48)	-	(3.39)	(1.22)	(0.03)	-	(0.47)	-	(1.72)	(1.67)	(0.45)
Fair Value of Lease Contracts	10.18		-	(0.68)	**-**	**-**	9.50	**1.12**	**-**	**(0.10)**	**0.54**	**-**	**1.56**	**7.94**	**9.06**
	(10.27)	-	(0.24)	(0.15)	-	-	(10.18)	(0.61)	(0.03)	-	(0.54)	-	(1.12)	(9.06)	(9.66)
Technical Know-How	-	234.00		(2.08)	-	-	231.92	-			10.14		**10.14**	**221.78**	**-**
	-													-	-

Notes to Consolidated Financial Statements

Particulars	Gross Block at Cost							Depreciation						Net Block	
	As at 31-Mar-2020	Acquisition through Business Combination (Refer Note 40.2)	Re-classification	Exchange Fluctuation pertaining to Foreign Subsidiaries	Additions	Deletions	As at 31-Mar-2021	As at 31-Mar-2020	Re-classification	Exchange Fluctuation pertaining to Foreign Subsidiaries	For the Year	On Deletions	As at 31-Mar-2021	As at 31-Mar-2021	As at 31-Mar-2020
Brand	-	160.00		(1.24)	-	-	158.76	-			2.68		**2.68**	**156.08**	**-**
	-													-	-
Order Booking	-	5.70			-	-	5.70	-			0.95		**0.95**	**4.75**	**-**
	-													-	-
Customer Relationshiop	-	159.20		(0.67)	-	-	158.53	-			14.50		**14.50**	**144.03**	**-**
	-													-	-
Development cost R&D	-	2.60			14.74	6.98	10.36	-			0.31		**0.31**	**10.05**	**-**
	-													-	-
Intangibles	-	5.70			1.10		6.80				0.67		**0.67**	**6.13**	
	-														
Total	**13.57**	**567.20**	**-**	**(4.67)**	**17.74**	**6.98**	**586.86**	**2.84**	**-**	**(0.10)**	**32.14**	**-**	**34.88**	**551.98**	**10.73**
	(11.94)	**-**	**(0.48)**	**(0.15)**	**(1.48)**	**-**	**(13.57)**	**(1.83)**	**(0.06)**	**-**	**(1.01)**	**-**	**(2.84)**	**(10.73)**	**(10.11)**

Notes:

a. All the above assets are owned unless otherwise stated as leased asset.

b. Certain borrowing of the Group are secured by first pari-passu charge on certain identified PPE of the Group.

c. Previous year figures are given in brackets.

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

e. The Group's application for renewal of lease in respect of Property in Mumbai is pending consideration of Local Municipal Corporation. The net book value of Tangible Assets in relation to this property is ₹181.79 Crores.

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Note 6d. Goodwill on Consolidation

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Opening Balance as at beginning of the year	309.22	309.13
Adjustment on account of business combination (Refer Note 40.2)	287.82	-
Effect of Foreign Currency Translation	2.80	0.09
Closing Balance as at end of the year	**599.84**	**309.22**
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	**599.84**	**309.22**

Goodwill recognised at the time of acquisition of Shanthi Gears Limited (SGL)

The Goodwill recognised at the time of acquisition of the SGL represents the significant portion of the total Goodwill carried by the Group. The quoted market value of shares of SGL as on 31st March 2021 is ₹687.61 Crores which is significantly higher than the acquisition price. Accordingly, based on the assessment of goodwill done by the group, it believes that the carrying amount of goodwill is recoverable and no impairment has been considered.

Goodwill recognised at the time of acquisition of CG Power and Industrial Solutions Limited (CGPISL)

The Goodwill recognised at the time of acquisition of the CGPISL represents the significant portion of the total Goodwill carried by the Group. The quoted market value of shares and warrants of CGPISL as on 31st March 2021 is ₹4,754.72 Crores which is significantly higher than the acquisition price. Accordingly, based on the assessment of goodwill done by the group, it believes that the carrying amount of goodwill is recoverable and no impairment has been considered.

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

	As at 31-Mar-2021	As at 31-Mar-2020
Opening Balance as at beginning of the year	12.87	12.63
Additions during the year	-	0.24
Tranferred from PPE	1.14	-
Closing Balance as at end of the year	**14.01**	**12.87**
Depreciation		
Opening Balance as at beginning of the year	0.77	0.61
Accumulated Depreciation - Tranferred from PPE	0.77	-
Depreciation during the year	0.21	0.16
Closing Balance as at end of the year	**1.75**	**0.77**
Net Block as at the end of the year	**12.26**	**12.10**

Notes to Consolidated Financial Statements

Information regarding income and expenditure of Investment property ₹ in Crores

	31-Mar-2021	31-Mar-2020
Rental Income derived from Investment Properties	2.03	1.22
Direct Operating Expenses (including repairs and maintenance)	-	-
Profit arising from Investment Properties before Depreciation and Indirect Expenses	**2.03**	**1.22**
Depreciation	(0.21)	(0.16)
Profit arising from Investment Properties before Indirect Expenses	**1.82**	**1.06**

The Group's Investment Property consists of properties in Chennai, Mumbai and Coimbatore.

As at 31st March 2021, the Fair Value of the Properties is ₹44.68 Crores (31st March 2020 - ₹30.30 Crores)

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

	31-Mar-2021	31-Mar-2020
Opening Balance as at beginning of the year	30.30	16.77
Tranferred from PPE	12.93	-
Fair value difference	1.45	13.53
Closing Balance as at end of the year	**44.68**	**30.30**

Note 8a. Financial assets - Investments

Particulars	Nominal Value ₹ per unit	Number of Securities		₹ in Crores	
		As at 31-Mar-2021	As at 31-Mar-2020	As at 31-Mar-2021	As at 31-Mar-2020
Investments at Fair Value Through Other Comprehensive Income (FVTOCI):					
Equity Shares (Fully Paid) - Unquoted					
Bombay Mercantile Co-op. Limited (Fair value ₹5,000 only) (Refer Note c)	10	500	500	-	-
Southern Energy Development Corporation Limited	10	70,000	70,000	7.35	7.86
TI Cycles of India Co-operative Canteen Limited (Fair value - ₹250 only) (Refer Note c)	5	50	50	-	-
TI Diamond-Miller Co-operative Canteen Limited (Fair value - ₹100 only) (Refer Note c)	5	20	20	-	-
Cauvery Power Generation Chennai Private Limited	10	24,00,000	24,00,000	-	-
Watsun Infrabuild Private Limited	10	10,55,913	10,55,913	1.06	1.06
Bond - Quoted					
RECL Tax Free Bonds	1,000	70,000	70,000	7.63	7.56
				16.04	**16.48**

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Particulars	Nominal Value ₹ per unit	Number of Securities		₹ in Crores	
		As at 31-Mar-2021	As at 31-Mar-2020	As at 31-Mar-2021	As at 31-Mar-2020
Investments at Amortised Cost:					
Investments in Tax Free Bonds - Quoted					
PFC Tax Free Bonds	1,000	12,567	12,567	1.31	1.31
IRFC Tax Free Bonds	1,000	36,783	36,783	3.96	3.96
NHAI Tax Free Bonds	1,000	71,428	71,428	8.01	8.01
IREDA Tax Free Bonds	1,000	23,624	23,624	2.41	2.41
HUDCO Tax Free Bonds	1,000	41,442	41,442	4.28	4.28
NABARD Tax Free Bonds	1,000	4,008	4,008	0.40	0.40
RECL Tax Free Bonds	1,000	28,000	28,000	3.23	3.23
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	10,00,000	20	20	1.99	1.99
Government or trust securities	100	39,000	-	0.39	-
				28.06	**27.67**
Investments at Fair Value Through Profit and Loss (FVTPL):					
Investments in Debentures/Bonds	100	5,000	-	0.05	-
Investments in Equity Instruments				128.90	-
Less : Provision for diminution in value of investment				(127.48)	-
				1.47	**-**
Total				**45.57**	**44.15**

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Quoted		
Cost	35.42	35.03
Market value	35.69	35.23
Unquoted		
Cost	132.49	3.54
Aggregate amount of impairment in the value of investments carried at FVTPL	127.48	-

Notes:

a. Investments at fair value through OCI (fully paid) reflect investment in unquoted equity securities and quoted debt securities. The Group has designated the unquoted equity securities as FVTOCI on the basis that these are not held for trading. Investments at amortised cost reflect investments in quoted tax free bonds. Refer Note 41.1 for determination of their fair value

b. Consequent to discontinuance of TI Tsubamex Private Limited ("TTPL") operations, sale of its assets and settling of its liabilities, the Group made an application to the Registrar of Companies, Chennai (ROC) for striking off TTPL's name from the Register of Companies. The final approval from ROC is awaited.

c. Represents amounts less than ₹1 Lakh.

Notes to Consolidated Financial Statements

Note 8b. Other Financial assets

₹ in Crores

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

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Electricity & Other deposits	30.34	20.96
Others *	15.07	7.75
Total	**45.41**	**28.71**

* Deposits as at 31 March, 2021 includes ₹0.14 crores held as margin money.

Note 9. Other non-current assets

(Considered Good, Unsecured unless stated otherwise) ₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Capital Advances		
- Secured	0.99	5.49
- Unsecured		
Considered Good	12.99	12.34
Considered Doubtful	0.18	0.18
	14.16	**18.01**
Less: Provision for Doubtful Advance	(0.18)	(0.18)
	13.98	**17.83**
Balance with Customs, Excise and Sales Tax Authorities	21.54	25.21
Rental Advance	0.17	0.15
Others	12.33	-
Total	**48.02**	**43.19**

Note 10. Inventories

(Lower of Cost and Net Realisable Value) ₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Raw Materials	399.28	157.16
Work-in-Progress	381.17	213.94
Finished Goods	258.46	124.05
Stock-in-Trade	21.49	36.15
Stores and Spare Parts	10.81	8.24
Goods-in-Transit		
- Raw Materials	34.44	18.26
- Stock-in-Trade	3.71	0.82
Total	**1,109.36**	**558.62**

During the year ended 31st March 2021, ₹2.52 Crores was recognised as an expense to bring the inventories to record them at Net Realisable Value. (31st March 2020 - ₹3.61 Crores)

Notes to Consolidated Financial Statements

Note 11a. Financial assets - Loans

(Considered Good, Unsecured unless stated otherwise) ₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Loan to Employees	1.93	3.13
Total	**1.93**	**3.13**

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-2021	As at 31-Mar-2020
Considered Good	1,277.85	512.26
Provision for Receivables	(4.52)	(3.98)
	1,273.33	**508.28**
Trade Receivables which have significant increase in Credit Risk	9.99	21.41
Provision for Receivables	(4.80)	(5.05)
	5.19	**16.36**
Trade Receivables - credit impaired	180.59	2.96
Provision for Impairment on Receivables	(180.59)	(2.96)
	-	-
Breakup of Security - Credit Risk		
Considered Good	1,277.85	512.26
Trade Receivables which have significant increase in credit Risk	9.99	21.41
Trade Receivables - credit impaired	180.59	2.96
	1,468.43	**536.63**
Provision for Doubtful / Impairment on Receivables	(189.91)	(11.99)
Total	**1,278.52**	**524.64**

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-2021	As at 31-Mar-2020
Opening Balance as at beginning of the year	11.99	9.08
Additions / adjustments on account of Business Combination (Refer Note 40.2)	133.80	-
Created / (Reversed) during the year	44.12	2.91
Closing Balance as at end of the year	**189.91**	**11.99**

Note 11c. Investments

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Quoted Investments - FVTPL		
Investments in Mutual Funds	323.49	141.65
Total	**323.49**	**141.65**

During the year, the Group has invested an aggregate amount of ₹2,476.00 Crores (Previous Year - ₹1,685.59 Crores) in the units of various Cash Management Schemes of Mutual funds, for the purpose of deployment of temporary cash surplus and

Notes to Consolidated Financial Statements

has ₹323.49 (Previous Year - ₹141.65 Crores) in mutual funds as at year end. The total consideration received on the sale of units during the year was ₹2,303.64 Crores (Previous Year - ₹1659.73 Crores).

Note 11d. Cash and Cash Equivalents

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Balances with Banks in Current Account	226.99	28.11
Fixed Deposits (Refer Note b)	284.56	3.93
Cash on Hand	14.73	2.95
	526.28	**34.99**
Cash Credit facility (Secured)	(0.12)	(0.03)
Total Cash and Cash Equivalents as per Statement of Cash Flow	**526.16**	**34.96**

Notes:

a) As at 31st March 2021, the Group has undrawn committed lines of ₹1065.47 Crores (As at 31st March 2020 - ₹359.07 Crores).

b) Deposits as at 31st March, 2021 includes ₹0.85 crores held as margin money.

c) Changes in liabilities arising from financial activities:

₹ in Crores

Particulars	As at 31-Mar-2020	Effect of reclassification	Cash Inflows / (Outflows)	Foreign exchange movement impact	Finance cost charged during the year	As at 31-Mar-2021
Non-current financial liabilities - borrowings:						
Term loans from banks	20.01	(5.04)	653.78	(0.20)	0.48	**669.03**
Debentures	200.00	-	50.00	-	1.03	**251.03**
Non-current other financial liabilities						
Interest accured on debentures	-	-	-	-	2.94	**2.94**
Current financial liabilities - borrowings:						
Working Capital Loans	526.88	-	(120.90)	-	-	**405.98**
Cash Credit	0.03	-	0.09	-	-	**0.12**
Current - other financial liabilities:						
Current maturity long term borrowings	985.05	5.04	(477.30)	(12.21)	-	**500.58**
Current maturity long term borrowings - Debentures	101.97	-	(50.94)	-	-	**51.03**
Interest accrued but not due on borrowings	26.41	-	(16.05)	(3.46)	29.95	**36.85**
Total	**1,860.35**	**-**	**38.68**	**(15.87)**	**34.40**	**1,917.56**

Notes to Consolidated Financial Statements

₹ in Crores

Particulars	As at 31-Mar-2019	Effect of reclassification	Cash Inflows / (Outflows)	Foreign exchange movement impact	Finance cost charged during the year	As at 31-Mar-2020
Non-current financial liabilities - borrowings:						
Term loans from banks	20.96	-	(5.17)	-	-	**15.79**
Debentures	101.95	(101.95)	(7.71)	-	7.71	**-**
Non-current other financial liabilities						
Interest accured on debentures	-	-	-	-	-	**-**
Current financial liabilities - borrowings:						
Working Capital Loans	322.99	-	(69.38)	-	-	**253.61**
Cash Credit	64.56	-	(64.53)	-	-	**0.03**
Current - other financial liabilities:						
Current maturity long term borrowings	-	-	-	-	-	**-**
Current maturity long term borrowings - Debentures	100.83	101.95	(100.83)	-	0.02	**101.97**
Interest accrued but not due on borrowings	-	-	-	-	-	**-**
Total	**611.29**	**-**	**(247.62)**	**-**	**7.73**	**371.40**

Note 11e. Balances with Banks other than 11d above

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Unpaid Dividend Accounts (Refer note a)	3.12	2.82
Bank Deposits with original maturity of more than 12 months (Refer note b & c)	35.69	-
Others	10.45	-
Total	**49.26**	**2.82**

Notes:

a) There are restrictions in the balances in Unpaid Dividend accounts

b) Deposits as at 31st March, 2021 includes ₹6.21 crores held as margin money.

c) Fixed deposit kept under escrow account of ₹10.45 crores (Euro 1.22 Mn) received under share purchase agreement executed on 6th March, 2017 entered for sale of automation business.

Note 11f. Other Financial assets

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

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Interest Accrued		
- Income recognised on Fixed Deposit and Tax Free Bonds	3.15	2.37
- Others	3.38	-

Notes to Consolidated Financial Statements

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Claims Recoverable		
- Goods and Services	0.64	0.35
- Employee Related	0.04	0.11
Balance in Fixed Deposit Accounts	53.51	11.40
Other Deposits	39.75	7.30
Government Grants	5.32	8.32
Others	6.00	1.32
Receivable on deconsolidation of HBE group *	163.67	-
Total	**275.46**	**31.17**

* The subsidiaries of CGPISL namely CG Holdings Belgium NV CG Power Systems Belgium NV (PSBE), the step down subsidiaries of PSBE, CG Power Systems Ireland Ltd, PT CG Power Systems Indonesia, CG Sales Networks France SA and CG Power Solutions Saudi Arabia Ltd are collectively known as 'HBE Group'. These entities are under liquidation and no longer forms part of the Group. These amounts represent the amount receivable from such entities.

Note 12. Other current assets

(Considered Good, Unsecured unless stated otherwise) **₹ in Crores**

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Advances Recoverable		
- Goods and Services	101.95	31.29
- Employee Related	14.21	13.83
- Prepaid Expenses	19.92	6.07
	136.08	**51.19**
Balances with Customs, Excise, Sales Tax and GST Authorities*	255.91	14.60
Contract Assets	0.98	-
	392.97	**65.79**
Provision for Doubtful advances for Goods and Services	(3.70)	(3.70)
Total	**389.27**	**62.09**

* Balances with Customs, Excise, Sales Tax and GST Authorities as at 31 March, 2021 includes statutory receivables of ₹140.22 crores and deposits (includes towards disputed tax demands) of ₹67.18 crores.

Note - 13. Equity Share Capital

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Authorised Capital		
25,00,00,000 Equity Shares of ₹1 each	25.00	25.00
(31st March 2020: 25,00,00,000 Equity Shares of ₹1 each)		
Issued, Subscribed and Paid-up Capital		
19,28,16,871 Equity Shares of ₹1 each fully paid up (31st March 2020: 18,78,75,429 Equity Shares of ₹1 each fully paid up)	19.28	18.79
	19.28	**18.79**

Notes to Consolidated Financial Statements

a) The Reconciliation of shares capital is given below: ₹ in Crores

	As at 31-Mar-2021		As at 31-Mar-2020	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	18,78,75,429	18.79	18,77,11,281	18.77
Issue of shares on Preferential Basis (Refer Note e below)	47,83,380	0.48	-	-
Shares issued under the Employee Stock Option Scheme	1,58,062	0.01	1,64,148	0.02
At the end of the year	**19,28,16,871**	**19.28**	**18,78,75,429**	**18.79**

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 ₹ in Crores

Particulars	As at 31-Mar-2021		As at 31-Mar-2020	
	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	35.77%	6,89,66,595	36.71%
Small Cap World Fund Inc (Face Value ₹1 each)	1,39,50,550	7.24%	61,69,000	3.29%

d) Status on Global Depository Receipts (GDRs):

The aggregate number of GDRs deemed to be outstanding as at 31st March 2021 is 9,300 (As at 31st March 2020 – 9,300) each representing one Equity Share of ₹1 face value. GDR % against total number of shares is 0.005% (Previous year – 0.005%). The GDRs carry the same terms/rights attached to Equity Shares of the Company. The aforesaid GDRs are not listed in any Stock Exchange.

e) During the year, the Company had allotted 47,83,380 shares to eligible investors on preferential basis at ₹731.70 per share (including premium) for an aggregate consideration of ₹350 Crores.

Note - 14. Other equity

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
General Reserve	359.81	359.51
Securities Premium	415.44	8.93
Retained Earnings	1,343.57	1,300.34
Other Reserves		
Share Options Outstanding Account	8.74	9.07
Cash Flow Hedge Reserve	6.60	0.62
Foreign Currency Translation Reserve	14.48	7.27
FVTOCI Reserve	3.25	3.56
Capital Reserve	0.60	0.60
Capital Redemption Reserve	0.01	0.01
Debenture Redemption Reserve	-	25.00
Total	**2,152.50**	**1,714.91**

Notes to Consolidated Financial Statements

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-2021	As at 31-Mar-2020
Balance at the beginning of the year	359.51	361.77
Exercise of share options	0.30	0.42
Net effect of change in shareholding on account of Buyback of equity shares by Subsidiary (Refer Note below)	-	(2.68)
Balance at the end of the year	**359.81**	**359.51**

Note: During the previous 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 Crores 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 buyback of its own shares / securities under Section 68 of the Companies Act, 2013.

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Balance at the beginning of the year	8.93	3.60
Additions / Adjustments pertaining to Business Combination (Refer Note 40.2) and preferential issue	401.02	-
Exercise of share options	5.49	5.33
Balance at the end of the year	**415.44**	**8.93**

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-2021	As at 31-Mar-2020
Balance at the beginning of the year	1,300.34	1,019.72
Profit for the Year	286.32	306.34
Other comprehensive income for the Year (Note 29)	(4.06)	(9.71)
DRR transferred to Retained Earnings (Net)	25.00	25.00
Additions / Adjustments pertaining to Business Combination (Refer Note 40.2) and preferential issue	(225.50)	-

Notes to Consolidated Financial Statements

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Exercise of share options	0.03	0.16
Dividend paid during the year	(38.56)	(97.73)
Adjustment relating to Employee benefit trust (Refer Note k below)	-	56.56
Balance at the end of the year	**1,343.57**	**1,300.34**

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-2021	As at 31-Mar-2020
Balance at the beginning of the year	9.07	7.95
Exercise of share options	(1.88)	3.18
Share-based payments	1.55	(2.06)
Balance at the end of the year	**8.74**	**9.07**

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-2021	As at 31-Mar-2020
Balance at the beginning of the year	0.62	4.79
Other comprehensive income for the Year (Note 29)	5.98	(4.17)
Balance at the end of the year	**6.60**	**0.62**

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-2021	As at 31-Mar-2020
Balance at the beginning of the year	7.27	4.25
Other comprehensive income for the Year (Note 29)	7.21	3.02
Balance at the end of the year	**14.48**	**7.27**

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-2021	As at 31-Mar-2020
Balance at the beginning of the year	3.56	4.30
Other comprehensive income for the Year (Note 29)	(0.31)	(0.74)
Balance at the end of the year	**3.25**	**3.56**

Notes to Consolidated Financial Statements

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-2021	As at 31-Mar-2020
Balance at the beginning of the year	0.60	0.49
Receipt of subsidy	-	0.11
Balance at the end of the year	**0.60**	**0.60**

i. **Capital Redemption Reserve** **₹ in Crores**

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
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**

j. **Debenture Redemption Reserve (DRR) -** The Companies (Share capital and Debentures) Rules, 2020 (as amended), does not require the company to create DRR out of profits of the company available for payment of dividend. Hence no DRR has been created.

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Balance at the beginning of the year	25.00	50.00
DRR transferred to Retained Earnings	(25.00)	(25.00)
Balance at the end of the year	**-**	**25.00**

k. **Treasury Shares –** During the previous year 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 previous 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 Crores (net of taxes) had been credited to retained earnings.

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Balance at the beginning of the year	-	(0.25)
Adjustment relating to Employee Benefit Trust	-	0.25
Balance at the end of the year	**-**	**-**

Notes to Consolidated Financial Statements

Note 15 a. Long term Borrowings

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Secured		
Secured, Listed and Rated Non-Convertible Debentures (NCD)		
4.80% Privately Placed NCD (Refer Note a)	51.03	-
Term Loan from Banks (Refer Note b)	665.01	15.79
Unsecured		
Non-Convertible Debentures (NCD)(Refer Note c(i))	200.00	-
Term Loan from Banks (Refer Note c(iii))	4.02	
Total	**920.06**	**15.79**

a. 4.80% Privately placed NCDs are secured by a pari passu first charge on certain immovable properties of the Group.

Coupon Rate	Effective Interest Rate	Outstanding Amount in ₹ Crores	Maturity date and Redemption particulars
*4.80%	*4.80%	50.00	27-Apr-22
4.80%	4.80%	50.00	27-Oct-21

* Classified as "Other Financial Liabilities" (Refer Note 17c)

b. **Secured term loans from banks:**

i) The term loan of ₹608.15 Crores as at 31st March, 2021 has been drawn at rate of interest of MCLR plus applicable spread and is secured by first charge on fixed assets except such properties as may be specifically excluded. Second charge by way of hypothecation of inventories and book debts / receivables of CGPISL and a Corporate Guarantee of the Company. The Term Loan will be repaid in 20 structured quarterly instalments starting from December 2022.

ii) The term loans having an outstanding amount of ₹0.15 Crores as at 31st March, 2021 are repayable in 6-48 equal monthly instalments and are secured by hypothecation of vehicles. (Current maturity pertaining to the said loan is ₹0.12 Crores (Refer Note 17c)).

iii) The term loan of ₹237.77 Crores as at 31st March, 2021, at an interest rate of 3 Months LIBOR+450 bps. The loan is repayable on demand. The loan is secured by way of exclusive charge on all inventory and receivables situated at specified location. The loan is supported by Corporate Guarantee of CG International B.V. Current maturity pertaining to the said loan is ₹237.77 Crores (Refer Note 17c).

iv) The term loan of ₹36.56 Crores as at 31st March, 2021 is secured by land, factory, machineries, inventories and receivables situated at specified location. The loan is supported by Corporate Guarantee of CGPISL upto 51% of loan liability. Current maturity pertaining to the said loan is ₹36.56 Crores (Refer Note 17c).

v) The term loan of `Stibor plus 2.25% for a period of 2 years. ₹23.94 Crores as at 31st March 2021 is repayable in quarterly instalment of SEK 1.5 million. The loan is secured by pledging of shares of subsidiary. Current maturity pertaining to the said loan is ₹5.04 Crores (Refer Note 17c).

c. **Unsecured Loans:**

i) The Non-Convertible Debenture (NCDs) are unlisted, unsecured, redeemable and non-convertible. NCDs are issued in terms of Settlement Agreement to lender towards settlement of borrowings. NCDs carry coupon rate of 0.01% for the initial period of 2 years and thereafter 8% p.a. until the maturity date. The NCDs are repayable after 5 years from the date of allotment. CGPISL has the right to redeem the NCDs, in whole or part, on and after initial period of 2 years from date of allotment of the NCDs till the date of maturity.

Notes to Consolidated Financial Statements

ii) The term loan of ₹221.09 Crores is repayable on demand. The loan was supported by Corporate Guarantee of CGPISL. (Current maturity pertaining to the said loan is ₹221.09 Crores (Refer Note 17c)).

iii) Term loan of ₹4.02 Crores bears interest at a rate of 1% and is payable in monthly installments of principal and interest over 24 months beginning 6 months from the date of the note. Current maturity is Nil. The loan may be repaid at any time with no prepayment penalty.

Note 15 b. Lease Liabilities

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Lease Liability (Refer Note 38)	44.90	37.09
Total	**44.90**	**37.09**

Note 15 c. Other Financial Liabilities

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Interest accured on Debentures	2.94	-
Deposits payable	4.67	-
Other	0.46	-
Total	**8.07**	**-**

Note 15 d. Long Term Provisions

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Provision for Compensated Absences (Refer Note 18 a)	19.71	-
Provision for warranty (Refer Note 18 b)	7.91	-
Total	**27.62**	**-**

Note 16. Deferred Tax Assets & Liabilities

₹ in Crores

Particulars	Balance Sheet		Statement of Profit and Loss	
Nature - (Liability) / Asset	**31-03-2021**	**31-Mar-2020**	**31-03-2021**	**31-Mar-2020**
Deferred Tax Liabilities				
Difference between depreciation as per books of accounts and the Income Tax Act, 1961	(547.54)	(36.30)	511.24	(24.10)
Deferred Tax on proportionate share in proposed dividend of a subsidiary	-	-	-	(1.10)
Deferred Tax on Foreign Currency Translation Reserve	(4.30)	(2.45)	1.85	0.13
Others	-	-	-	(2.24)
Deferred Tax Liabilities - A	**(551.84)**	**(38.75)**	**513.09**	**(27.31)**
Deferred Tax Assets				
Provision for Doubtful / Impairment on Receivables	26.94	3.93	(23.01)	(0.90)
Provision for Employee Benefits	10.35	6.52	(3.83)	0.22
On expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	49.11	9.00	(40.11)	7.48
Effect of Cash Flow Hedge and Fair Value of Equity Investments through OCI	2.18	1.25	(0.93)	(6.24)

Notes to Consolidated Financial Statements

Particulars	Balance Sheet		Statement of Profit and Loss	
Nature - (Liability) / Asset	**31-03-2021**	**31-Mar-2020**	**31-03-2021**	**31-Mar-2020**
Provision for Corporate Guarantee obligation settlement	122.79	-	(122.79)	-
Unabsorbed losses and unabsorbed depreciation	870.96	-	(870.96)	-
Others	218.00	10.48	(207.52)	(3.79)
Deferred Tax Assets - B	**1,300.33**	**31.18**	**(1,269.15)**	**(3.23)**
Adjustment on account of Business Combination (Refer Note 40.2)			**756.55**	**-**
Deferred Tax (Income) / Expense (A+B)			**0.49**	**(30.54)**
Net Deferred Tax Liabilities (A+B)	**748.49**	**(7.57)**		

Summary	31-Mar-21	31-Mar-20
Deferred Tax Assets	**759.23**	**10.57**
Deferred Tax Liabilities	**(10.74)**	**(18.14)**
Deferred Tax Assets / (Liabilities) Net	**748.49**	**(7.57)**

Reconciliation of Deferred Tax Assets (Net) **₹ in Crores**

Particulars	31-Mar-21	31-Mar-20
Opening balance	(7.57)	(38.11)
Tax Expense during the period recognised in Statement of Profit and Loss	(0.15)	17.30
Tax (income)/Expense during the period recognised in OCI	(1.24)	6.24
Tax on proportionate share in proposed dividend of a subsidiary	-	1.10
Tax on Foreign Currency Translation Reserve	-	(0.13)
Adjustment on account of Business Combination (Refer Note 40.2)	756.55	-
Others	0.90	6.03
Closing balance	**748.49**	**(7.57)**

At 31st March 2021, 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. 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 2021 and 31st March 2020, the parent company has paid dividend to its shareholders. With effect from 1st April 2020, the Dividend Distribution Tax ('DDT') payable by the company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.

During the year ended 31st March, 2021, the Group has recognised deferred tax asset on losses based on availability of future taxable profits and the same is subject to change, if any, which may arise due to recasting exercise. Deferred tax assets have not been recognized in respect of losses arisen in subsidiaries of CGPISL as they may not be used to offset taxable profits elsewhere in the Group. Those subsidiaries have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

Notes to Consolidated Financial Statements

Note 17a. Short term Borrowings

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Secured Borrowings (secured by pari passu first charge on Inventories and Trade Receivables)		
From Banks		
Working Capital Loans	281.59	128.91
Cash Credit	0.12	0.03
	281.71	**128.94**
Unsecured Borrowings		
Working Capital Loans	124.39	124.70
	124.39	**124.70**
Total	**406.10**	**253.64**

Note:

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

b) During the current year, the Group has borrowed fresh short term loans amounting to ₹1,643.24 Crores (includes ₹142.72 Crores relating to borrowings taken over by group pursuant to the acquisition of CGPISL) (Previous year - ₹1,015.27 Crores) and repaid loans to the tune of ₹1,490.87 Crores (Previous year - ₹1,084.65 Crores) relating to Packing Credit, Commercial Paper and other Short Term Working Capital Loans.

c) Working capital demand loan of ₹0.24 Crores from bank is secured by hypothecation of stocks and book debts and is further secured by mortgage by deposit of title deeds in respect of its immovable properties, both present and future consisting of land, factory building structures, erections, godowns and furniture and fixtures situated at specified location.

d) Loan from banks of ₹132.59 Crores (settled amount) is to be secured by creation and perfection of security over specified property within agreed period and accordingly classified as secured. Subsequent to year end, loan is settled by payment of ₹127.75 Crores except for ₹4.84 Crores payable to one lender which is secured by lien over a time deposit and all the banks have discharged entire borrowings by perfection of security over specified property.

Note 17b. Trade Payables

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Trade Payables		
- Dues to Micro, Small & Medium Enterprises	34.17	3.99
- Others	2,222.84	691.95
Total	**2,257.01**	**695.94**
* Includes Dues to		
Key Managerial Personnel	2.39	2.26
Clean Max Enviro Energy Solutions Pvt. Ltd.	0.11	-
Parry Enterprises India Limited	0.13	-

Note 17c. Other Financial Liabilities

(At Amortised Cost)

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Current maturities of Long Term Borrowings (Refer Note 15a)	537.43	-
Secured, Listed and rated Non-Convertible Debentures (NCD)		
- 4.80% Privately Placed NCD*	51.03	-
- 7.56% Privately Placed NCD*	-	101.97
Unpaid Dividends #	2.77	2.82

Notes to Consolidated Financial Statements

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Advances and Deposits from Customers / Others	10.60	6.98
Dues to Directors	1.10	1.65
Liability on deconsolidation of HBE group (Refer Note 11f)	455.94	-
Other liabilities		
- Recoveries from Employees	31.30	3.79
- Capital Creditors	46.45	18.26
- Others ##	490.32	0.83
Total	**1,626.94**	**136.30**

* Refer Note 15a for nature of security and repayment terms

Unpaid dividend includes ₹0.16 Crores due and outstanding in respect of CGPISL, to be credited to Investor Education and Protection Fund ("IEPF") which could not be credited to IEPF account due to technical issues. CGPISL is in the process to remit the amount to IEPF.

Major items as at 31st March, 2021 includes provision towards guarantee settlement consideration of ₹227.37 crores and provision towards delay in completion of contractual obligation of ₹156.90 crores.

Note 18. Short Term Provisions

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Provision for Compensated Absences (Refer Note a below)	18.75	19.53
Gratuity Obligation (Net of plan assets) (Refer Note 34a)	6.82	0.88
Provident Fund (Net of plan assets) (Refer Note 34b)	5.66	4.35
Provision for Warranties (Refer Note b below)	41.91	2.24
Provision for Contingency / Others (Refer Note c below)	85.38	24.25
Provision for liquidation of subsidiaries businesses	63.82	-
Provision for Other litigation Claims (Refer Note d below)	35.22	-
Provision for Onerous Contracts (Refer Note e below)	3.23	-
Others	14.79	12.73
Total	**275.58**	**63.98**

(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-2021	As at 31-Mar-2020
At the Beginning of the Year	2.24	2.59
Addition on account of Business Combination (Refer Note 40.2)	50.54	-
Created during the Year	1.55	1.51
Utilized during the Year	(4.51)	(1.86)
At the End of the Year	**49.82**	**2.24**
- Current	41.91	2.24
- Non-Current	7.91	-

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.

Notes to Consolidated Financial Statements

(c) Provision for Contingencies/Others ₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
At the Beginning of the Year	24.25	38.96
Addition on account of Business Combination (Refer Note 40.2)	49.77	-
(Utilised) / Created during the Year	11.36	(14.71)
At the End of the Year	**85.38**	**24.25**

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.

(d) Provision for Other litigation Claims ₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
At the Beginning of the Year	-	-
Addition on account of Business Combination (Refer Note 40.2)	35.25	-
(Utilised) / Created during the Year	(0.03)	-
At the End of the Year	**35.22**	**-**

Provision for Litigation related obligations represents estimated liabilities that are expected to materialise in respect of matters under litigation.

(e) Provision for Onerous Contracts ₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
At the Beginning of the Year	-	-
Addition on account of Business Combination (Refer Note 40.2)	3.16	-
(Utilised) / Created during the Year	0.07	-
At the End of the Year	**3.23**	**-**

Provision for onerous contracts have been made on contracts when it is probable that the estimated cost will exceed the total contract revenue.

Note 19. Other current liabilities

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Statutory Liabilities	91.76	26.38
Advances from Customers	237.28	27.62
Advance from Others	546.71	-
Others	34.55	-
Total	**910.30**	**54.00**

Note 20a. Financial Assets

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Financial Assets - Non Current		
At Fair Value		
Investments at FVTOCI	16.04	16.48
Investments at FVTPL	1.47	-

Notes to Consolidated Financial Statements

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
At Amortised Cost		
Investments at Amortised Cost	28.06	27.67
Other Financial Assets	45.41	28.71
Total Non Current Financial Assets (A)	**90.98**	**72.86**
Financial Assets - Current		
At Fair Value		
Derivative Instruments	-	1.06
Investments at FVTPL	323.49	141.65
At Amortised Cost		
Loans	1.93	3.13
Trade receivables	1,278.52	524.64
Cash and Cash Equivalents	526.28	34.99
Bank Balances other than Cash and Cash Equivalents	49.26	2.82
Other financial assets	275.46	31.17
Total Current Financial Assets (B)	**2,454.94**	**739.46**
Total Financial Assets (A + B)	**2,545.92**	**812.32**

Note 20b. Financial Liabilities

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Financial Liabilities - Non Current		
At Amortised Cost		
Long Term Borrowings	920.06	15.79
Lease Liabilities	44.90	37.09
Other Financial Liabilities	8.07	-
At Fair Value		
Derivative Instruments	-	0.36
Total Non Current Financial Liabilities (A)	**973.03**	**53.24**
Financial Liabilities - Current		
At Amortised Cost		
Short Term Borrowings	406.10	253.64
Trade Payables	2,257.01	695.94
Lease Liabilities	12.88	5.75
Other Financial Liabilities	1,626.94	136.30
At Fair Value		
Derivative Instruments	1.43	-
Total Current Financial Liabilities (B)	**4,304.36**	**1,091.63**
Total Financial Liabilities (A + B)	**5,277.39**	**1,144.87**

Note 20c. Government Grants

₹ in Crores

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Opening balance at the beginning of the year	3.57	3.21
Received during the Year	22.45	6.66
Released to the Statement of Profit and Loss	(5.20)	(6.30)

Notes to Consolidated Financial Statements

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Closing balance at the end of the year	**20.82**	**3.57**
Current	18.50	3.57
Non Current	2.32	-
	20.82	**3.57**

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. Distribution made and proposed

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Proposed Dividends on Equity shares:		
Dividend for FY 2020-21 - ₹1.50 per share (Dividend for FY 2019-20 - Nil per share)	28.92	-
	28.92	**-**

Proposed Dividend on Equity Shares are subject to approval at the Annual General Meeting and are not recognised as a Liability as at 31st March.

With effect from 1st April, 2020 the Dividend Distribution Tax ('DDT') payable by the company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.

Notes to Consolidated Financial Statements

Note 21. Revenue from Operations

₹ in Crores

Particulars	Year Ended 31-Mar-2021								
	Cycles and Accessories	Engineering	Metal Formed Products	Gear and Gear Products	Power Segment	Industrial Segment	Others	Unallocated Corporate Income	Total
Revenue from Contract with Customers									
Finished Goods	717.22	1,996.41	1,331.39	206.77	374.59	993.05	5.27	-	5,624.70
Traded Goods	137.73	-	65.03	-	-	-	-	-	202.76
Sale of Products (A)	**854.95**	**1,996.41**	**1,396.42**	**206.77**	**374.59**	**993.05**	**5.27**	**-**	**5,827.46**
Other Operating Revenue									
Scrap Sales	1.10	149.58	70.13	4.69	0.56	19.39	0.01	-	245.46
Service Income	-	-	-	2.66	-	-	-	-	2.66
Conversion Income	-	0.16	-	-	-	-	-	-	0.16
Others	3.94	1.09	2.08	0.39	-	-	-	0.05	7.55
Other Operating Revenue (B)	**5.04**	**150.83**	**72.21**	**7.74**	**0.56**	**19.39**	**0.01**	**0.05**	**255.83**
Total (A+B)	**859.99**	**2,147.24**	**1,468.63**	**214.51**	**375.15**	**1,012.44**	**5.28**	**0.05**	**6,083.29**

Particulars	Year Ended 31-Mar-2020								
	Cycles and Accessories	Engineering	Metal Formed Products	Gear and Gear Products	Power Segment	Industrial Segment	Others	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

Reconciliation of the revenue from contract with customers with the amounts disclosed in the segment information (Note 37):

Particulars	**Year Ended 31-Mar-2021**							
Revenue	**Cycles and Accessories**	**Engineering**	**Metal Formed Products**	**Gear and Gear Products**	**Power Segment**	**Industrial Segment**	**Others**	**Unallocated Corporate Income**
External Customers	859.99	2,147.24	1,468.63	214.51	375.15	1,012.44	5.28	0.05
Inter-Segment	-	169.35	14.26	1.03	1.13	-	-	2.25
	859.99	**2,316.59**	**1,482.89**	**215.54**	**376.28**	**1,012.44**	**5.28**	**2.30**
Inter Segment Elimination and Adjustment	-	(169.35)	(14.26)	(1.03)	(1.13)	-	-	(2.25)
Total revenue from contracts with customers	**859.99**	**2,147.24**	**1,468.63**	**214.51**	**375.15**	**1,012.44**	**5.28**	**0.05**

Particulars	**Year Ended 31-Mar-2020**							
Revenue	**Cycles and Accessories**	**Engineering**	**Metal Formed Products**	**Gear and Gear Products**	**Power Segment**	**Industrial Segment**	**Others**	**Unallocated Corporate Income**
External Customers	781.21	2,095.87	1,632.82	240.26	-	-	-	0.23
Inter-Segment	-	162.29	1.97	1.38	-	-	-	2.25
	781.21	**2,258.16**	**1,634.79**	**241.64**	**-**	**-**	**-**	**2.48**
Inter Segment Elimination and Adjustment	-	(162.29)	(1.97)	(1.38)	-	-	-	(2.25)
Total revenue from contracts with customers	**781.21**	**2,095.87**	**1,632.82**	**240.26**	**-**	**-**	**-**	**0.23**

Timing of Revenue Recognition **₹ in Crores**

Particulars	**Year Ended 31-Mar-2021**	**Year Ended 31-Mar-2020**
Revenue recognised at a point in time	6,043.08	4,750.39
Revenue recognised over a period of time	40.21	-
Total	**6,083.29**	**4,750.39**

Summary of Contract Balances **₹ in Crores**

Particulars	**Year Ended 31-Mar-2021**	**Year Ended 31-Mar-2020**
Trade Receivables	1,278.52	524.64
Contract asset (Refer Note 12)	0.98	-
Advances from Customers	237.28	27.62

* The entire revenue is recognised at a point in time coinciding with the transfer of control over goods and services as per Ind AS 115 except in the case of construction contracts wherein the Group recognises revenue over the period of time based on progress of performance determined using input method with reference to cost incurred for the contract.

Notes to Consolidated Financial Statements

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Revenue as per Contracted Price	6,208.73	4,829.99
Adjustments		
- Discounts	(101.27)	(79.60)
- Others (includes liquidated damages, price variations, etc)	(24.17)	-
Revenue as per Statement of Profit and loss	**6,083.29**	**4,750.39**

Note 22. Other Income

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Dividend Income from Investments at FVTOCI	0.31	0.66
Dividend Income from Investments at FVTPL	0.98	4.19
Rental Income	4.88	1.66
Royalty Income	-	0.24
Gain on Exchange Fluctuation (Net)	5.12	12.93
Profit on Property, Plant and Equipment sold / discarded (Net)	45.62	5.29
Profit on sale of Investments at FVTPL	9.02	6.49
Fair Value Gain on Financial Instruments at FVTPL	0.46	-
Liabilities no longer payable written back	3.60	9.70
Claims recovered	-	0.19
Government Grants	10.12	16.52
Interest Income from Financial Assets		
Fixed Deposits with Banks	9.48	1.90
Others	11.53	2.19
Others	10.31	0.36
Total	**111.43**	**62.32**

Note 23. Cost of material consumed

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Opening Raw Materials	175.42	290.50
Addition on account of Business Combination (Refer Note 40.2)	148.97	-
Purchases	3,687.99	2,310.39
Closing Raw Materials	(433.72)	(175.42)
Cost of Raw Material and Components Consumed	**3,578.66**	**2,425.47**

Note 24. Changes in inventories of work-in-process, finished goods and stock - in - trade

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Closing Stock		
Work-in-Progress	381.17	213.94
Finished Goods	258.46	124.05
Stock-in-Trade	25.20	36.97
	664.83	**374.96**
Opening Stock		
Work-in-Progress	213.94	192.23

Notes to Consolidated Financial Statements

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Finished Goods	124.05	237.49
Stock-in-Trade	36.97	88.07
	374.96	**517.79**
Addition on account of Business Combination (Refer Note 40.2)		
Work-in-Progress	123.43	-
Finished Goods	56.37	-
Stock-in-Trade	2.42	
	182.22	**-**
Changes in Inventories		
Work-in-Progress	(43.80)	(21.71)
Finished Goods	(78.04)	113.44
Stock-in-Trade	14.19	51.10
Total	**(107.65)**	**142.83**

Note 25. Employee Benefit Expense

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Salaries, Wages and Bonus (Refer Note 33)	582.33	485.22
Gratuity Expenses (Refer Note 34 (a))	5.41	3.42
Contribution to Provident and Other Funds	59.91	45.65
Staff Welfare Expenses	62.91	53.11
Total	**710.56**	**587.40**

Note on Social Security Code: The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 26.Depreciation and amortization expense

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Depreciation of Property, Plant and Equipment (Refer Note 6a)	202.14	171.46
Amortisation on Right of use of assets (Refer Note 6b)	16.81	12.64
Depreciation of Investment properties (Refer Note 7)	0.21	0.16
Amortisation of Intangible Assets (Refer Note 6c)	32.14	1.01
Total	**251.30**	**185.27**

Note 27. Finance Costs

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Interest Expense on Borrowings	37.12	26.86
Interest Expense on Lease liability (Refer Note 38)	3.57	3.51
Other Borrowing Costs	0.21	-
Total	**40.90**	**30.37**

Note – Interest Expense on Borrowings is net of interest subvention received, amounting to ₹3.55 Crores (Previous year - ₹6.30 Crores) on Packing Credit loans.

Notes to Consolidated Financial Statements

Note 27a. Other Expenses

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Consumption of Stores and Spares	221.54	197.76
Conversion Charges	116.90	94.83
Power and Fuel	163.52	157.41
Rent (Net of recoveries)	8.65	12.11
Repairs and Maintenance - Building	3.53	4.51
Repairs and Maintenance - Machinery	90.19	71.83
Repairs - Others	6.42	-
Insurance	9.98	4.80
Rates and Taxes	8.09	5.82
Travelling and Conveyance	12.38	28.05
Printing, Stationery and Communication	4.86	6.37
Freight, Delivery and Shipping Charges	180.16	153.96
Commission on Sales	14.20	18.26
Advertisement and Publicity	26.88	22.64
Impairment allowance for receivables and advances (Net) (Includes bad debts written off - CY - ₹1.37 Crores; PY - ₹3.93 Crores)	45.49	6.84
Auditor's Remuneration	4.42	3.42
Commission to Non Whole Time Directors	1.36	1.90
Directors' Sitting Fees	0.98	0.36
Bank Charges	6.05	3.28
Information Technology Expenses	11.51	10.07
Donations to Charitable and Other Institutions (includes contribution to polictical trust - CY - ₹0.50 Crores; PY - ₹1.00 Crores)	1.38	1.41
Expenditure on Corporate Social Responsibility	8.61	5.98
Other Expenses	148.76	69.08
	1,095.86	**880.69**

Note 27b. Exceptional Items

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Provision for Employee Voluntary Retirement Scheme (Refer Note a)	21.67	21.97
(Provision) / Reversal towards non-performance of contractual obligation towards delay in completion of land sale and expected restructuring cost (Refer Note b)	20.18	-
	41.85	**21.97**

Note:

a. During the year, the Group implemented voluntary retirement schemes in certain locations at a cost of ₹21.67 Crores (31st March 2020 - ₹21.97 Crores) to improve the productivity and competitiveness of its business.

b. The Group has created (Provision) / Reversal towards non-performance of contractual obligation towards delay in completion of land sale and expected restructuring cost of ₹20.18 Crores

Notes to Consolidated Financial Statements

Note 28. Income Tax Expense

The major components of Income Tax Expense for the year ended 31st March 2021 and 31st March 2020 are:

Statement of Profit and Loss ₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Current Tax:		
Current Income Tax charge	112.89	119.85
Adjustments in respect of Current Income Tax of Prior Years	(5.51)	(5.48)
Deferred Tax:		
Relating to the origination and reversal of Temporary Differences	0.15	(24.43)
Income Tax Expense reported in the Statement of Profit and Loss	**107.53**	**89.94**

Other Comprehensive Income(OCI)

Deferred tax related to items recognised in OCI during in the year: ₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Net Loss on FVTOCI Equity Investments	(0.12)	(0.13)
Re-measurement Loss on Defined Benefit Obligations	(2.27)	(3.74)
Exchange difference on translation of Foreign Subsidiaries	3.54	0.13
Movement on cash flow hedges	0.09	(2.37)
Income Tax charged to OCI	**1.24**	**(6.11)**

Reconciliation of tax expense and the accounting profit multiplied by Corporate income tax rate applicable for 31-Mar-2021 and 31-Mar-2020

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, in the Previous Year. Accordingly, the 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. Accordingly, Deferred Tax Liability have reduced by ₹11.29 Crores in the Previous Year. Certain subsidiaries of the Group had continued to provide for Tax at old rates, based on the available outstanding MAT credit and/or various exemptions and deductions available to such subsidiaries under Income Tax Act, 1961. 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 India (25.168%) as follows:

₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Accounting Profit Before Tax	**412.22**	**403.21**
Profit before income tax multiplied by standard rate of corporate tax in India of 25.168% (Previous year: 25.168%)	103.75	101.48
Effects of:		
Benefit u/s 35(2AB) of Income Tax Act, 1961	-	(0.38)
Income - Exempt from tax	(2.72)	(5.47)
Change in Income Tax Rate / Effect of different tax rates applicable to Subsidiaries	6.88	(11.29)
Benefit u/s 80IA of Income Tax Act, 1961	(1.08)	(1.35)
Other disallowances	1.82	-
Reversal of provision with respect to prior years	(5.51)	(12.86)
Others	4.39	19.81
Net effective Income Tax	**107.53**	**89.94**

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 2021 **₹ in Crores**

	Cash flow hedge reserve	FVTOCI reserve	Retained Earnings	Foreign Currency Translation Reserve	Total
Foreign Exchange forward contracts	10.02	-	-	-	10.02
Net Loss on FVTOCI financial assets	-	(0.31)	-	-	(0.31)
Re-measurement gains on defined benefit plans	-	-	(5.16)	-	(5.16)
Exchange Difference on Translation of Foreign Subsidiaries	-	-	-	8.58	8.58
	10.02	**(0.31)**	**(5.16)**	**8.58**	**13.13**

During the year ended 31 March 2020 **₹ in Crores**

	Cash flow hedge reserve	FVTOCI reserve	Retained Earnings	Foreign Currency Translation Reserve	Total
Foreign Exchange forward contracts	(4.17)	-	-	-	(4.17)
Net 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 Subsidiary	-	-	-	2.91	2.91
	(4.17)	**(0.26)**	**(10.47)**	**2.91**	**(11.99)**

Note 30.Earnings Per Share

The following reflects the profit and share data used in the basic and diluted EPS computations: **₹ in Crores**

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Profit After Tax - attributable to equity holders of the Parent (₹ in crores)	286.32	306.34
Weighted average number of Equity Shares		
- Basic	18,92,24,350	18,77,88,247
- Diluted	18,96,70,875	18,81,26,842
Earnings Per Share of ₹1 each		
- Basic	15.13	16.31
- Diluted	15.10	16.28
Weighted average number of Equity Shares in calculating Basic Earnings Per Share	18,92,24,350	18,77,88,247
Dilution - Stock options granted under ESOP (Refer Note 33)	4,46,525	3,38,595
Weighted average number of Equity Shares in calculating Diluted EPS	18,96,70,875	18,81,26,842

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

Notes to Consolidated Financial Statements

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.

viii. Development Cost

Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred. Management assesses and monitors whether the recognition requirements for development costs continue to be met. There is inherent uncertainty in the economic success of any product development. The Company uses judgement in assessment of development cost eligible for capitalisation.

ix. Business Combination

The Company acquired controlling stake in CG Power and Industrial Solution Limited and has accounted for the acquisition based on provisional amounts in accordance with paragraph 45 of Ind AS 103 (Also refer Note 40.2). As a part of the acquisition accounting, the Group measures all assets and liabilities as at the acquisition date at its fair values. The Company had engaged an independent valuation specialist to assess fair values of tangible and intangible assets. Fair value was determined as follows –

i) Freehold land and Leasehold Land – market approach (sales comparison method) and income approach (discounted cash flow method)

ii) Building – Cost approach (depreciated replacement cost method).

iii) Plant and Machinery - market approach (sales comparison method) and income approach (discounted cash flow method).

The estimated useful life of tangible and intangible assets for such assets acquired as part of the business combination were considered based on economic life of those assets as estimated by the management basis a technical assessment.

x. Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Notes to Consolidated Financial Statements

xi. Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in notes but are not recognised, the cases which have been determined as remote by the Group are not disclosed.

Note 32.Standards issued but not yet effective

There were no Standards issued but not effective as at 31st March 2021.

Note 33.Stock Options

During the year, no fresh grant was approved by the Nomination and Remuneration Committee of the Board of Directors of the Company.

With reference to the grant approved by the Nomination and Remuneration Committee of the Board of Directors of the Company on 24th July 2019, the Group has recognised expense amounting to ₹1.32 Crores (Previous Year - ₹3.18 Crores) for employee's services received during the year, shown under Salaries, Wages and Bonus (Refer Note 25).

The movement in Stock Options during 2020-21 and 2019-20 are given below:

Particulars	Date of Grant	Options outstanding	During the Year 2020-21			Options outstanding	Options vested but not exercised
		As at 31-Mar-2020	Options Granted	Options Cancelled/ lapsed	Options Exercised and allotted	As at 31-Mar-2021	As at 31-Mar-2021
Grant 1	21-Nov-17	8,964	-	-	5,000	3,964	3,964
Grant 2	21-Nov-17	-	-	-	-	-	-
Grant 3	21-Nov-17	8,208	-	-	8,208	-	-
Grant 4	21-Nov-17	-	-	-	-	-	-
Grant 5	21-Nov-17	-	-	-	-	-	-
Grant 6	21-Nov-17	49,480	-	-	16,920	32,560	32,560
Grant 7	12-Feb-18	5,19,975	-	-	96,470	4,23,505	4,03,773
Grant 8	12-Feb-18	1,57,320	-	19,732	20,976	1,16,612	89,148
Grant 9	27-Mar-19	62,562	-	-	10,488	52,074	20,610
Grant 10	24-Jul-19	38,684	-	-	-	38,684	19,342
Total		8,45,193	-	19,732	1,58,062	6,67,399	5,69,397

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

Notes to Consolidated Financial Statements

Particulars	Date of Grant	Options outstanding	During the Year 2020-21			Options outstanding	Options vested but not exercised
		As at 31-Mar-2020	Options Granted	Options Cancelled/ lapsed	Options Exercised and allotted	As at 31-Mar-2021	As at 31-Mar-2021
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

The details of Stock Options granted to certain employees for 2020-21 and 2019-20 are given below:

2020-21	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	-	-	5,000	3,964	-	21-Nov-17	0.59
Grant 2	21-Nov-17	17.61	-	-	-	-	-	-	-
Grant 3	21-Nov-17	43.42	-	-	8,208	-	-	21-Nov-17	-
Grant 4	21-Nov-17	43.42	-	-	-	-	-	-	-
Grant 5	21-Nov-17	13.78	-	-	-	-	-	-	-
Grant 6	21-Nov-17	187.29	-	-	16,920	32,560	-	15-Mar-18	1.96
Grant 7	12-Feb-18	270.20	-	-	96,470	4,23,505	-	Partially vested on 12-Feb-21, 12-Feb-20 & 12-Feb-19	2.87
Grant 8	12-Feb-18	270.20	-	19,732	20,976	69,416	47,196		3.87
Grant 9	27-Mar-19	378.25	-	-	10,488	20,610	31,464	Partially vested on 27-Mar-21 & 27-Mar-20	3.50
Grant 10	24-Jul-19	384.20	-	-	-	19,342	19,342	-	4.82
			-	**19,732**	**1,58,062**	**5,69,397**	**98,002**		

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 Years	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

Notes to Consolidated Financial Statements

2020-21	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 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
			38,684	**1,23,208**	**1,64,148**	**4,37,076**	**4,08,117**		

The following tables list the inputs to the Black Scholes model used for the plans for the year ended 31st March 2021:

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

Particulars		31-Mar-21	31-Mar-20
A.	**Change in defined benefit obligation**		
1.	Defined benefit obligation at beginning of period	75.53	61.21
	Adjustments pursuant to Business Combination (refer Note 40.2)	41.62	-
2.	Service cost		
	a. Current service cost	5.26	3.91
3.	Interest expenses	6.03	4.54
4.	Cash flows		
	a. Benefit payments from plan	(15.34)	(4.49)
5.	Remeasurements		
	a. Effect of changes in demographic assumptions	1.90	5.80
	b. Effect of changes in financial assumptions	0.18	
	c. Effect of experience adjustments	5.84	4.63
6.	Transfer In /Out	-	(0.07)
7.	Defined benefit obligation at end of period	**121.02**	**75.53**

₹ in Crores

B.	**Change in fair value of plan assets**	**31-Mar-21**	**31-Mar-20**
1.	Fair value of plan assets at beginning of period	74.65	61.57
	Adjustments pursuant to Business Combination (refer Note 40.2)	37.59	-
2.	Interest income	5.88	5.03
3.	Cash flows		
	a. Total employer contributions	10.89	13.10
	b. Benefit payments from plan assets	(15.34)	(4.49)
4.	Remeasurements		
	a. Return on plan assets (excluding interest income)	0.53	(0.49)
5.	Transfer In /Out	-	(0.07)
6.	Fair value of plan assets at end of period	**114.20**	**74.65**

₹ in Crores

C.	**Amounts recognized in the Balance Sheet**	**31-Mar-21**	**31-Mar-20**
1.	Defined benefit obligation	121.02	75.53
2.	Fair value of plan assets	(114.20)	(74.65)
3.	Funded status	6.82	0.88
4.	Net defined benefit liability (asset)	6.82	0.88

₹ in Crores

D.	**Components of defined benefit cost**	**31-Mar-21**	**31-Mar-20**
1.	Service cost		
	a. Current service cost	5.26	3.91
2.	Net interest cost		
	a. Interest expense on DBO	6.03	4.54
	b. Less - Interest income on plan assets	5.88	5.03
	c. Total net interest cost	0.15	(0.49)

Notes to Consolidated Financial Statements

3.	Remeasurements (recognized in OCI)	31-Mar-21	31-Mar-20
	a. Effect of changes in demographic assumptions	1.90	-
	b. Effect of changes in financial assumptions	0.18	5.80
	c. Effect of experience adjustments	5.84	4.63
	d. Less - (Return) on plan assets (excluding interest income)	0.53	(0.49)
	e. Total remeasurements included in OCI	7.39	10.92
4.	Total defined benefit cost recognized in P&L and OCI	**12.80**	**14.34**

₹ in Crores

E.	**Re-measurement**	**31-Mar-21**	**31-Mar-20**
	a. Actuarial Loss on DBO	7.92	10.43
	b. Less - Returns above Interest Income	0.53	(0.49)
	Total Re-measurements (OCI)	**7.39**	**10.92**

₹ in Crores

F.	**Employer Expense (P&L)**	**31-Mar-21**	**31-Mar-20**
	a. Current Service Cost	5.26	3.91
	b. Interest Cost on net DBO	0.15	(0.49)
	c. Total P&L Expenses	**5.41**	**3.42**

₹ in Crores

G.	**Net defined benefit liability (asset) reconciliation**	**31-Mar-21**	**31-Mar-20**
1.	Net defined benefit asset	0.88	(0.36)
	Adjustments pursuant to Business Combination (refer Note 40.2)	4.03	-
2.	Defined benefit cost included in P&L	5.41	3.42
3.	Total remeasurements included in OCI	7.39	10.92
4.	Employer contributions	(10.89)	(13.10)
5.	Net benefit paid from plan assets	-	-
6.	Net defined benefit liability (asset) as of end of period	**6.82**	**0.88**

₹ in Crores

H.	**Reconciliation of OCI (Re-measurement)**	**31-Mar-21**	**31-Mar-20**
1.	Recognised in OCI during the period	7.39	10.92
2.	Recognised in OCI at the end of the period	7.39	10.92

₹ in Crores

I.	**Sensitivity analysis - DBO end of Period**	**31-Mar-21**	**31-Mar-20**
1.	Discount rate +1%	63.30	64.40
2.	Discount rate - 1%	76.86	75.49
3.	Salary Increase Rate +1%	76.74	75.33
4.	Salary Increase Rate -1%	63.32	64.44
5.	Attrition Rate +1%	71.19	70.00
6.	Attrition Rate -1%	67.91	69.17

Notes to Consolidated Financial Statements

₹ in Crores

J.	Significant actuarial assumptions	31-Mar-21	31-Mar-20
1.	Discount rate Current Year	6.00%-6.90%	6.00%-6.60%
2.	Discount rate Previous Year	6.00%-6.60%	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

₹ in Crores

K.	Data	31-Mar-21	31-Mar-20
1.	No.	6,233	3,823
2.	Avg. Age (years)	43	43
3.	Avg. Past Service (years)	14	14
4.	Avg. Sal. Monthly (`)	23,260	20,917
5.	Future Service (years)	29	17
6.	Weighted average duration of DBO	10	14

₹ in Crores

L.	Expected cash flows for following year	31-Mar-21	31-Mar-20
1.	Expected employer contributions / Additional. Provision Next Year	4.45	3.95
2.	Expected total benefit payments		
	Year 1	18.40	6.99
	Year 2 to Year 5	49.46	25.87
	Year 6 to Year 10	52.58	37.87
	More than 10 Years	31.67	57.35

₹ in Crores

M.	Defined benefit obligation at end of period	31-Mar-21	31-Mar-20
	Current Obligation	18.16	6.80
	Non-Current Obligation	102.85	68.73
	Total	**121.01**	**75.53**

₹ in Crores

SUMMARY			
	Assets / Liabilities	**31-Mar-21**	**31-Mar-20**
1.	Defined benefit obligation at end of period	121.02	75.53
2.	Fair value of plan assets at end of period	114.20	74.65
3.	Net defined benefit liability (asset)	6.82	0.88
4.	Defined benefit cost included in P&L	5.41	3.42
5.	Total remeasurements included in OCI	7.39	10.92
6.	Total defined benefit cost recognized in P&L and OCI	12.80	14.34

Notes to Consolidated Financial Statements

Notes:

i. The entire Plan Assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC) and Funds managed by certain subsidiaries.

ii. The expected/actual return on Plan Assets is as furnished by LIC or the Fund.

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 Company and CGPISL have their own Provident Fund managed by the Trusts of the respective companies.

<u>Tube Investments of India Limited</u>

The Company's Provident Fund is exempted under Section 17 of 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 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 Company has obtained the actuarial valuation of interest rate obligation in respect of provident fund and a loss of ₹5.66 Crores (31st March 2020 - ₹4.35 Crores) on re-measurement of the defined benefit plan is recognised in financial statements.

The Company has provided ₹0.04 Crores (31st March 2020 - ₹3.29 Crores) 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-21	31-Mar-20
1.	Defined benefit obligation at the beginning of the period	158.12	141.98
2.	Service cost		
	a. Current service cost	6.88	7.08
3.	Interest expenses	13.15	12.16
4.	Employees' Contribution	12.69	13.25
5.	Cash flows		
	a. Benefit payments from plan	(27.23)	(23.09)
6.	Remeasurements		
	a. Effect of changes in demographic assumptions	-	-
	b. Effect of financial adjustments	0.02	0.51
	c. Effect of experience adjustments	(3.42)	4.86

Notes to Consolidated Financial Statements

A.	Change in defined benefit obligation	31-Mar-21	31-Mar-20
7.	Transfer In /Out	0.90	1.37
8.	Defined benefit obligation at end of period	**161.11**	**158.12**

₹ in Crores

B.	Change in Fair Value of Plan Assets	31-Mar-21	31-Mar-20
1.	Fair value of plan assets at beginning of period	153.77	143.10
2.	Interest income	11.88	11.10
3.	Cash flows		
	a. Total employer contributions	6.88	7.08
	b. Benefit payments from plan assets	(27.23)	(23.09)
4.	Employee contributions	12.69	13.25
5.	Remeasurement on Plan assets	(3.44)	0.96
6.	Transfer In /Out	0.90	1.37
7.	Fair value of plan assets at end of period	**155.45**	**153.77**

₹ in Crores

C.	Components of Defined Benefit Cost	31-Mar-21	31-Mar-20
1.	Interest cost on obligation	13.15	12.16
2.	Interest income on Plan assets	(11.88)	(11.10)
3.	Current Service cost	6.88	7.08
4.	Defined Benefit Cost recognized in P&L	**8.15**	**8.14**

₹ in Crores

D.	Remeasurement	31-Mar-21	31-Mar-20
1.	Remeasurements on Plan assets	3.44	(0.96)
2.	Remeasurements for Change in financial assumption	0.02	0.51
3.	Remeasurements towards Experience variance	(3.42)	4.86
		0.04	**4.41**

₹ in Crores

E.	Net Defined Benefit Liability (Asset) Reconciliation	31-Mar-21	31-Mar-20
1.	Net defined benefit asset	4.35	(1.12)
2.	Defined benefit cost included in P&L	8.15	8.14
3.	Total remeasurements included in OCI	0.04	4.41
4.	Contributions to the fund	(6.88)	(7.08)
5.	Net transfers in	-	-
6.	Net Defined Benefit Liability (Asset) at the end of the period	**5.66**	**4.35**

Notes to Consolidated Financial Statements

F.	Proportion of Total Asset Categories	31-Mar-21	Expected Return
1.	Government of India securities	53.22%	10.22%
2.	State Government securities	6.55%	52.50%
3.	High quality corporate bonds	29.12%	21.61%
4.	Equity	0.09%	3.46%
5.	Special Deposits	11.03%	12.21%
6.	Bank balance and others	0.00%	0.00%
7.	Funds managed by Insurer	0.00%	0.00%
	Total	**100.00%**	**100.00%**

₹ in Crores

G.	Funded Status	31-Mar-21	31-Mar-20
1.	Fair Value of Plan assets	155.45	153.77
2.	Present value of obligation	161.11	158.12
3.	**Net Liability/(Asset)**	**(5.66)**	**(4.35)**

₹ in Crores

H.	Current and Non-Current liability	31-Mar-21	31-Mar-20
1.	Current Liability (Less than 1 year)	21.18	17.97
2.	Non-current liability (More than 1 year)	139.93	140.15

₹ in Crores

I.	Sensitivity analysis on Interest rate Guarantee Liability	Liability	Change
1.	Best estimate - Base scenario	6.69	0%
2.	Discount Rate - Increased by 0.5%	6.51	-3%
3.	Discount Rate - Decreased by 0.5%	6.89	3%
4.	Return on Gov.Securities - Increased by 1.00%	(0.24)	-104%
5.	Return on Gov.Securities - Decreased by 1.00%	13.63	104%
6.	Return on Equities - Increased by 1.00%	6.68	0%
7.	Return on Equities - Decreased by 1.00%	6.70	0%
8.	Return on Bonds - Increased by 1.00%	3.32	-50%
9.	Return on Bonds - Decreased by 1.00%	10.07	50%

Notes to Consolidated Financial Statements

J.	Significant actuarial assumptions	31-Mar-21	31-Mar-20
1.	Discount rate	6.60%	7.75%
2.	Interest rate guarantee	8.50%	8.65%
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-21	31-Mar-20
1.	Number of employees	16,894	17,123
2.	Employee contribution	12.21	13.25
3.	Employer contribution	6.78	7.08
4.	Average attained age	33 years	32 years
5.	Average Past Service	-	-

CGPISL

CGPISL's Provident Fund is exempted under Section 17 of the The Employees' Provident Funds and Miscellaneous Provisions Act, 1952. Conditions for the grant of exemption stipulate that the employer shall make good the deficiency, if any, in the interest rate declared by the Trust over the statutory limit. The Actuary has provided a valuation for Provident Fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided below and CGPISL does not have additional obligation as at 31st March 2021.

The details of fund and plan assets are given below: ₹ in Crores

Particulars	As at 31-Mar-21
Fair value of plan assets at end of period	292.10
Defined benefit obligation at end of period	258.41

The principal assumptions used in determining the present value obligation of interest guarantee under the deterministic approach are as follows:

₹ in Crores

Assumptions	As at 31-Mar-21
Discount Rate	6.86% p.a.
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate
Attrition rate	4.00% p.a.
Guranteed rate of interest	8.50% p.a.
Whilst in service withdrawal	5.00% p.a.

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-21	31-Mar-20
Discount Rate	6.00% - 6.90%	6.00% - 6.65%
Future Salary Increase (%)	3.50% - 5.00%	4.00% - 5.00%
Attrition Rate	1 to 4%	1 to 3%

d. Contributions to Defined Contribution Plans

During the year, the Group recognised ₹12.55 Crores (Previous Year - ₹9.29 Crores) to Provident Fund under Defined Contribution Plan, ₹7.31 Crores (Previous Year - ₹6.30 Crores) for Contributions to Superannuation Fund and ₹0.87 Crores (Previous Year - ₹1.23 Crores) for Contributions to Employee State Insurance Scheme in the Statement of Profit and Loss.

Note 35a. Contingent Liabilities

₹ in Crores

i) Note 1:

a) Matters wherein management has concluded the Company's liability to be probable have accordingly been provided for in the books. Also refer note 18.

b) Matters wherein management has concluded the Company's liability to be possible have accordingly been disclosed under Note 35a (ii) Contingent liabilities below.

c) Matters wherein management is confident of succeeding in these litigations and have concluded the Company's liability to be remote. This is based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceedings and claims, in different stages of process. (refer Note 35a(iii)).

ii) Note 2: Contingent Liabilities

	Particulars	As at 31-Mar-2021	As at 31-Mar-2020
(i)	Disputed Income-Tax demands under appeal / remand pending before various appellate/ assessing authorities against the Demerged Company (including interest and penalty).	9.12	28.94
(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 Group not acknowledged as debts	6.60	1.57
(iv)	Sales tax / VAT liability that may arise in respect of matters in appeal	14.81	0.02
(v)	Excise duty / custom duty / service tax liability that may arise in respect of matters in appeal	15.60	1.52
(vi)	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 consolidated financial statements.

Notes to Consolidated 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.

iii) Note 3:

a. Claims against Group include disputes pertaining to expenses incurred towards setting up a transformer plant, claim pertaining to fluctuation in foreign currency on imported materials supplied and claim towards procurement of manpower services.

b. One of the lenders of CGPISL has filed recovery proceedings before Debt Recovery Tribunal ('DRT') against Avanta Holdings Limited ('AHL'), erstwhile promoters of CG Power, on 30th June, 2020 for a loan availed by AHL in October, 2015. CGPISL has been arrayed as a party in DRT proceedings on the basis of a letter of comfort allegedly issued on behalf of CGPISL allegedly to discharge AHL's loan obligations. Based on DRT filings, CGPISL has received notice in December, 2020 from DRT. CGPISL is contesting these proceedings and CGPISL is advised that it stands protected by the Settlement Agreement signed with the lender.

c. In November, 2019, CGPISL has rescinded the Royalty Agreement with AHL. Consequently, CGPISL does not have liability towards payment of brand royalty. AHL, while directing CGPISL to discontinue the usage of Avantha brand, has contested the rescinding of the Royalty Agreement. AHL has also issued notice invoking arbitration under the brand royalty agreement, which was rejected by CGPISL. AHL has further filed an arbitration petition before Delhi High Court and is reserved for orders.

d. CGPISL had received notice of demand under Income Tax Act for ₹606.30 Crores for financial year 2016-17, and the Hon'ble Bombay High Court has granted the interim stay against the notice of demand until admission of appeal before the High Court. CGPISL, also received a notice from National Faceless Assessment Center requiring it to file its submission in respect of the appeal filed before Commissioner of Income Tax (Appeals), and CGPISL has filed the submissions, as directed. Considering the facts and underlying documents with respect to the demand raised under section 68 of the Income Tax Act, 1961, the management strongly believes that the demand is not sustainable, bad in law and will be reversed at appellate levels.

e. CG Power Solutions Limited (CGPSOL) had received assessment order u/s 143(3) of the Income Tax Act, 1961 for the financial year 2016-17 (Assessment Year 2017-18) along with show cause notice u/s 274 read with section 270A for levy of penalty. On February 5, 2021, CGPSOL appointed the Directors and filed an appeal before Commissioner of Income Tax (Appeals) on February 15, 2021 against the additions made by the AO along with a request letter to condone the delay in filing the appeal.

f. A customer of a wholly owned step-down subsidiary of CGPISL in relation to non-performance of a contract for supply of transformer by the subsidiary had claimed in the court in Ontario, Canada damages of CAD 11.85 million from the subsidiary, its parent CG International BV (CGIBV) and CGPISL. On 4th February 2021, the customer subsequently asked the court time of 6 months to service the statement of claims. CGPISL shall file its response / defence before the court as and when the customer files statement of claims.

Note 35b. Commitments

₹ in Crores

	Particulars	As at 31-Mar-2021	As at 31-Mar-2020
(i)	Estimated amount of contracts remaining to be executed on capital expenditure and not provided for	64.32	86.31
(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.	196.88	3.82

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 (Refer Note 8a(b))

II. Company having Significant Influence

a. Ambadi Investments Limited

III. Other related parties

a. Parry Enterprises India Limited

b. Parry Agro Industries Limited

c. Clean Max Enviro Energy Solutions Private Limited (w.e.f 26th November 2020)

IV. Key Management Personnel (KMP)

a. Mr. Vellayan Subbiah - Managing Director

b. Mr. K R Srinivasan - Executive Director (w.e.f 11th November 2020)

c. Mr. S. Suresh – Company Secretary

d. Mr. K Mahendra Kumar – Chief Financial Officer

V. Non-Executive Directors

a. Mr. M A M Arunachalam, Chairman (w.e.f 11th Nov 2020)

b. Mr. MM Murugappan, Chairman (till 11th Nov 2020)

c. Ms Madhu Dubhashi

d. Mr Sanjay Johri

e. Mr Mahesh Chhabria

f. Mr Anand Kumar (w.e.f 24th Mar 2021)

g. Mr Ramesh K B Menon (till 11th Nov 2020)

h. Mr Pradeep V Bhide (till 23rd Jul 2020)

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

d. CG Provident Fund (w.e.f 26th Nov 2020)

e. CG Gratuity Fund (w.e.f 26th Nov 2020)

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-2021	Year Ended 31-Mar-2020
Services Received	Parry Enterprises India Limited	2.59	9.36
	Clean Max Enviro Energy Solutions Pvt. Ltd.	0.24	-

Notes to Consolidated Financial Statements

Transaction	Related Party	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Dividend Paid	Ambadi Investments Limited	13.79	29.26
	Mr. M M Murugappan	0.10	0.21
	Mr. Mahesh Chhabria	0.00	0.01
	Mr M A M Arunachalam	0.32	-
Remuneration (Refer note i below)	Key Management Personnel	10.12	9.23
Fair value Cost of Stock options granted	Key Management Personnel	0.23	0.43
Sitting Fees and Commission	Non executive directors	1.63	1.92
Contribution to Post Employment Benefit Funds	T.I.I.(Subsidiaries) Employees Provident Fund	4.81	1.94
	TI Employees Provident Fund India Ltd	5.51	1.96
	Tube Products Of India Employees Provident Fund	9.30	3.19
	CG Provident Fund	3.58	-
	CG Gratuity Fund	2.05	-

₹ in Crores

Balances	Related Party	As at 31-Mar-2021	As at 31-Mar-2020
Payable	Parry Enterprises India Limited	0.13	0.18
	Clean Max Enviro Energy Solutions Pvt. Ltd	0.11	-
	Key Managerial Personnel	2.39	2.26
	T.I.I.(Subsidiaries) Employees Provident Fund	0.43	0.44
	TI Employees Provident Fund India Ltd	0.50	0.45
	Tube Products Of India Employees Provident Fund	0.79	0.78

(i) Details of remuneration to Key Managerial Personnel are given below ₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
- Salaries and Allowances	6.63	5.71
- Provident Fund and Super Annuation	0.75	0.65
- Perquisites	0.35	0.61
- Incentive	2.39	2.26
- Fair value Cost of Stock options granted	0.23	0.43
- Sitting fees and Commission to Non executive directors	1.63	1.92
Total	**11.98**	**11.58**

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.

Notes to Consolidated Financial Statements

Note 37.Segment Information

For management purposes, the group's operations are organised into six major segments – Cycles and Accessories, Engineering, Metal Formed Products, Gear and Gear products, Power Systems, Industrial Systems and Others, 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 six reportable business segments. It reviews and monitors the operating results of the business segments for the purpose of making decisions about resource allocation and performance assessment using profit or loss and return on capital employed.

The Cycles and Accessories segment comprises bicycles of the Standard and Special variety including alloy bikes & 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. The Power Systems segment consists of Transformer, Switchgear, Automation and Turnkey Projects. The Industrial Systems segment consists of Electric Motors, Alternators, Drives, Traction Electronics and SCADA.

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.

Particulars	Cycles and Accessories		Engineering		Metal Formed Products		Gears and Gear Products		Power Systems		Industrial Systems		Others		Eliminations		Consolidated Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
REVENUE																		
External Sales	854.95	776.29	1,996.41	1,939.38	1,396.42	1,571.68	206.77	232.95	374.59	-	993.05	-	5.27	-			5,827.46	4,520.30
Inter-Segment Sales	-	-	169.35	162.29	14.26	1.97	1.03	1.38	1.13	-	-	-	-	-	(185.77)	(165.64)	-	-
Other Operating Income	5.04	4.92	150.83	156.49	72.21	61.14	7.74	7.31	0.56	-	19.39	-	0.01	-	(2.25)	(2.25)	253.53	227.61
Unallocated Corporate Income																	2.30	2.48
Total Revenue	**859.99**	**781.21**	**2,316.59**	**2,258.16**	**1,482.89**	**1,634.79**	**215.54**	**241.64**	**376.28**	**-**	**1,012.44**	**-**	**5.28**	**-**	**(188.02)**	**(167.89)**	**6,083.29**	**4,750.39**
Unallocated Corporate Expenses																	(17.98)	13.47
RESULT																		
Operating Profit	44.00	22.49	251.03	264.11	81.57	111.16	25.87	27.78	(18.50)	-	70.99	-	2.91	-	-	-	439.89	439.01
Profit / (Loss) on Sale of Property, Plant and Equipment	0.37	(0.13)	0.13	0.26	0.37	4.75	0.20	0.32	-	-	43.24	-	-	-	-	-	44.31	5.20
Net Operating Profit	**44.37**	**22.36**	**251.16**	**264.37**	**81.94**	**115.91**	**26.07**	**28.10**	**(18.50)**	**-**	**114.23**	**-**	**2.91**	**-**	**-**	**-**	**484.20**	**444.21**
Dividend Income	-	-	-	-	-	-	0.98	4.19	-	-	-	-	-	-	-	-	1.29	4.85
Finance Costs	(0.20)	(0.20)	-	-	(1.56)	(1.38)	-	-	(20.08)	-	-	-	-	-	-	-	(40.90)	(30.37)

Notes to Consolidated Financial Statements

Particulars	Cycles and Accessories		Engineering		Metal Formed Products		Gears and Gear Products		Power Systems		Industrial Systems		Others		Eliminations		Consolidated Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Tax Expense	(0.19)	0.28	-	-	0.60	3.06	(5.90)	(7.08)	(16.18)	-	-	-	-	-	-	-	(107.53)	(89.94)
Exceptional Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
- Provision for Employee Voluntary Retirement Scheme	(9.69)	-	(3.19)	(11.42)	(8.79)	(10.55)	-	-	-	-	-	-	-	-	-	-	(21.67)	(21.97)
- (Provision) / Reversal towards non-performance of contractual obligation towards delay in completion of land sale and expected restructuring cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(20.18)	-
Profit on Sale of Current Investments (Net) and fair value gain on financial instruments at FVTPL	-	-	-	-	0.06	0.06	0.40	0.39	-	-	-	-	-	-	-	-	9.48	6.49
Net Profit	**34.29**	**22.44**	**247.97**	**252.95**	**72.25**	**107.10**	**21.55**	**25.60**	**(54.76)**	**-**	**114.23**	**-**	**2.91**	**-**	**-**	**-**	**304.69**	**313.27**
Other Information																		
Segment Assets	273.64	298.45	1,339.13	1,016.26	950.53	971.43	322.95	278.90	1,449.12	-	1,532.14	-	197.21	-	(59.49)	(40.32)	6,005.23	2,524.72
Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	501.38	
Unallocated Corporate Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,181.39	245.27
Total Assets	**273.64**	**298.45**	**1,339.13**	**1,016.26**	**950.53**	**971.43**	**322.95**	**278.90**	**1,449.12**	**-**	**1,532.14**	**-**	**197.21**	**-**	**(59.49)**	**(40.32)**	**7,688.00**	**2,769.99**
Segment Liabilities	220.01	122.92	752.46	377.29	419.94	349.92	88.29	54.41	2,023.25	-	763.11	-	3.86		(59.49)	(40.32)	4,211.43	864.22
Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11.05	-
Unallocated Corporate Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	390.05	30.44
Total Liabilities	**220.01**	**122.92**	**752.46**	**377.29**	**419.94**	**349.92**	**88.29**	**54.41**	**2,023.25**	**-**	**763.11**	**-**	**3.86**	**-**	**(59.49)**	**(40.32)**	**4,612.53**	**894.66**
Capital Expenditure	6.29	2.06	69.73	85.52	46.35	114.82	15.40	17.51	3.54	-	1.05	-	-	-	-	-	142.36	219.91
Unallocated Corporate Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.00	1.99
Depreciation and Amortisation	14.98	19.34	78.09	81.60	69.96	71.00	8.86	8.39	20.91	-	49.08	-	-	-	-	-	241.88	180.33
Unallocated Corporate Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.42	4.94

Notes to Consolidated Financial Statements

Revenue from External Customers

(₹ in Crores)

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
India	5,397.63	4,024.39
Outside India	685.66	726.00
Total Revenue as per Statement of Profit and Loss	**6,083.29**	**4,750.39**

There are no sales to external customers more than 10% of total revenue.

Non-Current Operating Assets

(₹ in Crores)

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
India	3,456.07	1,328.19
Outside India	482.82	91.73
Total	**3,938.89**	**1,419.92**

Reconciliation of Segment Assets and Liabilities to amounts reflected in the financial statements

(₹ in Crores)

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Segment Assets	7,688.00	2,769.99
Add: Deferred Tax Assets (Note 16)	759.23	10.57
Add: Derivative Instruments	-	1.06
Add: Goodwill on Consolidation (Note 6d)	599.84	309.22
Total Assets	**9,047.07**	**3,090.84**

(₹ in Crores)

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Segment Liabilities	4,612.53	894.66
Add: Deferred Tax Liabilities (Note 16)	10.74	18.14
Add: Long Term and Short Term Borrowings (Note 15a and Note 17a)	1,326.16	269.43
Add: Derivative Instruments	1.43	0.36
Add: Current maturities of Long term Borrowings (Note 17c)	588.46	101.97
Total Liabilities	**6,539.32**	**1,284.56**

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 99 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-2021	As at 31-Mar-2020
Opening Balance	42.84	-
Additions on account of Business Combination (Refer Note 40.2)	22.47	-
Add: Additions during the year	9.23	63.33
Less: Deletions / Remeasurements during the year	(7.64)	3.67
Add / Less: Accretion of Interest	3.57	-
Less: Payments during the year	(11.33)	(24.16)
Less: Exchange Differences	(1.36)	-
Closing Balance	**57.78**	**42.84**
Current	12.88	5.75
Non Current	44.90	37.09

Maturity Analysis of Lease Liability ₹ in Crores

Year Ended	Less than 1 Year	1 - 5 Years	More than 5 Years
31-Mar-2021	19.01	38.82	55.97
31-Mar-2020	9.02	24.07	55.36

The effective interest rate for lease liabilities is 8%-13%.

The following are the amounts recognised in profit or loss: ₹ in Crores

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Depreciation expense of right-of-use assets	16.81	12.64
Interest expense on lease liabilities	3.57	3.51
Expense relating to short-term leases (included in other expenses)	8.65	12.11
Expense relating to variable leases (included in other expenses)	0.05	0.17
Income from right-of-use assets (included in other expenses)	-	(0.20)
Income from right-of-use assets (included in other income)	(0.63)	-
Total	**28.45**	**28.23**

The Group had total cash outflows for leases of ₹11.33 Crores during the year ended 31st March 2021 (₹24.16 Crores during the year ended 31st March 2020). The Group also had non-cash additions to right-of-use assets and lease liabilities of ₹9.23 Crores 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:

As at 31st March 2021

Particulars	Within 3 years	More than 3 years	Total
Extension options expected not to be exercised	-	-	-
Termination options expected to be exercised	-	-	-
Total	**-**	**-**	**-**

Notes to Consolidated Financial Statements

As at 31st March 2020			₹ in Crores
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 2021 ₹ in Crores

Name of the Subsidiary	Country of Incorporation	As on 31st March 2021	Profit allocated to Non-Controlling Interest (₹ in Crores)	Other Comprehensive Income allocated to Non-Controlling Interest (₹ in Crores)	Accumulated Non-Controlling Interest (₹ in Crores)
Shanthi Gears Limited	India	29.53%	5.96	(0.05)	70.02
Great Cycles (Private) Limited	Sri Lanka	20.00%	0.34	-	3.94
Creative Cycles (Private) Limited	Sri Lanka	20.00%	(0.40)	-	0.74
CGPISL and its subsidiaries (refer Note 40.2)	India	41.42%	12.47	4.36	261.27

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 (₹ in Crores)	Other Comprehensive Income allocated to Non-Controlling Interest (₹ in Crores)	Accumulated Non-Controlling Interest (₹ in Crores)
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

The summarised financial information of the Subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Notes to Consolidated Financial Statements

As at 31st March 2021

Summarised Statement of Profit and Loss ₹ in Crores

Particulars	Shanthi Gears Limited	Great Cycles (Private) Limited	Creative Cycles (Private) Limited	CGPISL
Income	223.81	18.90	40.53	1,456.45
Expenses	197.74	16.97	42.57	1,410.13
Profit Before Tax	26.07	1.93	(2.04)	46.32
Tax Expense	5.90	0.22	(0.03)	16.18
Profit for the Year	20.17	1.71	(2.01)	30.14
- attributable to the equity holders of the Parent	14.21	1.37	(1.61)	17.67
- attributable to the non-controlling interest	5.96	0.34	(0.40)	12.47
Other Comprehensive Income	(0.16)	-	-	10.52
- attributable to the equity holders of the Parent	(0.11)	-	-	6.16
- attributable to the non-controlling interest	(0.05)	-	-	4.36
Total Comprehensive Income	20.01	1.71	(2.01)	40.66
- attributable to the equity holders of the Parent	14.10	1.37	(1.61)	23.83
- attributable to the non-controlling interest	5.91	0.34	(0.40)	16.83

Summarised Balance Sheet ₹ in Crores

Particulars	Shanthi Gears Limited	Great Cycles (Private) Limited	Creative Cycles (Private) Limited	CGPISL
Non-Current Asset	111.86	8.69	7.16	2,631.21
Current Asset	213.56	19.46	23.19	2,138.85
Assets classified as held for sale and discontinued operations	-	-	-	501.38
Non-Current Liabilities	2.48	1.57	1.49	882.04
Current Liabilities	85.81	6.88	25.15	3,748.11
Liabilities associated with group of assets classified as held for sale and discontinued operations	-	-	-	11.05
Total Equity	237.13	19.70	3.71	630.24
- attributable to the equity holders of the Parent	167.11	15.76	2.97	368.97
- attributable to the non-controlling interest	70.02	3.94	0.74	261.27

Summarised Cash Flow Statement ₹ in Crores

Particulars	Shanthi Gears Limited	Great Cycles (Private) Limited	Creative Cycles (Private) Limited	CGPISL
Net cash inflow in operating activities	32.77	(0.14)	(2.66)	(447.94)
Net cash outflow from investing activities	(20.35)	(0.03)	-	5.05
Net cash inflow in financing activities	(11.51)	(0.17)	(0.13)	663.39
Net Increase / (Decrease) in Cash and Cash equivalents	0.91	(0.34)	(2.79)	220.50

Notes to Consolidated Financial Statements

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	7.73	(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

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 equivalent	(17.75)	0.63	4.40

Note 40.1. Interest in Joint Venture

As at 31st March 2020, the Group has interest in Joint Ventures namely TI Tsubamex Private Limited (TTPL) at 78.33%. During the year ended 31st March 2021, consequent to discontinuance of TI Tsubamex Private Limited ("TTPL") operations, sale of its assets and settling of its liabilities, the Group made an application to the Registrar of Companies, Chennai (ROC) for striking off TTPL's name from the Register of Companies. The final approval from ROC is awaited.

The Group's interest is accounted using the equity method in the consolidated financial statements. Summarised financial information of the joint ventures based on their Ind AS financial statements is given below:

Notes to Consolidated Financial Statements

Summarised Statement of Profit and Loss **₹ in Crores**

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
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	As at 31-Mar-2021	As at 31-Mar-2020
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	-	-

Note 40.2 Business Combination

a) The Company entered into a Securities Subscription Agreement dated August 7, 2020 and the amendment thereto dated September 2, 2020 (together "SSA") with CGPISL. CGPISL is a global enterprise providing end-to-end solutions to utilities, industries and consumers for the management and application of efficient and sustainable electrical energy. The decision by the Group to acquire controlling interest in CGPISL was driven by the strong conviction and belief of the management that the Group's operational, financial and governance capabilities and experience will help towards removing the difficulties and hardships faced by CGPISL and its subsidiaries largely resulting from paucity of funds for working capital and, in the process, facilitate create value creation for the Group as well as CGPISL. With the Holding Company and CGPISL being engaged in the engineering business, this acquisition is expected to bring in synergy for the Group.

b) Consequently, the Group has acquired CGPISL and its subsidiaries (together, "CG Power"), and the Company was allotted 711,251,887 equity shares of ₹2/- each against a consideration of ₹650 crores (resulting in CGPISL becoming a subsidiary of the Company effective November 26, 2020, the "Acquisition Date") and 175,233,645 warrants at a value of ₹8.56 each, convertible within 18 months of subscription into an equal number of equity shares (at the option of the Company), against which the Company has paid 25% of the value, i.e. ₹37.5 crores, till date, under the terms of the SSA. This has resulted in the Company holding 58.58% stake in CGPISL. Also, in relation to this acquisition:

   i. the Company and CGPISL entered into agreements for compromise, settlement and restructuring of the pre-existing funded and non-funded credit facilities of CGPISL, which envisage, inter alia, repayment of ₹650 crores of debt by CGPISL, conversion of ₹200 crores of debt of CGPISL into unsecured non-convertible debentures, and the settlement of certain borrowings at ₹132 Crores, and discharge of lien over certain assets, as full and final settlement.

Notes to Consolidated Financial Statements

ii. the Company and CGPISL have entered into separate agreements or are in negotiations, with lenders, for settlement of corporate guarantee obligations by CGPISL and its subsidiaries;

c) As required by Ind-AS 103, Business Combinations, the Company has accounted for the assets and liabilities of CG Power at their respective fair values, and intangibles and resultant goodwill arising from such acquisition, in the consolidated financial statements of the Company as at and for the period(s) ended 31st March, 2021. In this connection, and based on the information available as of date, the management of the Company has assessed the various matters resulting in disclaimer of opinion on CG Power's consolidated financial information for the period from Acquisition Date to 31st March, 2021 for the purpose of the Company's preparation of consolidated financial statements, by the auditors of CG Power, as follows:

i. In respect of the matters relating to (a) the National Company Law Tribunal's order for reopening of the books of account and recasting of financial statements of CG Power for the financial years from FY 2015 to FY 2019, and deferred tax assets recognised by CG Power pending conclusion of such reopening and recasting, (b) ongoing investigation by Serious Fraud Investigation Office ('SFIO') of the affairs of CGPISL and certain subsidiaries in respect of periods prior to Acquisition Date, (c) resulting non-compliance of laws and regulations by CG Power. Pending final outcome of these matters, it is not possible to determine the consequential effects thereof on the consolidated financial statements including in the accounting for the Company's acquisition of CG Power.

ii. Provisions / accruals have been recorded towards certain liabilities of CG Power, including those arising from contractual commitments (as part of the restructuring discussed in Note 40.2(b)i above), non-compliance of laws and regulations, and outcomes of various pending litigations and assessments, based on Company management's preliminary assessment of the likelihood of devolvement of such obligations and liabilities.

iii. There are no incremental material consequences of de-consolidation of certain components by CG Power, arising from loss of control prior to the Company's acquisition of CG Power.

iv. Consolidation of certain components on the basis of unaudited/un-reviewed financial information.

The auditors of the Company have qualified their opinion in their Auditor's Report on the accompanying consolidated financial statements of the Company for the year ended 31st March, 2021, with respect to matters in (i) and (iv) above.

The above accounting treatment is based on management's preliminary assessment of various aspects related to the respective matters as above, and are based on provisional amounts as permitted by paragraph 45 of Ind-AS 103, which provides a measurement period of one year from the acquisition date, to complete the final acquisition accounting. The Company will retrospectively adjust the provisional amounts, as above, to reflect any admissible new information that may arise within the measurement period. The above accounting based on provisional amounts resulted in a goodwill of ₹287.82 Crores.

d) The fair value of the identifiable assets and liabilities of CG Power Group as at the date of the acquisition were provisionally estimated as below:

₹ in Crores

Particulars	**Fair Value At Acquisition**
Non-Current Assets	
Property, plant and equipment	908.76
Right of Use Assets	289.30
Capital work-in-progress	15.21
Intangible Assets	567.20
Financial Assets	132.94
Deferred Tax Assets (net)	809.47
Other Non-Current Assets	13.77

Notes to Consolidated Financial Statements

Particulars	Fair Value At Acquisition
Total Non-Current Assets	**2,736.65**
Current Assets	
Inventories	334.72
Trade Receivables	502.95
Cash and Cash Equivalents	864.47
Other Bank Balances	35.32
Other Financial Assets	358.43
Current Tax Assets (net)	47.57
Other Current Assets	334.80
Total Current Assets	**2,478.26**
Assets classified as held for sale and discontinued operations	498.96
Total Assets (A)	**5,713.87**
Non-Current Liabilities	
Financial Liabilities	21.77
Provisions	31.65
Deferred Tax Liabilities	52.92
Total Non-Current Liabilities	**106.34**
Current Liabilities	
Borrowings	359.11
Trade Payables	1,313.99
Other Financial Liabilities	1,937.51
Provisions	223.47
Other Current Liabilities	890.11
Total Current Liabilities	**4,724.19**
Liabilities associated with group of assets classified as held for sale and discontinued operations	9.01
Total Liabilities (B)	**4,839.54**
Net Assets (C=A-B)	**874.33**
Satisfied by:	
Fair value of total purchase consideration (D)	800.00
Non-Controlling interest on acquisition ('E)	362.15
Goodwill (D+E-C)	**287.82**

e) There is no contingent consideration to be paid as per the SSA, and transactions to be recognised separately from acquisition of assets and assumption of liabilities.

f) The consolidated financial statements of CG Power from the date of acquisition to March 31, 2021 have been included in the consolidated financial statements of the Group.

g) Since the date of acquisition, CG Power has contributed ₹1,393.37 Crores to the Group revenue from operations and has profit before taxation by ₹46.32 Crores (including exceptional item of ₹20.18 Crores) for the year ended March 31, 2021. If CG Power had been acquired at the beginning of the year, the revenue of the Group would have been ₹7,653.87 Crores and the Loss before tax of the Group would have been ₹100.96 crores (Including exceptional items of ₹127.06 Crores).

h) Non-controlling interest has been measured at the non-controlling interest's proportionate share of CG Power Group's identifiable net assets. Acquisition costs of ₹3.65 Crore related to CG Power Group have been charged to consolidated statement of profit and loss.

Notes to Consolidated Financial Statements

Note 40 a. 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-2021		As at 31-Mar-2020	
	Assets	Liabilities	Assets	Liabilities
Fair Value of Foreign Exchange Forward Contracts	-	1.43	1.06	0.36

Disclosure of effects of Hedge accounting

As at 31-Mar-2021

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	4	54	12.42	92.63	7-Apr-2021 to 31-Mar-2022	1:1	1 USD - ₹74.33 1 EUR - ₹89.04	1.18	(1.18)

₹ in Crores

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	(0.93)	-	1.29	Other Income

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

Notes to Consolidated Financial Statements

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-2021	31-Mar-2020	31-Mar-2021	31-Mar-2020
Financial assets				
FVTOCI Equity Investments	8.41	8.92	8.41	8.92
FVTOCI Debt Investments	7.63	7.56	7.63	7.56
FVTPL Debt Investments	1.47	-	1.47	-
Investments at amortised cost	28.06	27.67	28.06	27.67
Derivative Instruments - Non Current	-	-	-	-
Other Financial Assets - Non Current	45.41	28.71	45.41	28.71
Loans	1.93	3.13	1.93	3.13
Trade Receivables	1,278.52	524.64	1,278.52	524.64
FVTPL Investments in Mutual Funds	323.49	141.65	323.49	141.65
Derivative Instruments - Current	-	1.06	-	1.06
Cash and Bank Balances	575.54	37.81	575.54	37.81
Other Financial Assets - Current	275.46	31.17	275.46	31.17
Total	**2,545.92**	**812.32**	**2,545.92**	**812.32**
Financial liabilities				
Non-current Borrowings	920.06	15.79	920.06	15.79
Lease Liabilities - Non Current	44.90	37.09	44.90	37.09
Derivative Instruments - Non Current	-	0.36	-	0.36
Other Financial Liabilities - Non-Current	8.07	-	8.07	-
Current Borrowings	406.10	253.64	406.10	253.64
Trade Payables	2,257.01	695.94	2,257.01	695.94
Lease Liabilities - Current	12.88	5.75	12.88	5.75
Derivative Instruments - Current	1.43	-	1.43	-
Other Financial Liabilities - Current	1,626.94	136.30	1,626.94	136.30
Total	**5,277.39**	**1,144.87**	**5,277.39**	**1,144.87**

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.

Notes to Consolidated Financial Statements

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:

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	16.04	-	7.63	8.41
FVTPL Investments	324.96	324.96	-	-
Assets for which fair values are disclosed:				
Investment Properties *	44.68	-	-	44.68
Investments carried at amortised cost	28.06	-	28.06	-

* Fair value of investment property is calculated based on valuation given by external independent valuer

There have been no transfers between the level 1 and level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2021:

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	1.43	-	1.43	-
Long term Borrowings	920.06	-	920.06	-

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 31 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:				
Foreign Exchange forward Contracts	1.06	-	1.06	-
FVTOCI Investments	16.48	-	7.56	8.92
FVTPL Investments	141.65	141.65	-	-
Assets for which fair values are disclosed:				
Investment Properties *	30.30	-	-	30.30
Investments carried at amortised cost	27.67	-	27.67	-

* Fair value of investment property is calculated based on valuation given by external independent valuer

There have been no transfers between the level 1 and level 2 during the period.

Notes to Consolidated Financial Statements

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 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	-
Long term Borrowings	15.79	-	15.79	-

There have been no transfers between the level 1 and level 2 during the period.

Particulars	Valuation technique	Significant unobservable inputs	Range (Weighted average)	Sensitivity of the input to fair value
Unquoted FVTOCI equity investments As at 31st March 2021	DCF Model	Discount Rate	15%	5% sensitivity 2020-21- Discount Rate-20%, ₹(2.05) Crores Discount Rate-10%, ₹4.10 Crores
Unquoted FVTOCI equity investments As at 31st March 2020	DCF Model	Discount Rate	15%	5% sensitivity 2019-20- Discount Rate-20%, ₹(2.26) Crores Discount Rate-10%, ₹4.64 Crores
Investment Property As at 31st March 2021	Valuation by External Independent Valuer	Price per Sq. feet	₹4000 - ₹13,000 per Sq. ft.	5% sensitivity 2020-21 - Rate per Sq. ft - 5%, ₹0.42 Crores
Investment Property As at 31st March 2020	Valuation by External Independent Valuer	Price per Sq. feet	₹4000 - ₹13,000 per Sq. ft.	5% sensitivity 2019-20 - Rate per Sq. ft - 5%, ₹0.36 Crores

Reconciliation of Fair Value Measurement of Unquoted FVTOCI Equity Investments

Unquoted FVTOCI Equity Investments	As at 31-Mar-2021	As at 31-Mar-2020
As at the beginning of the period	8.92	8.60
Re-measurement recognised in OCI	(0.51)	(0.59)
Purchases	-	0.91
Sales	-	-
As at the end of the period	**8.41**	**8.92**

Note 41.3 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.

Notes to Consolidated Financial Statements

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.

As at	Nature	Increase/ (Decrease) in PBT for change in USD rates	Increase/ (Decrease) in PBT for change in EURO rates	Increase/ (Decrease) in PBT for change in GBP rates	Increase/ (Decrease) in PBT for change in IDR rates	Increase/ (Decrease) in PBT for change in Other rates
31-Mar-21	Receivables	20.64	14.54	1.15	0.80	1.01
	Payables	(27.26)	(30.74)	1.25	5.19	1.45
31-Mar-20	Receivables	2.14	0.98	-	-	-
	Payables	(0.93)	(0.01)	-	-	-

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-21	Derivative Contracts	(1.71)	(1.37)	0.26	(4.10)	-
31-Mar-20	Derivative Contracts	(0.89)	(1.32)	(1.84)	(9.23)	2.44

Conversely, 5% depreciation in the USD and Euro rates against the significant foreign currencies as at 31st March 2021 and 31st March 2020 would have had the same but opposite effect, again holding all other variables constant.

Notes to Consolidated Financial Statements

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 ₹8.41 Crores as at 31-Mar-2021. (As at 31-Mar-2020 - ₹8.92 Crores)

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 ₹2,522.78 Crores as at 31st March 2021 and ₹800.45 Crores as at 31st March 2020, 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 2021, the Group had 152 customers (as at 31st March 2020 - 110 customers) that owed the Group more than ₹1 Crore each and accounted for approximately 47% (as at 31st March 2020 - 83%) of the total trade receivables outstanding. There were 12 customers (as at 31st March 2020 - 9 Customers) with balances greater than ₹10 Crores accounting for around 15% of the trade receivables (Previous year – 26%).

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, ₹73.56 Crores (Previous year ₹70.88 Crores) is backed by Export Credit Guarantee Cover / Letter of Credit as at 31st March 2021.

C. Liquidity Risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Group has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Group has access to funds from debt markets through commercial paper, non-convertible debentures, and other debt instruments. The Group invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no/low mark to market risks. The Group has also invested 15% of the non-convertible debentures (taken by the group) falling due for repayment in the next 12 months in bank deposits, to meet the regulatory norms of liquidity requirements.

Notes to Consolidated Financial Statements

The Group also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

As at 31st March 2021, the Group has undrawn committed lines of ₹1,065.47 Crores (As at 31st March 2020 - ₹359.07 Crores).

The table below provides details regarding the contractual maturities of financial liabilities based on Contractual undiscounted payments:

	On demand	Less than 3 months	3 to 12 months	> 1 year	Total
Year ended 31-Mar-21					
Borrowings	66.36	339.74	54.80	929.58	1,390.48
Other Financial Liabilities	2.49	1,573.42	-	9.93	1,585.84
Trade and Other Payables	114.20	2,153.80	15.71	2.59	2,286.30
Derivatives	-	-	1.43	-	1.43
Lease Liabilities	-	11.09	7.92	94.79	113.80
	183.05	**4,078.05**	**79.86**	**1,036.89**	**5,377.85**
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
	170.89	**816.94**	**121.33**	**96.96**	**1,206.12**

Note 42.Capital Management

The Group's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals.

The amount of capital required is determined based on annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through internal accruals, nonconvertible debentures, external commercial borrowings and other long-term/short-term borrowings. The Group's policy is aimed at combination of short-term and long-term borrowings.

The Group monitors capital employed using a Debt equity ratio, which is total debt divided by total equity and maturity profile of the overall debt portfolio of the Group.

The following table summarizes the Capital of the Group:

	As at 31-Mar-2021	As at 31-Mar-2020
Borrowings		
- Long Term	920.06	15.79
- Short Term	406.10	253.64
- Other Current liabilities (Current maturities of Long Term Borrowings)	588.46	101.97
Total Debt	**1,914.62**	**371.40**

Notes to Consolidated Financial Statements

	As at 31-Mar-2021	As at 31-Mar-2020
Equity Share Capital	19.28	18.79
Other Equity	2,152.50	1,714.91
Equity	**2,171.78**	**1,733.70**
Debt Equity ratio	0.88	0.21

Note 43.Non-current assets held for sale and Discontinued Operations

a) Transformer Division – Kanjurmarg:

The plant and machineries of Transformer factory at Kanjurmarg were shifted to other manufacturing facilities and the carrying value of land and building was classified as ‘Asset held for sale’. A provision for restructuring cost towards closure / shifting of the said manufacturing facility was recognised.

The Group had entered into a definitive agreement with a Buyer for sale of its remaining portion of land at Kanjurmarg. The Group has complied with Conditions Precedent required as per agreement and is pursuing with the Buyer for completion of the transaction. Subsequent to year end, the Municipal Corporation of Greater Mumbai (‘MCGM’) have taken temporary possession of the said property under Epidemic Diseases Act for providing Covid treatment centre.

b) The Board of Directors of the CGPISL has approved the proposal for voluntary liquidation of its subsidiaries, namely, CG- Ganz Generator and Motor Limited Liability Company (Ganz) and CG Sales Networks Malaysia Sdn. Bhd, subject to statutory and regulatory approvals. Consequently, as on 31st March 2021, business of such subsidiaries have been classified as discontinued operation. The liquidation proceeding is under process.

The major classes of assets and liabilities of the discontinued operation are as under: **₹ in Crores**

	As at 31-Mar-2021
Assets	
Land and building (net)	491.05
Trade receivables	1.30
Cash and cash equivalents	2.08
Bank balances other than above	1.33
Current tax	0.90
Other current assets	4.72
Assets classified as held for sale (A)	**501.38**
Liabilities	
Trade payables	2.86
Other current liabilities	0.86
Provisions	7.33
Liabilities directly associated with assets classified as held for sale (B)	**11.05**
Net assets directly associated with disposal group (A-B)	**490.33**

Notes to Consolidated Financial Statements

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 2021 and 31st March 2020

Year Ended 31st March 2021

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	62%	1,558.77	86%	260.93	-19%	(2.51)	81%	258.42
II. Subsidiaries								
a) Indian								
Shanthi Gears Limited	7%	168.08	5%	14.21	-1%	(0.11)	4%	14.10
CG Power Industrial Solutions Limited (Refer Note)	112%	2,817.00	370%	1,126.00	54%	7.04	357%	1,133.04
CG PPI Adhesive Products Limited	0%	10.53	0%	0.28	0%	(0.06)	0%	0.22
CG Power Solutions Limited	-42%	(1,047.07)	-246%	(749.74)	0%	-	-236%	(749.74)
CG Power Equipments Limited	0%	0.01	0%	-	0%	-	0%	-
b) Foreign								
Financiere C10 SAS (Refer Note)	3%	71.31	-2%	(6.25)	0%	-	-2%	(6.25)
Great Cycles Private Limited	1%	15.10	0%	1.37	0%	-	0%	1.37
Creative Cycles Private Limited	0%	(10.85)	-1%	(1.61)	0%	-	-1%	(1.61)
CG International B.V.	-34%	(846.49)	-27%	(81.41)	0%	-	-26%	(81.41)
CG Power Systems Canada Inc.	0%	2.08	0%	0.01	0%	-	0%	0.01
CG-Ganz Generator and Motor LLC	0%	0.01	-12%	(36.48)	0%	-	-11%	(36.48)
CG Electric Systems Hungary Zrt.	-4%	(95.23)	-11%	(32.95)	0%	-	-10%	(32.95)
CG Service Systems France SAS	0%	-	0%	(0.01)	0%	-	0%	(0.01)
CG Power Americas, LLC	-5%	(118.13)	-1%	(1.63)	0%	-	-1%	(1.63)
QEI, LLC	2%	58.60	-6%	(18.16)	0%	-	-6%	(18.16)
CG Power Solutions UK Limited	0%	(9.13)	-3%	(8.56)	0%	-	-3%	(8.56)

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)
CG Industrial Holdings Sweden AB	3%	66.52	0%	0.01	0%	-	0%	0.01
CG Drives and Automation Sweden AB	7%	171.49	-44%	(134.83)	0%	-	-42%	(134.83)
CG Drives and Automation Netherlands B.V.	1%	17.62	-1%	(1.69)	0%	-	-1%	(1.69)
CG Drives and Automation Germany GmbH	0%	8.71	0%	(0.26)	0%	-	0%	(0.26)
CG Middle East FZE	-18%	(457.58)	-4%	(12.69)	0%	-	-4%	(12.69)
CG International Holdings Singapore Pte. Limited	-8%	(203.51)	-9%	(28.60)	34%	4.46	-8%	(24.14)
Crompton Greaves Sales Network Malaysia sdn.bhd.(formerly known as Crompton Greaves Sales Network Malaysia Sdn.Bhd.)	0%	2.03	0%	(1.17)	0%	-	0%	(1.17)
PT Crompton Prima Switchgear Indonesia	0%	(8.09)	0%	(0.45)	0%	-	0%	(0.45)
CG Power and Industrial Solutions Limited Middle East FZCO	0%	-	0%	-	0%	-	0%	-
Non Controlling Interest								
I. Subsidiaries								
a) Indian								
Shanthi Gears Limited	3%	70.02	2%	5.96	0%	(0.05)	2%	5.91
CG Power Industrial Solutions Limited (Refer Note)	79%	1,991.91	261%	796.16	10%	1.25	251%	797.41
CG PPI Adhesive Products Limited	0%	7.44	0%	0.20	0%	(0.05)	0%	0.15
CG Power Solutions Limited	-30%	(740.35)	-174%	(530.12)	0%	-	-167%	(530.12)
CG Power Equipments Limited	0%	0.01	0%	-	0%	-	0%	-
b) Foreign								
Great Cycles Private Limited	0%	3.94	0%	0.34	0%	-	0%	0.34
Creative Cycles Private Limited	0%	0.74	0%	(0.40)	0%	-	0%	(0.40)
CG International B.V.	-24%	(598.52)	-19%	(57.57)	0%	-	-18%	(57.57)
CG Power Systems Canada Inc.	0%	1.47	0%	0.01	0%	-	0%	0.01
CG-Ganz Generator and Motor LLC	0%	0.01	-8%	(25.80)	0%	-	-8%	(25.80)

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)
CG Electric Systems Hungary Zrt.	-3%	(67.33)	-8%	(23.29)	0%	-	-7%	(23.29)
CG Service Systems France SAS	0%	-	0%	-	0%	-	0%	-
CG Power Americas, LLC	-3%	(83.52)	0%	(1.15)	0%	-	0%	(1.15)
QEI, LLC	2%	41.44	-4%	(12.84)	0%	-	-4%	(12.84)
CG Power Solutions UK Limited	0%	(6.46)	-2%	(6.06)	0%	-	-2%	(6.06)
CG Industrial Holdings Sweden AB	2%	47.03	0%	-	0%	-	0%	-
CG Drives and Automation Sweden AB	5%	121.26	-31%	(95.33)	0%	-	-30%	(95.33)
CG Drives and Automation Netherlands B.V.	0%	12.45	0%	(1.20)	0%	-	0%	(1.20)
CG Drives and Automation Germany GmbH	0%	6.16	0%	(0.19)	0%	-	0%	(0.19)
CG Middle East FZE	-13%	(323.54)	-3%	(8.98)	0%	-	-3%	(8.98)
CG International Holdings Singapore Pte. Limited	-6%	(143.90)	-7%	(20.23)	24%	3.16	-5%	(17.07)
Crompton Greaves Sales Network Malaysia sdn.bhd.(formerly known as Crompton Greaves Sales Network Malaysia Sdn.Bhd.)	0%	1.43	0%	(0.83)	0%	-	0%	(0.83)
PT Crompton Prima Switchgear Indonesia	0%	(5.72)	0%	(0.31)	0%	-	0%	(0.31)
CG Power and Industrial Solutions Limited Middle East FZCO	0%	-	0%	-	0%	-	0%	-
Joint Ventures								
I. Indian								
TI Tsubamex Private Limited	0%	-	0%	-	0%	-	0%	-
Total		**2,507.75**		**304.69**		**13.13**		**317.82**

Notes to Consolidated Financial Statements

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)
Joint Ventures								
I. Indian								
TI Tsubamex Private Limited	0%	-	0%	-	0%	-	0%	-
Total		**1,806.28**		**313.27**		**(11.99)**		**301.28**

Note: Represents details as per Consolidated Financial Statements of FC10 and CGPISL The Consolidated Financial Statements of these entities include the financial statements of their subsidiaries (Refer Note 2)

Notes to Consolidated Financial Statements

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 **Aravind K**
Partner
Membership No : 221268

Chennai
17th June 2021

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

S Vellayan
Managing Director

M A M Arunachalam
Chairman

K Mahendra Kumar
Chief Financial Officer

S Suresh
Company Secretary

Concept & Design
HASTRA

murugappa

TUBE INVESTMENTS OF INDIA LIMITED
CIN: L35100TN2008PLC069496
'DARE HOUSE', No. 234 N S C BOSE ROAD,
CHENNAI-600 001
TEL: 044 421777770-5 FAX: 04442110404
E MAIL: investorservices@tii.murugappa.com
WEB: www.tiindia.com