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

28th June, 2019

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

BSE Ltd.
25th Floor
Phiroze Jeejeebhoy Towers,
Dalal Street
Fort
Mumbai 400 001

Dear Sirs,

Annual General Meeting Updates

We write to inform that in connection with the Company's 11th Annual General Meeting ('11th AGM') convened to be held on **Wednesday, 24th July, 2019** at TTK Auditorium, The Music Academy, No.168 (Old no.306), TTK Road, Chennai 600 014 at 3.30 P.M., the Company has submitted through the NSE NEAPS/BSE Welcome Listing portals soft copies of the Notice of the 11th AGM & Annual Report of the Company for the financial year, 2018-19, with the despatching of the soft and hard copies of the same along with the Attendance Slip and Proxy Form today viz., 28th June, 2019 to the shareholders of the Company.

As indicated in the said Notice of the 11th AGM, pursuant to the requirements of the Companies Act, 2013, the Rules thereunder and the SEBI (Listing Obligations and Disclosure) Regulations, 2015 ('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. Karvy Fintech Private Ltd. (formerly, Karvy Computershare Private Ltd) to enable the shareholders to cast their votes electronically on all the resolutions forming part of the Notice of the 11th AGM. The remote e-voting period will commence on **Friday, 19th July, 2019 (9.00 a.m.)** and end on **Tuesday, 23rd July, 2019 (5.00 p.m.)** During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of Wednesday, 17th July, 2019**, may cast their vote by remote e-voting. Other details with regard to e-voting are provided in the Notice of the 11th 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 11th AGM &
Annual Report for FY 2018-19 (thro' NSE NEAPS/BSE Welcome Listing)

murugappa

TUBE INVESTMENTS OF INDIA LIMITED

(formerly, TI Financial Holdings Limited)
(CIN: L35100TN2008PLC069496)
Registered Office: "Dare House", 234 N S C Bose Road, Chennai 600 001
Website: www.tiindia.com - E-mail id: investorservices@tii.murugappa.com
Phone: 044-42177770-5 – Fax: 044-421104054

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the ELEVENTH ANNUAL GENERAL MEETING of the Members of Tube Investments of India Limited (formerly, TI Financial Holdings Limited) will be held on **Wednesday, the 24th July, 2019 at 3.30 P.M.** at T T K Auditorium, The Music Academy, 168 (Old no. 306), T T K Road, Chennai - 600 014 to transact the following business:

ORDINARY BUSINESS

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

   RESOLVED that the Audited Financial Statements of the Company for the financial year ended 31st March, 2019, 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, 2019 and the Report of the Auditors thereon, be and are hereby received and adopted.

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

   RESOLVED that out of the profits for the financial year ended 31st March, 2019, a final dividend at the rate of ₹0.75 (Seventy-five paise) only per share on the equity share capital of the Company, as recommended by the Board of Directors, be and the same is hereby declared for the financial year, 2018-19 and that the said dividend be paid to those Members whose names appear on the Register of Members as on 24th July, 2019 or their mandatees in case the shares are held in physical form, thus making a total dividend of ₹2.50/- (Rupees Two and Paise Fifty) only per equity share of ₹1/- each for the financial year including the interim dividend of ₹1.75/- per share already paid.

   RESOLVED FURTHER that in respect of shares held in electronic form, the dividend be paid to the beneficial holders of the dematerialised shares as on 24th July, 2019 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, the Rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Ramesh K B Menon (holding DIN 05275821), Director, who retires by rotation, be and is hereby appointed as a non-executive Director of the Company, liable to retire by rotation.

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

   RESOLVED that pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), approval be and is hereby accorded for payment to Messrs. S R Batliboi & Associates LLP, Chartered Accountants (Firm registration no.101049W/E300004), Statutory Auditors of the Company, a remuneration of ₹33 lakhs in respect of the financial year, 2019-20 plus applicable taxes and reimbursement of out-of-pocket expenses incurred by them in connection with carrying out statutory audit of the Financial Statements of the Company.

   RESOLVED FURTHER that approval be and is also hereby accorded for the payment of a remuneration of ₹5 lakhs in respect of the financial year, 2019-20 inclusive of expenses, if any, as may be incurred, to Messrs. S R Batliboi & Associates LLP, Chartered Accountants and the Statutory Auditors in connection with carrying out audit of the Consolidated Financial Statements of the Company.

SPECIAL BUSINESS

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

   RESOLVED that pursuant to the provisions of Sections 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) or 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. Sanjay Johri (holding DIN 00032015), Additional Director, who holds office

up to the date of this Annual General Meeting, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, for a term of four years i.e. from the date of the 11th Annual General Meeting (2019) till the date of the 15th Annual General Meeting (2023) of the Company [both dates 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) or 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. Mahesh Chhabria (holding DIN 00166049), Additional Director, who holds office up to the date of this Annual General Meeting, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, for a term of five years i.e. from the date of the 11th Annual General Meeting (2019) till the date of the 16th Annual General Meeting (2024) of the Company [both dates 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 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) or 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. Madhu Dubhashi (holding DIN 00036846), Independent Director, who retires upon expiry of her first term on the date of this Annual General Meeting, be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation, for a second term of two years i.e. from the date of the 11th Annual General Meeting (2019) till the date of the 13th Annual General Meeting (2021) of the Company [both dates inclusive].

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

RESOLVED that subject to the provisions of Sections 196, 197 and 203 read with Schedule V to the Companies Act, 2013 and other applicable section if any thereof ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other Rules as may be applicable thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, and subject further to the limits prescribed under the Act and pursuant to the requirement of Regulation 17(6)(e) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, for the payment of remuneration, as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors of the Company, to Mr. Vellayan Subbiah, Managing Director (DIN 01138759) (executive, promoter), approval of the Company be and is hereby accorded for the following terms of remuneration payable to Mr. Vellayan Subbiah, for his term of Office, viz., with effect from 19th August, 2017 to 18th August, 2022 (both days inclusive), as hereunder:

a.	**Salary**	₹11.06 lakhs per month in the scale of ₹8 lakhs - ₹32 lakhs. The increments within the scale would be decided by the Nomination & Remuneration Committee.
b.	**Allowances/Perquisites/ Incentive**	(a) Allowances like Leave Travel Allowance, Personal Allowance, Special Allowance, Grade Allowance and/or any other allowance. (b) Perquisites such as furnished/unfurnished accommodation to be provided by the Company or house rent allowance in lieu thereof, reimbursement of medical expenses incurred for self and family, club fees, provision of car(s) and any other perquisites, benefits or amenities. (c) Incentive: as may be approved by the Nomination & Remuneration Committee from time to time subject to: - The allowances and perquisites not exceeding 200% of the Salary; and - Incentive (at 100% level) not exceeding twelve times of the monthly Basic Salary.
c.	**Retirement benefits**	(i) Contribution to Provident Fund, Superannuation Fund and Gratuity as per rules of the Fund/Scheme in force from time to time. (ii) Encashment of leave as per rules of the Company in force from time to time.
d.	**General**	(i) In the event of absence or inadequacy of profits in any financial year, Mr. Vellayan Subbiah shall be entitled to such remuneration as may be determined by the Board, which shall not, except with the approval of the Central Government, exceed the limits prescribed under the Companies Act, 2013 and the Rules made thereunder or any statutory modification or re-enactment thereof. (ii) Perquisites shall be valued in terms of income-tax rules or actual expenditure incurred by the Company in providing the benefit or generally accepted practice as is relevant. Provision of telephone (including at residence) shall not be reckoned as perquisite.

		(iii) The aggregate remuneration (including Salary, Allowances, Perquisites, Incentive/ Commission and Retirement benefits) for any financial year shall be subject to an overall ceiling of 5% of the net profits of the Company for that financial year computed in the manner prescribed under the Companies Act, 2013. (iv) Mr. Vellayan Subbiah will not be entitled to any sitting fees for attending meetings of the Board or any Committee thereof. (v) Mr. Vellayan Subbiah will not be entitled for grant of any stock options under any Employee Stock Option Scheme(s). (vi) Mr. Vellayan Subbiah will be subject to all other service conditions as applicable to any other employee of the Company. He will not be entitled for severance fee or other compensation for any loss of Office.

RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board of Directors or any Committee thereof be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company.

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 Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and/or other applicable Rules [including any statutory modification(s) or re-enactment thereof for the time being in force], Regulation 17(6)(ca) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, consent of the Company be and is hereby accorded, on the basis of the recommendations of the Nomination & Remuneration Committee and the Board of Directors of the Company, for payment of a commission of ₹100 lakhs to Mr. M M Murugappan, Chairman (non-executive, promoter) for the financial year 2018-19.

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.

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

RESOLVED that pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules thereunder [including any statutory modification(s) or re-enactment thereof, for the time being in force], the remuneration payable during the financial year 2020-21 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 2019-20, amounting to ₹3,00,000/- (Rupees three lakhs) in addition to reimbursement of out-of-pocket expenses incurred in connection with the said audit but excluding taxes, as may be applicable, be and is hereby ratified and confirmed.

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

By Order of the Board

Chennai
30th April, 2019

S Suresh
Company Secretary

NOTES:

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

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

3. Statement of material facts in respect of the Special Business under Item nos. 6 to 11 (pursuant to Section 102 of the Companies Act, 2013) is annexed hereto.

4. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 10th July, 2019, to Wednesday, 24th July, 2019 (both days inclusive).

5. Members are requested to intimate the Registrar and Transfer Agent viz., **Karvy Fintech Private Ltd (formerly, Karvy Computershare Private Ltd), Karvy Selenium Tower B, Plot 31-32 Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032** (RTA), not later than 10th July, 2019, of any change in their address/details about their Bank Account number, Name of the Bank, Bank's Branch name and address to enable the Company to remit the dividend electronically or alternatively, for incorporating in the dividend warrants. For shares held in dematerialised form, change in address/Bank account particulars may be intimated directly to the Member's Depository Participant(s).

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

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

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

9. Electronic (soft) copy of the Notice of the 11th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with the Attendance Slip & Proxy Form and the Annual Report for 2018-19 is being sent to all the Members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copies of the Notice of the 11th Annual General Meeting of the Company *inter alia* including the process and manner of e-Voting along with the Attendance Slip & Proxy Form and the Annual Report for 2018-19 are being sent in the permitted mode.

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

ANNEXURE TO THE NOTICE

Details of the Director seeking reappointment at the 11th Annual General Meeting vide Item no.4 of the Notice dated 30th April, 2019

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

The resume of Mr. Ramesh K B Menon, 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. Ramesh K B Menon

Mr. Ramesh K B Menon, holding DIN 05275821, is a graduate in Science from Jai Hind College, Mumbai and an alumnus of XLRI, Jamshedpur. He had earlier worked with Madura Coats as its Director - HR, South Asia and his experience with Madura Coals spanned twenty-seven years where he had handled several HR leadership assignments including as the HR Head for South Asia & Africa Regions, consisting of thirteen countries.

Mr. Ramesh K B Menon is a Member of the Audit Committee of the Company.

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

Director	**Committee Memberships**
E.I.D. Parry (India) Ltd. *(listed company)*	**Audit Committee**
Ambadi Enterprises Ltd	Nil
Parry Enterprises India Ltd	**Stakeholders Relationship Committee**
Parry Murray and Company Ltd	**Member**
Parry Agro Industries Ltd	E.I.D. Parry India Ltd
Triumph Electoral Trust *(Section 8 company)*	**Nomination & Remuneration Committee**
	Member
	E.I.D. Parry India Ltd

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

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

The Board considers that his continued association would be beneficial to the Company and recommends his appointment as a Director liable to retire by rotation for approval by the Members of the Company.

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

Statement in respect of the Special Business under Item nos. 6 to 11 (pursuant to Section 102 of the Companies Act, 2013) of the Notice dated 30th April, 2019

Item no. 6

Mr. Sanjay Johri, holding DIN 00032015, was appointed as an Additional Director of the Company with effect from 14th August, 2018 pursuant to Section 161(1) of the Companies Act, 2013 ("the Act") and holds office up to the date of the ensuing Annual General Meeting. The Company has received the requisite consent and disclosure forms from him. The Company has also received a notice in writing from a Member proposing his appointment.

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

Mr. Sanjay Johri is the Chairman of the Nomination & Remuneration Committee of the Company. He is also a Member of the Audit Committee and the Corporate Social Responsibility Committee of the Company.

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

Director	**Committee Memberships**
Voltbek Home Appliances Private Limited	**Audit Committee**
The RD Association Private Limited	Nil
	Stakeholders Relationship Committee
	Nil
	Nomination & Remuneration Committee
	Nil

Mr. Sanjay Johri does not hold any shares of the Company.

The other details relating to Mr. Sanjay Johri 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. Sanjay Johri satisfies the criteria prescribed in the Act and Rules made thereunder for appointment as an Independent Director of the Company and he is independent of the Management. Accordingly, the Board of Directors has recommended his appointment as an Independent Director for a term of four years, from the date of the 11th Annual General Meeting (2019) till the date of the 15th Annual General Meeting (2023) of the Company (both days inclusive). The draft letter of appointment setting out the terms and conditions of his appointment is available on the website of the Company and would also be available for inspection without any fee by the Members at the Company's Registered Office during normal business hours on any working day up to the date of the AGM.

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. Sanjay Johri as an Independent Director, for approval by the Shareholders of the Company.

Except Mr. Sanjay Johri, 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

Mr. Mahesh Chhabria, holding DIN 00166049, was appointed as an Additional Director of the Company with effect from 5th February, 2019 pursuant to Section 161(1) of the Companies Act, 2013 ("the Act") and holds office up to the date of the ensuing Annual General Meeting. The Company has received the requisite consent and disclosure forms from him. The Company has also received a notice in writing from a Member proposing his appointment.

Mr. Mahesh Chhabria 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 M/s. Kirloskar Industries Ltd., the investment arm of the Kirloskar Group. Prior to joining the said company, he was a Partner with Actis Advisers Private Ltd., a private equity fund. Earlier, he was associated with 3i India's private equity business and also with Enam Securities. He also serves as Independent Director of several companies.

Mr. Mahesh Chhabria is a Member of the Audit Committee, the Corporate Social Responsibility Committee and the Risk Management Committee of the Company.

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

Managing Director Kirloskar Industries Limited *(listed company)* **Director** Kirloskar Oil Engines Limited *(listed company)* Deepak Fertilisers and Petrochemicals Corporation Limited *(listed company)* Kirloskar Ferrous Industries Limited *(listed company)* Kirloskar Proprietary Limited Kirloskar Capital Limited Enam Asset Management Company Private Limited Sox Control Solutions Private Limited	**Committee Memberships Audit Committee** **Chairman** Deepak Fertilisers and Petrochemicals Corporation Limited **Member** Kirloskar Oil Engines Limited **Stakeholders Relationship Committee** Nil **Nomination & Remuneration Committee** **Member** Kirloskar Oil Engines Limited Deepak Fertilisers and Petrochemicals Corporation Limited Kirloskar Proprietary Limited

Mr. Mahesh Chhabria does not hold any shares of the Company.

The other details relating to Mr. Mahesh Chhabria 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. Mahesh Chhabria satisfies the criteria prescribed in the Act and Rules made thereunder for appointment as an Independent Director of the Company and he is independent of the Management. Accordingly, the Board of Directors has recommended his appointment as an Independent Director for a term of five years, from the date of the 11th Annual General Meeting (2019) till the date of the 16th Annual General Meeting (2024) of the Company (both days inclusive). The draft letter of appointment setting out the terms and conditions of his appointment is available on the website of the Company and would also be available for inspection without any fee by the Members at the Company's Registered Office during normal business hours on any working day up to the date of the AGM.

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. Mahesh Chhabria as an Independent Director, for approval by the Shareholders of the Company.

Except Mr. Mahesh Chhabria, 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. 8

Ms. Madhu Dubhashi, holding DIN 00036846, was appointed as an Independent Director of the Company for a term of two years at the 9th Annual General Meeting, to hold Office from the date of the said Annual General Meeting till the date of this 11th Annual General Meeting. In terms of the Companies Act, 2013 ("the Act") and the Rules thereunder, she is eligible to be re-appointed as Independent Director for a second term. The Company has received the requisite consent and disclosure forms from her. The Company has also received a notice in writing from a Member proposing her re-appointment.

Ms. Madhu Dubhashi is an Economics (Hon.) Graduate and has a Post Graduate Diploma in Management from IIM-Ahmedabad. She has an experience of nearly four decades in the financial/financial services sector, having worked for reputed institutions like ICICI Limited, Standard Chartered Bank, JM Financial & Investment Consultancy Services Private Limited., and Global Data Services of India Limited (wholly-owned subsidiary of CRISIL).

Ms. Madhu Dubhashi is a Member of the Nomination & Remuneration Committee and Chairperson of the Corporate Social Responsibility Committee of the Company.

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

Director	**Committee Memberships Audit Committee**
Axis Finance Limited	**Chairperson**
JM Financial Properties & Holdings Limited	Axis Finance Limited
JM Financial Trustee Company Private Limited	Majesco Limited
Majesco Limited *(listed company)*	Majesco Software and Solutions India Private Limited
Majesco Software and Solutions India Private Limited	JM Financial Properties & Holdings Limited
Pudumjee Paper Products Limited *(listed company)*	JM Financial Trustee Company Private Limited
Recommender Labs Private Limited	**Member**
	Pudumjee Paper Products Limited
	Stakeholders Relationship Committee
	Nil
	Nomination & Remuneration Committee
	Member
	Axis Finance Limited
	Pudumjee Paper Products Limited

Ms. Madhu Dubhashi holds 4,994 equity shares of the Company.

The other details relating to Ms. Madhu Dubhashi 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, Ms. Madhu Dubhashi satisfies the criteria prescribed in the Act and Rules made thereunder for her appointment as an Independent Director of the Company for a second term and she is independent of the Management. Accordingly, the Board of Directors, on the recommendation of the Nomination & Remuneration Committee and based on performance evaluation, considering her background, experience and contribution made by her during her first term, has recommended her appointment as an Independent Director for a second term of two years, from the date of the 11th Annual General Meeting (2019) till the date of the 13th Annual General Meeting (2021) of the Company (both days inclusive). The draft letter of appointment setting out the terms and conditions of her appointment is available on the website of the Company and would also be available for inspection without any fee by the Members at the Company's Registered Office during normal business hours on any working day up to the date of the AGM.

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 Special Resolution in relation to the appointment of Ms. Madhu Dubhashi as an Independent Director for a second term of two years, for approval by the Shareholders of the Company.

Except Ms. Madhu Dubhashi, 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.9

At the 9th Annual General Meeting (9th AGM) held on 6th November, 2017, the Members of the Company had approved the appointment of Mr. Vellayan Subbiah as Managing Director (Designate)/Managing Director for a term of 5 years from 19th August, 2017 till 18th August, 2022 (both days inclusive) (hereinafter "term of Office") and also approved the terms of his remuneration.

Under the Members approval accorded at the 9th AGM, the terms of remuneration payable to Mr. Vellayan Subbiah also provided *inter alia* for the payment of allowances and perquisites as may be approved by the Nomination & Remuneration Committee of the Board of Directors, from time to time, subject to the allowances and perquisites "not exceeding 100% of the Salary". A substantial portion of the salary of the Managing Director is paid in the form of allowances and perquisites that permit the executive to maintain a certain standard of living commensurate with his position in the Company and industry. Given the direct relationship between retirals and basic salary, only a certain portion of the annual increment is taken to the basic salary while the remaining part is added to various allowances. Over a period of time, the percentage of the allowances and perquisites to the basic salary thus tends to be higher. In view of the same, it is proposed that the cap on allowances and perquisites to Mr. Vellayan Subbiah be revised from the existing 100% of basic salary to 200% of his basic salary.

Accordingly, the present proposal seeks to cover the revision in the allowances and perquisites as recommended by the Board and approved by the Shareholders for payment to Mr. Vellayan Subbiah for his term of Office viz., as "not exceeding 200% of the Salary". Except for the said variation, the other terms of his appointment and remuneration as originally approved at the 9th AGM remain unchanged. The terms of remuneration to Mr. Vellayan Subbiah will be within the overall ceiling for managerial remuneration stipulated under the Companies Act, 2013.

Further, in terms of the recent amendment to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, fees or compensation payable to an executive director who is a promoter or member of the promoter group shall be subject to the approval of the shareholders by special resolution in general meeting if the annual remuneration payable to such executive director exceeds ₹5 Cr., or 2.5% of the net profits of the listed entity, whichever is higher. Accordingly, as the aggregate remuneration (including Salary, Allowances, Perquisites, Incentive/commission and Retirement benefits) for any financial year to Mr. Vellayan Subbiah, Managing Director shall be subject to an overall ceiling of 5% of the net profits of the Company for that financial year computed in the manner prescribed under the Companies Act, 2013, the resolution is proposed as a Special Resolution, covering his full term of Office, for the Members' approval.

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

Except Mr. Vellayan Subbiah, Managing Director, 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 Special Resolution.

Item no.10

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 on the basis of the attendance and contribution of the NEDs at the Board and certain Committee meetings as well as the time spent on operational matters other than at the meetings.

In view of the considerable time and efforts put in by Mr. M M Murugappan, Chairman (non-executive, promoter) towards the affairs of the Company during FY 2018-19, on the recommendations of the Nomination & Remuneration Committee, the Board has proposed that a remuneration of ₹1 Cr. by way of Commission be paid to him.

In view of the amendment to 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 requires the approval of the Members by means of a Special Resolution as the proposed payment to remuneration to Mr. M M Murugappan by way of Commission for FY 2018-19 will be in excess of the prescribed threshold under the SEBI Listing Regulations.

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

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

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

Item no.11

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

M/s. S Mahadevan & Associates (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, 2019-20 on the remuneration payable to them as per details furnished under Item no.11 of the Notice of the Annual General Meeting.

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

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

By Order of the Board

Chennai
30th April, 2019

S Suresh
Company Secretary

INSTRUCTIONS FOR ELECTRONIC VOTING [e-voting]

I. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of The Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ("Amended Rules 2015") and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"), the Company is pleased to provide the Members the facility to exercise their right to vote on the resolutions proposed for consideration at the 11th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the Members using an e-voting system from a place other than the venue of the AGM ("remote e-voting") is being provided by M/s. Karvy Fintech Private Limited [formerly, Karvy Computershare Private Limited] ("Karvy").

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

III. The remote e-voting period commences on Friday, 19th July 2019 (9.00 a.m. Indian Standard Time) and ends on Tuesday, 23rd July 2019 (5.00 p.m. Indian Standard Time). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 17th July 2019, may cast their vote electronically. The remote e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

xiv) Corporate/institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the board resolution/authority letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at e-mail rsaevoting@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "TII - 11th AGM".

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

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

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

C. Voting at AGM:

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

Other instructions:

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

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

iii) The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date viz., 17th July, 2019. However, a person who is not a Member as on the cut-off date should treat this Notice for information purpose only. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of the aforesaid period. Once the vote on a resolution is cast by the Member, he will not be allowed to change it subsequently or cast the vote again.

iv) Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice to the shareholders and holding shares as on the cut-off date of 17th July, 2019, may obtain the login ID and password by sending a request at einward.ris@karvy.com. However, if you are already registered with Karvy for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot user details/Password" option available on https://evoting.karvy.com

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

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

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

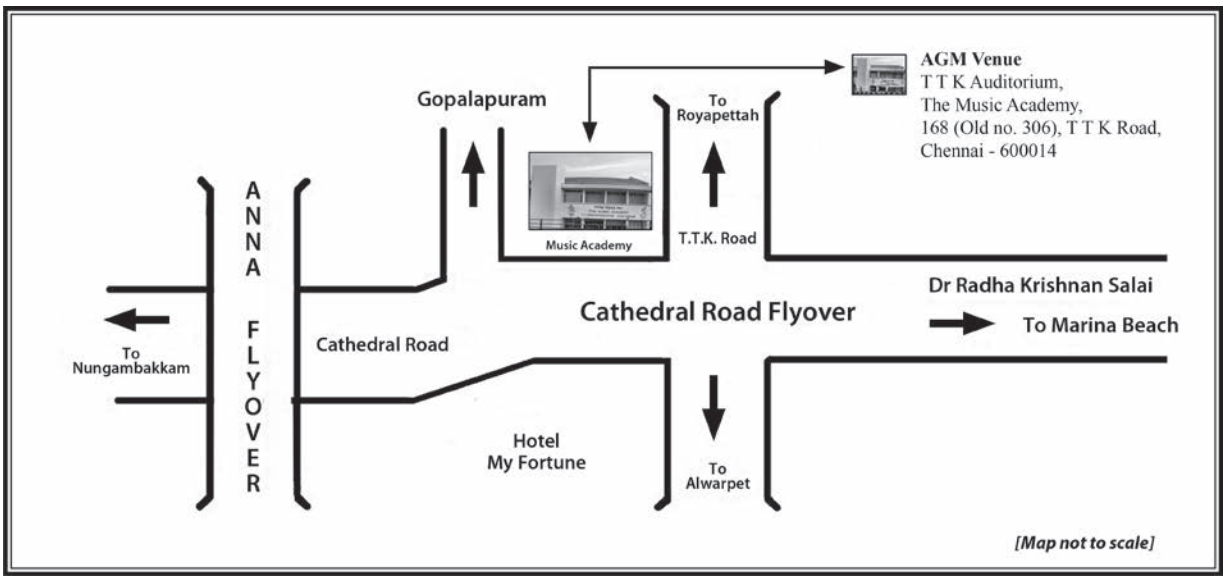
viii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutiniser, by use of e-voting for all those Members who are present at the AGM who have not cast their votes by availing the remote e-voting facility.

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

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

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

Route Map to AGM Venue





UNLEASHING POTENTIAL

INDIA

TUBE INVESTMENTS OF INDIA LIMITED
ANNUAL REPORT 2018 -19

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Cautionary Statement

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

UNLEASHING POTENTIAL

A visioning exercise that set the course for a new roadmap. A determined drive to consolidate competencies, explore greater possibilities. The aspiration to engineer an edge with value-led innovation and dynamic change.

At TII, 2018-19 was a year of great dimensional shift and transformational churning - of people and process efficiencies, of business agility and fiscal discipline, of strategic direction and global expansion, of revenue growth and a determined commitment to build stakeholder value.

The mandate was simple - to unleash potential, build value and become a globally admired Engineering Company.

TII-AN OVERVIEW

Our Legacy

Tube Investments of India Limited (TII) is a flagship Company of the renowned Murugappa Group, India's leading business conglomerate. Established in 1900, with its Headquarters in Chennai, the Group has 28 businesses, with nine listed Companies traded in NSE & BSE. Major companies of the Group include Carborundum Universal Ltd, Cholamandalam Investment and Finance Company Limited, Cholamandalam MS General Insurance Company Limited, Coromandel International Limited, Coromandel Engineering Company Limited, E.I.D. Parry (India) Limited, Parry Agro Industries Limited, Shanthi Gears Limited, Tube Investments of India Limited and Wendt (India) Limited. With a total turnover of ₹369 Billion, and a people strength of more than 50,000, the Group's geographical footprint is spread across India and the globe.

About Us

Tube Investments of India Limited (TII) is one of India's leading manufacturers of a wide range of products for major industries such as Automotive, Railway, Construction, Mining, Agriculture, etc. The Company's 3 main verticals are Engineering, Metal Formed Products and Bicycles. As part of its growth strategies, the Company is exploring opportunities in TMT bars, Truck Body Building and in the business of automotive vision / other vision systems.

Our Vision

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

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

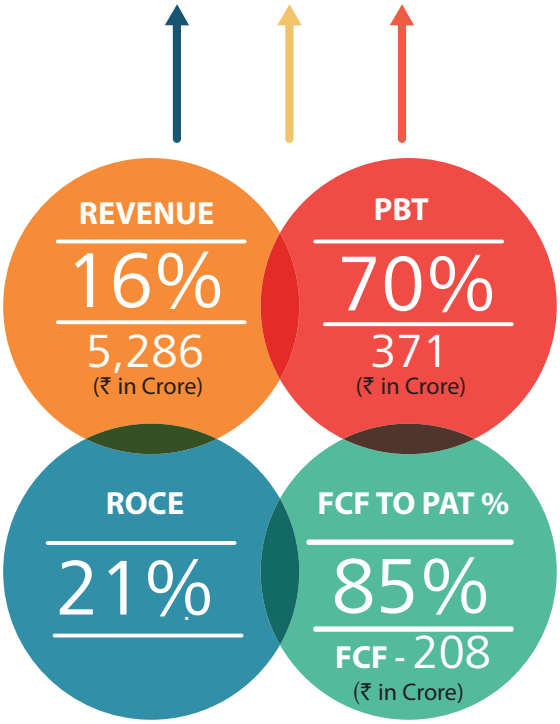
To attain Global Quality Leadership in whatever products and services we provide.

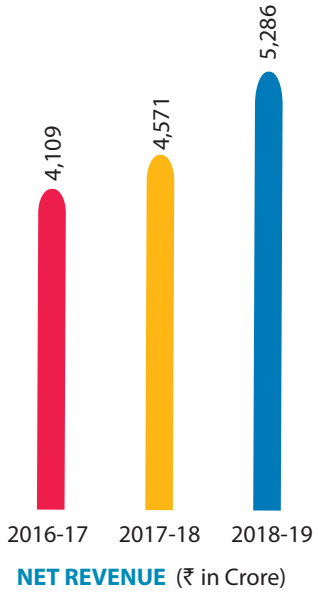
To align with emerging global trends in the Engineering space.

UNLEASHING POTENTIAL
Performance FY 2018-19

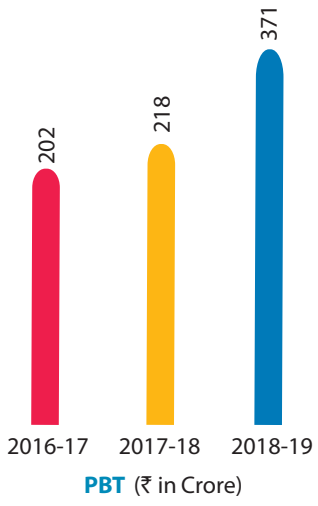
FY 2018-19 was a year of strengthening the core for unleashing potential. It was a year of strategic restructuring of business segments for improving the performance of operations. Around 70 teams across the Company worked in tandem on seven areas of performance improvement: revenue enhancement, sourcing, additional realisation from scrap, logistics cost optimisation, finance cost reduction, quality and productivity improvement and fixed cost reduction.

It was a year of unleashing potential with aggressive financial targets underpinned by 4 cardinal metrics for growth and value creation - Revenue Growth, Profitability, Return on Capital Employed and Free Cash Flow (FCF).

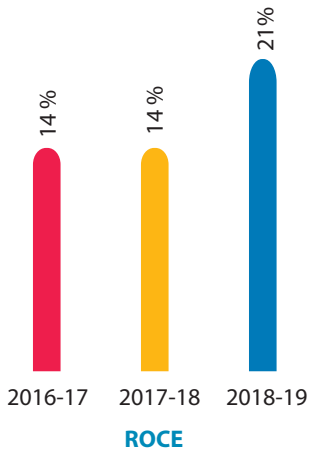




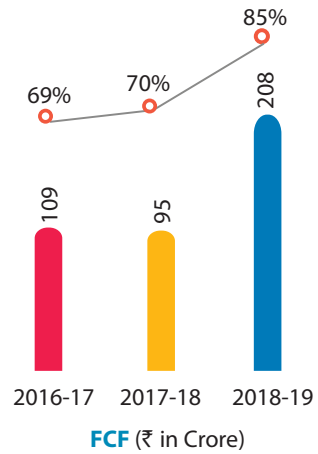
NET REVENUE (₹ in Crore)



PBT (₹ in Crore)



ROCE



FCF (₹ in Crore)

FCF / PAT%

Our Business



ENGINEERING

METAL FORMED PRODUCTS

BICYCLES

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).





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.

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.



Chairman's Message

Dear Shareholders,

The Indian economy started the fiscal year 2018–19 with a healthy 8.2% growth in the first quarter on the back of domestic resilience. However, full year growth eased to 6.8% due to rising global volatility, crude oil prices and stress in the NBFC sector. Yet, the Indian economy remains one of the fastest growing and with strong macro-economic fundamentals, stable currency, range-bound oil prices, key Government measures on debt restructuring, bank recapitalisation, infrastructure development and 'Make in India' driving foreign direct investment, growth is estimated to remain upward of 7% for the coming year.

Domestic volume growth of Passenger Vehicles touched 3.4 million units registering a marginal growth of 2.7%, while Commercial Vehicles with 1.0 million units outpaced the segment with a 17.6% growth. Sales of two wheelers registered a growth of 4.9% with 21.2 million units, as against Medium and Heavy Commercial Vehicles which grew by 14.7%. Contrary to expectations, the auto segment registered a slowdown in the last quarter, especially in the the Passenger Car and Two wheeler segment.

It is expected that between 2020 and 2025, the auto industry would be facing challenges of falling margins and rising investment cost. The industry is on the cusp of a major transformation with emerging trends in electrified, autonomous, shared and connected mobility gaining importance. Manufacturers and suppliers would have to build their business model around customer-centred innovations and scalable mobility solutions to stay relevant.

With the Government of India spearheading FAME II [Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles], the automotive sector is poised for great change and greater growth. According to analysts, the Indian auto-components industry is projected to become the third largest in the world by 2025, with a quantum leap in exports.

In addition to the off-take from original equipment manufacturers (OEMs) for meeting the burgeoning domestic demand for various auto segments, auto exports from India are estimated to show strong growth with many auto majors focusing on exports and expansions in newer markets such as South America, North America and Asia. The Government of India's decision to skip BS-V and adopt BS-VI norms by April 2020, to curb emission, has resulted in setting up of new facilities by auto companies to manufacture BS-VI compliant vehicles.

At TII, we are unleashing potential for profitable growth with strategic capacity expansions across plants, benchmarking process capabilities, cost reductions, value-led product innovation and customer co-partnering.

At TII, we are unleashing potential for growth, with strategic capacity expansions, benchmarking process capabilities, cost reduction, value-led product innovation and customer co-partnering.

The capacity expansions at our Rajpura plant of Engineering Business, fine blanking facility at Ambattur and the expansion of our Plants at Uttarakhand and Kakkalur of Metal Formed Products Business providing proximity and cost effective logistics support to the Railway industry will be key growth drivers for both the Engineering and the Metal Formed Products businesses.

This year the Company has undertaken a major restructuring exercise to build greater business agility. Various measures to optimise internal efficiencies were taken such as cost discipline, vendor managed inventories, rationalisation of sourcing methods, etc. which have all contributed to business growth during the year.

At TII, we believe that our people potential is our greatest asset. Teams across the Company did us proud by winning awards and recognition in various categories. With TQM (Total Quality Management) and TPS (Toyota Production System) as the work culture, TII is well positioned to meet the challenges of a fast changing and dynamic business environment.

The members of the Board continue to be a great source of encouragement and support to the Company's management team and personally, to me. I thank them for their involvement and participation. Three of our Directors - Mr. S Sandilya, Mr. Hemant Nerurkar and Mr. L Ramkumar (Managing Director) retired at the conclusion of the previous Annual General Meeting in August, 2018. The Board in general and myself in particular are ever thankful to them for their outstanding contribution to the growth of TII during their term. Two new members were inducted to the Board during the year. Mr. Sanjay Johri who joined the Board in August, 2018 brings with him over four decades of rich experience with the Tata group. Mr. Mahesh Chhabria who was appointed to the Board in February, 2019, has over three decades of experience in the financial services industry. I take the opportunity to welcome both Mr. Sanjay Johri and Mr. Mahesh Chhabria. The Board is further enriched with the presence of these distinguished gentlemen.

I express my appreciation and congratulate Mr. Vellayan Subbiah, our Managing Director, the Senior Leadership and the entire team at TII for putting in a very creditable performance.

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

Yours sincerely,



M M Murugappan



MD's Message

The desire to excel not only contributed to a creditable financial performance, but spurred the definitive drive to unleash potential and to reinvent new methods of doing business.

Dear Shareholders,

2018-19 was a good year for TII, a year when we revisited our vision, set our financial focus on four key cardinal metrics of Revenue Growth, Profitability, Return on Capital Employed and Free Cash Flow and began unleashing the potential in our various businesses.

We formed 70+ teams across the organisation to drive initiatives in the areas of revenue growth, profitability and cash flow improvements. We also restructured each of the verticals - Engineering, Metal Formed Products and Cycles for greater business agility and empowerment, expanded our customer roster both in the domestic and global market and explored new adjacencies and business streams.

Almost one year has gone by, it has been a time of great learning, working with a team, equally passionate about achieving greater possibilities.

It was a year when we also focused on customer-centricity and value partnering to create new business opportunities. A year, when we crafted strategic vendor partnerships that were mutually win-win and long-term. More than ever, it was a year when we believed that creating value for our shareholders was of prime importance.

This resulted in not just improving our financial performance, but also contributed to a definitive drive to challenge our assumptions, unleash potential and to reinvent new methods of doing business. Here's a quarter-by-quarter breakdown of how the year played out in terms of year-over-year growth in Revenue and Profit Before Tax (before considering the special dividend from Shanthi Gears Limited and exceptional items):

Growth	Q1	Q2	Q3	Q4	FY 18-19
Revenue	20%	17%	15%	10%	16%
PBT	51%	28%	84%	75%	62%

Engineering

The Engineering Business, comprising large diameter tubes and regular tubular products registered a growth of 26% in Revenue and 45% in Profit Before Interest and Tax (PBIT). In addition to maintaining its leadership in the domestic market, the Business expanded its footprint in Europe and Asia. New product development for global OEMs further contributed to rise in exports. A strong market demand, expanding the customer base with value-led product innovation, capacity augmentation at the Rajpura Plant providing proximity and cost effective logistics support to customers served as key growth drivers.

Bicycles

The Bicycles Business faced a challenging year due to industry slowdown from sluggish offtake and price pressures from low quality alternatives. Volumes in the trade segment saw a downward slide of - 8%.

While growth in the Standards segment remained static, the performance cycles, primarily addressing the fitness and adventure space are gaining traction over the last few years.

Plans are in place to reinvigorate the Business, improve profitability and achieve profitable growth. Enhancing quality and productivity, focusing on vendor proximity for logistics cost optimisation, accelerating growth with channel expansions and multi-modal customer connect portals and touch-points are some of the on-going corrective measures.

Metal Formed Products

The Metal Formed Products Business, recorded a revenue growth of 18%, primarily driven by strong offtake in fine blanking products and railway coach parts. The growth in auto industry during H1 of FY 18-19 enabled growth in auto chains and door frames businesses. The increase in industrial demand and addition of new customers contributed to growth in Industrial Chains. With India emerging as a manufacturing hub of global auto majors, this segment is poised for greater growth in the future.

The Railways proved a major growth engine with the Government of India's expansion and modernisation drive. Sales of sub-assemblies and parts for railway coaches, registered a robust growth during the year. Engineering expertise, focus on quality, and reduction of logistics cost due to proximity of the Company's two plants at Kakkalur and Uttarakhand to the coach making factories of both ICF and MCF, provide us with a competitive edge, with scope for further growth.

Exports

Exports, a prime focus area for us in our plans for growth and global scale, proved a major growth driver. In all, we recorded one of the best years for exports, with export sales touching ₹416 Cr. with a 19% growth as compared to ₹349 Cr. during the previous year.

New Business

We have forayed into two new businesses during the year, exploring opportunities in adjacencies as a tool for growth. While our 'Macho' brand of TMT Bars will address the fast growing construction and infrastructure space, our Truck body building business, with the TI TBW brand of haulage truck bodies, will mine the potential in the logistics segment.

Subsidiaries

Shanthi Gears achieved a revenue growth of 13%, supported by growth across several product segments and also from the service business. During the year, the Company became the first in Asia to receive the IRIS (International Railways Industrial Standards) certification for its capability. The focus is to enhance performance metrics through operational efficiencies and productivity initiatives. Our subsidiary in France, 'Sedis' also achieved a sales growth of 12% during 2018, despite challenging market conditions in France during H2 of 2018.

Corporate Technology Centre

The R&D focus was on exploring new business opportunities in existing products and adjacencies. The Centre serves as a hub for incubating new technologies and building customised machine architecture for Plant automation and process improvements. The indigenously built Electric Resistance Welding (ERW) Mill for high frequency welding at the new greenfield Tubes Plant at Rajpura for the manufacture of high strength, thick walled, tubing for the auto industry resulted in significant savings in cost.

People

Unleashing our people potential served as our greatest growth driver. A desire to excel and exceed stretch targets defined the spirit across TII. Employee Engagement initiatives seeded a collaborative work culture, while training and capability building programs served as growth enablers, with teams winning awards and accolades in various national and international competitions.

TII is well positioned for the future and I am sure, together, we can unleash the potential for greater possibilities. I thank all of you, our customers, employees, shareholders, channel partners and vendors, for your continued support and trust in us.

Best wishes,



Vellayan Subbiah

Engineering Business



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.

Unleashing Potential

Engineering Business

2018-19 was a challenging year for the Indian Auto industry with the sector riding the see-saw of demand and de-growth. The first half of the year registered significant growth across all segments, particularly Commercial Vehicles outpacing the sector in domestic sales at 17.6% and Motorcycles and Mopeds recording an increase by 7.8% and 2.4% in the Two Wheeler segment. Two Wheelers, which account for more than 80% of the Indian Auto Market, dominate in terms of volume, owing to a growing middle class and a young demographic profile. The increased penetration of automobile companies into rural markets has further aided the growth of the sector.

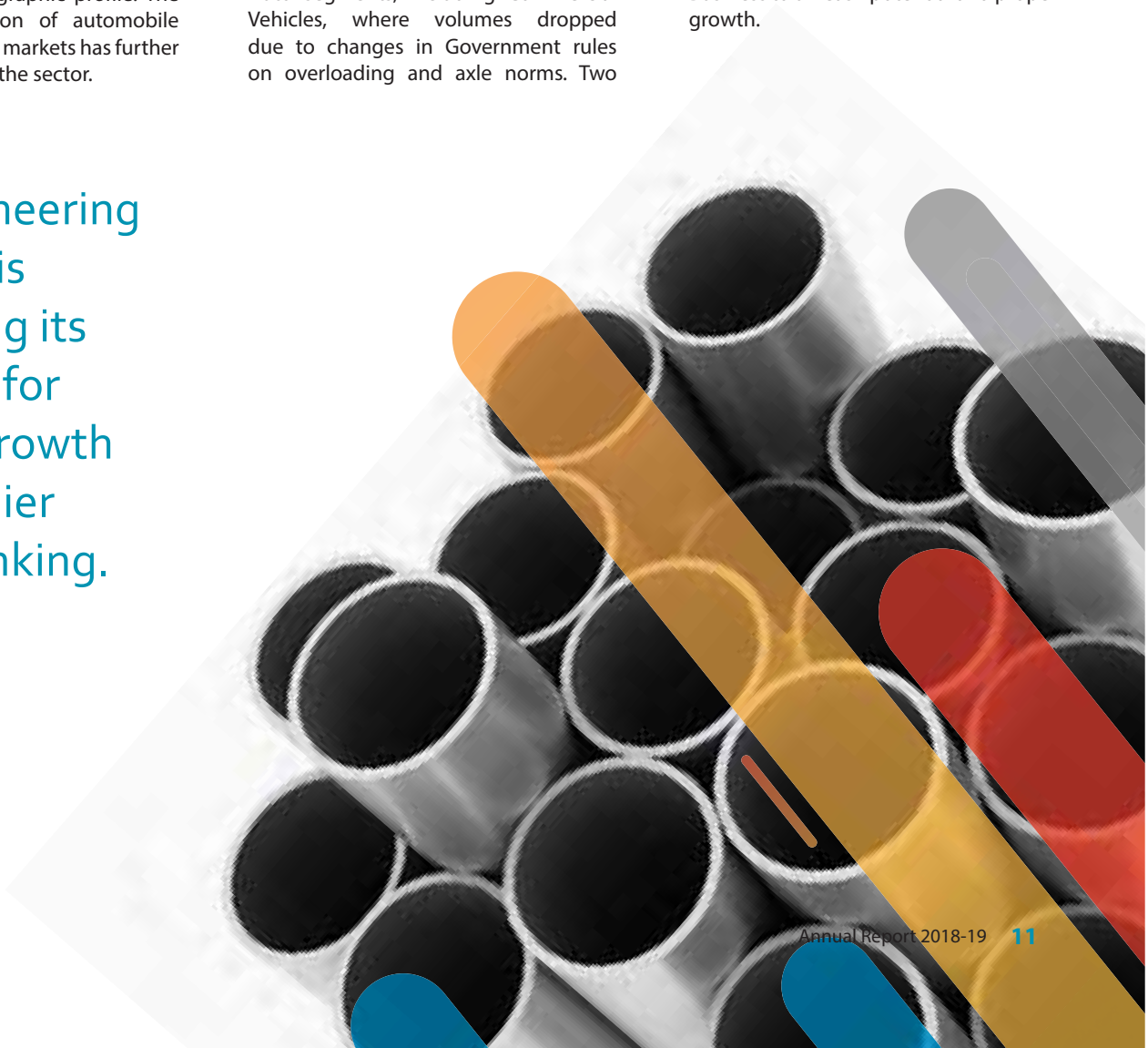
The second half witnessed a complete reversal of fortunes for the Auto sector with stagnant sales and major Auto manufacturers burdened with the twin problems of capacity under utilisation and inventory recalibration.

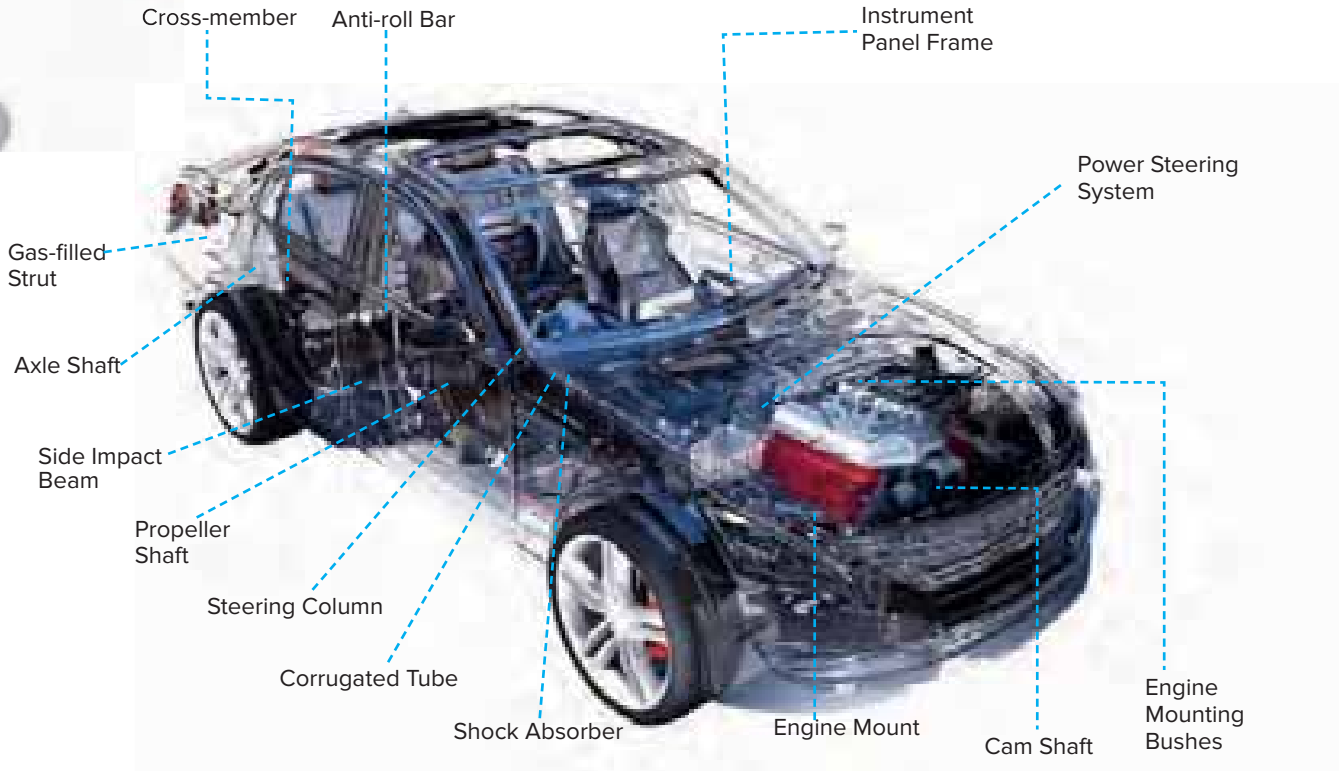
The Engineering Business registered a growth of 26%, riding on the back of a buoyant demand particularly from the Commercial Vehicles and Two Wheeler segments during the first half of the year. However, the second half of the year witnessed a slowdown across all Auto segments, including Commercial Vehicles, where volumes dropped due to changes in Government rules on overloading and axle norms. Two Wheeler sales were also dampened by increase in insurance prices, fuel price volatility and a tight liquidity environment.

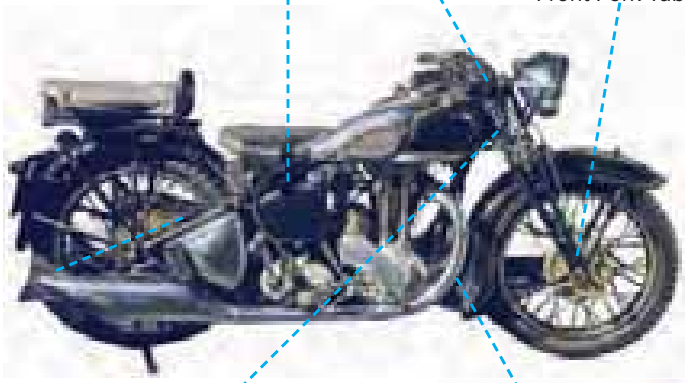
Total Revenue for FY 2018-19 stood at ₹2,896 Crores as against ₹2,299 Crores (Net of taxes) in 2018-19 recording an overall growth of 26%.

Capacity augmentation, expanding geographical footprint and enlarging product portfolio were some of the major initiatives of the Engineering Business to unleash potential and propel growth.

The Engineering Business is unleashing its potential for greater growth and premier global ranking.



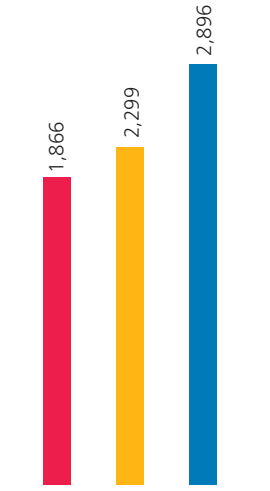




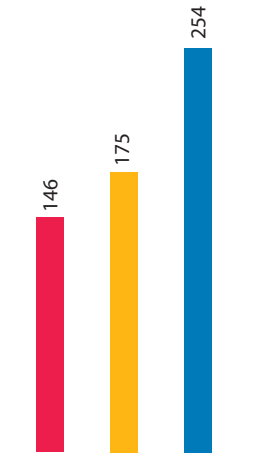




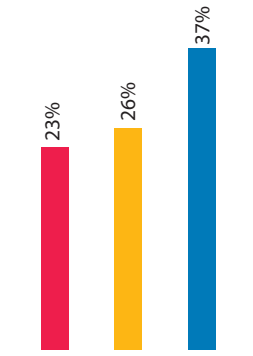
Large Diameter, high precision tubes manufacturing for non-automotive and off-road applications.



NET REVENUE (₹ in Crore)



PBIT (₹ in Crore)



ROCE

The Business expanded capacity through the greenfield facility at Rajpura including investments in removing capacity bottlenecks at other plants. These capacity additions ensured regional balancing of demand and supply, besides ensuring cost competitiveness To continue this growth momentum, the Business has slated further investments in capacity expansions at Rajpura (Phase II), large diameter tubes plant, including expanding the product range.

FY 19, the Business also worked on various other initiatives for optimising sourcing mix, improving yield and increasing the price realisation on sale of scrap. The concerted thrust on process efficiencies, cost reduction, innovation and new product development was aligned with the focus on unleashing potential to enhance customer centricity, build execution agility and grow profitably.

The Business explored emerging trends in material science and new streams of business in high strength, cold rolled tubes, large diameter hydraulic cylinders for commercial vehicles, earth moving equipment and back-hoe applications. Rods-to-tubes conversion for light weight parts and safety critical components for niche applications, including products compliant to the stringent Bharat VI and Euro VI Safety & Emission Standards for the Auto industry formed part of the product portfolio for growth.

The Indian Auto industry is witnessing a dynamic environment, with the country emerging as a preferred manufacturing destination for major auto manufacturers. In addition to the global green mobility mandate, the Government of India's National Mission for Electric Mobility 2020, is expected to make India the 3rd largest market for electric vehicles by 2025 at an estimated production of 2.5 million vehicles.

Autonomous Electric Vehicles, IoT (Internet of Things) connected and yearly updated are projected to drive shared mobility, ushering a radical transformation in the automotive industry. To address the shifting industry landscape, the Company's Engineering Business is collaborating with customers on new-gen technologies by providing value-led products and innovative solutions to mine the emerging opportunities in the transportation space.

Auto exports from India overall grew by 14.5% during the year. This is further expected to gain traction as many auto majors are focusing on exports and expansions into newer markets across the globe.

According to the Automotive Component Manufacturers Association of India (ACMA), the Indian auto components industry is set to become the third largest in the world by 2025 and is well positioned to benefit from the globalisation of the sector. Exports are expected to register a significant growth ranging between US$ 80-100 billion by 2026.

Leveraging on its market leadership in India, the Engineering Business enlarged its global footprint with a marked rise in exports of large diameter tubes and safety critical auto components to EU and South East Asia. Export sales recorded 31% growth over the past year. Nodal office in China was opened during the year to mine the potential in the global market.

During the year, the Business won several global and national level awards in quality and customer satisfaction, in addition to the 'Star Performer in Export' Award for the fourth consecutive year under Large Enterprise Category-Tubes and Pipes, from EEPC India, consolidating its position as a global auto component manufacturer of repute.

Engineering and design expertise gained from nearly seven decades of market leadership and cross industry experience, strong R&D focus and quality commitment, pan India presence and channel strength, value partnering a large roster of OEMs, a skilled and empowered people base - the Engineering Business is unleashing its potential for greater growth and premier global ranking.

Metal Formed Products Business



Metal Formed Products Business manufactures customised, high precision products for the Automotive and Non-Automotive segments.

Automotive Segment

- Two wheeler drive and 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.
- Agri-implements.

Key Strengths

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

Unleashing Potential

Metal Formed Products Business

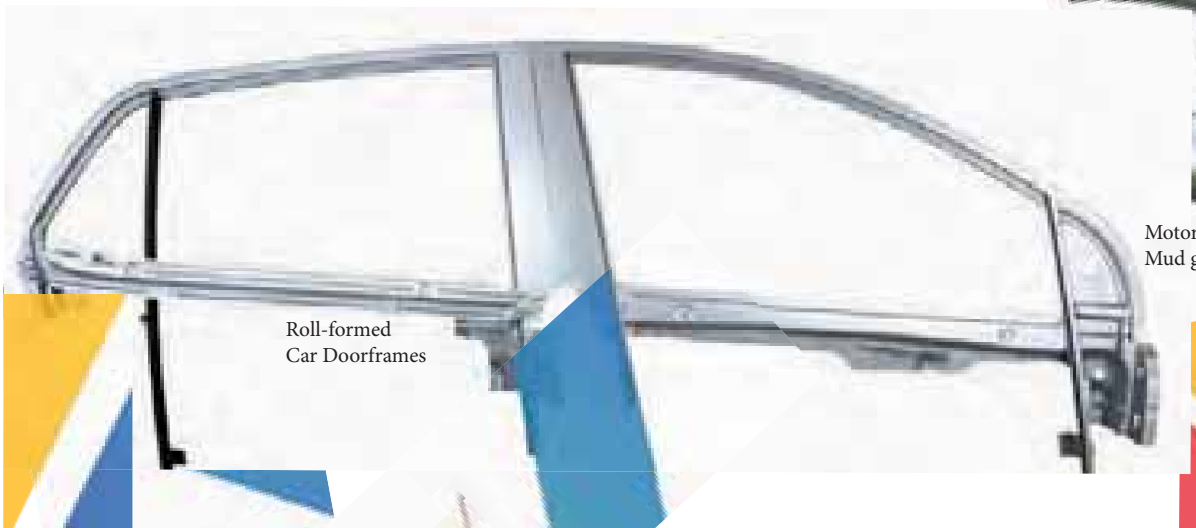
The upward growth trajectory of the Automotive industry, the 'Make in India' initiative driving manufacturing across sectors, and the Government's thrust on modernisation and safety of the Railways, with augmentation of stainless steel coach production and parallel impetus to exports, contributed to growth of the Metal Formed Products Business in 2018-19.

As a leading auto component manufacturer, TII's Metal Formed Products Business unleashed its potential for growth with a healthy order book of varied projects from leading Auto Majors and the Railways.

In the auto segment, an expanding customer base for Roll-Formed doors and Channels contributed to the upward sales graph.

The Indian Railway network, among the largest in the world, is projected to grow and modernise at an exponential rate with the Government of India's various programmes such as National Rail Plan with its multi-modal integration of the transportation system, thrust on safety and high speed rail corridors, increase in passenger and freight traffic, introduction of LHB (Linke-Hofmann-Busch) coaches and an aggressive export thrust.

The Metal Formed Products Business is unleashing its potential for the next leap in growth.

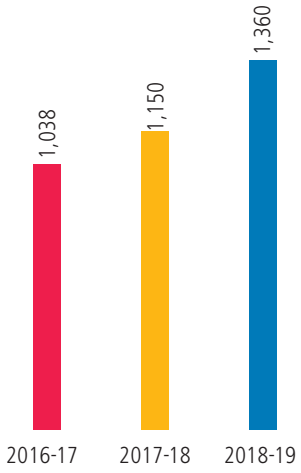


Roll-formed
Car Doorframes

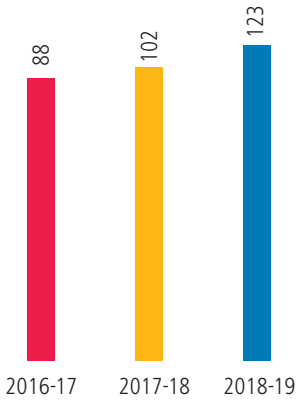


Cross
Car Beam

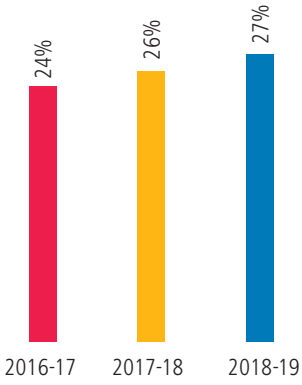
Motorcycle
Mud guards



NET REVENUE (₹ in Crore)



PBIT (₹ in Crore)



ROCE

DIAMOND AUTOMOTIVE CHAINS & KITS

'Diamond' Range of high performance automotive chains and kits for the Replacement market. Our flagship Diamond, Razer and Rombo brands are trusted for their quality and reliability.





The Railways sector proved a major growth driver for our Metal Formed Products Business, with a growth of 41% over the previous year. The Company's plant in Uttarakhand is gearing up to supply LHB type coach sub-assemblies to the Modern Coach Factory (MCF) at Raebareli, while the Plant at Kakkalur (TN), continued its supplies of sub-assemblies for stainless steel coaches to the Integral Coach factory (ICF), Chennai.

To mine the growth potential, the Business enhanced capacity at the Kakkalur Plant, while a new line for coach production was added at Uttarakhand, for strategic customer proximity to reduce delivery timelines and save freight cost. Aggressive plans for growth include developing capabilities to supply integrated coach kits and innovative, newgen products to address emerging trends in the railway space.

In the Two Wheeler segment, the Business enhanced its capabilities for the manufacture of silent chains for large OEMs, while newer models in premium kits were developed for the replacement market.

In the Fine Blanking space, the Business added a number of new products to its portfolio, addressing emerging trends in aesthetics, safety and drive comfort. The Business continued to grow, recording a growth of 27%. The Business augmented capacity at its plants at Chennai for addressing additional growth volumes from new customers as import substitution.

In Industrial Chains, the Business expanded its presence with the addition of new customers and dealers, both in the domestic and overseas markets.

In the fast growing Agriculture segment, the 'Rotogro' brand of Rotavators Blades expanded presence in Andhra Pradesh through the Coromandel Mana Gromor outlets. Plans have been drawn to explore opportunities in mechanised farm implements with new and innovative products.

Capacity augmentation, automation and future driven process capabilities, collaborative customer partnering, product innovation and value engineering expertise, the Metal Formed Products Business is unleashing its potential for the next leap in growth.



Bicycles Business

Products

- Special bicycles catering to all ages and customer profiles-kids, adolescent boys and 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.



1st
in India to introduce the Retail format of experiential Bicycle stores.

2nd
Largest Bicycle Manufacturer catering to a wide range of customer segments.

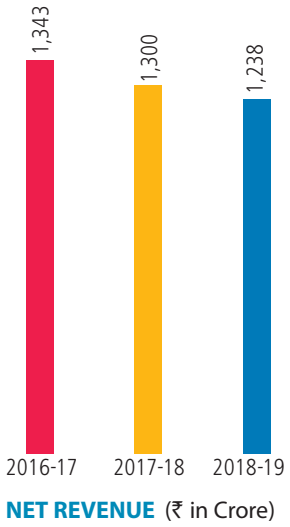
20+
Leading brands reputed for quality.

Unleashing Potential

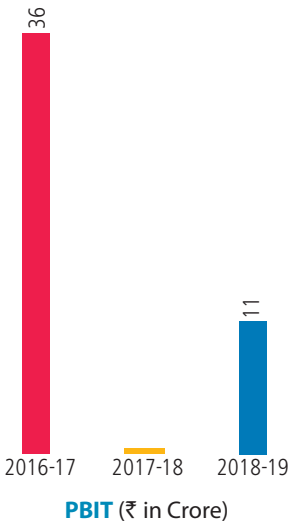
Bicycles Business

The Bicycles Business is readying to unleash its potential with tactical strategies to speed up growth.

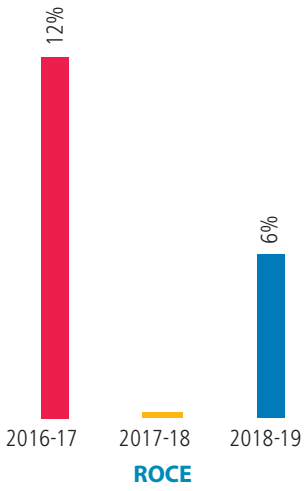




NET REVENUE (₹ in Crore)



PBIT (₹ in Crore)



ROCE

It was a challenging year for the Bicycless Business with the overall market recording only a marginal growth. Steep increase in commodity price, competition from low cost cycles from the unorganised sector and a waning interest in cycles as a mode of transport, even in rural areas, contributed to negative growth in the Standards segment. However, the Specials market registered a modest growth of about 6% largely helped by demand for low-end products.

The Business embarked on unleashing its potential by enhancing internal efficiencies with focus on quality and productivity improvement, logistics cost optimisation, revenue enhancement, centralised planning and forecasting processes, strategic sourcing and leaner procurement systems. Robust control processes were deployed for stock rationalisation, supply chain management and wastage reduction. Focus on internal efficiency improvements and segmental product portfolio is expected to provide a balanced and strong platform for improved profitability in FY 2019-20.

The Business unleashed its brand potential to reinforce market ranking with aggressive growth strategies. Exploring emerging trends in style for urban customers with premium product launches aligned with the global launch calendar, introducing a competitive range of entry level MTBs-Mountain Terrain Bikes and SLRs-Sleek Light Roadsters, in select markets, introducing product differentiation with innovations like specially designed handlebars, Anti-Slip Chain (ASC) across the product portfolio are some of the major growth initiatives deployed during the year.

Tactical strategies to secure growth include aggressive market expansion plans in the North, East and West for gaining market share by competing on Standards, launching new models in design and ride quality with light weighting to address the adventure space, particularly in the international Montra and Roadeo range, exploring the Public Bike Sharing (PBS) space by participating in the Government's plan for an integrated multi-modal transportation system.

The Business has charted out plans for strategic channel expansion of its Track & Trail Stores and select Multi Brand Outlets to enhance the buying experience with customer walk-in and experiential stores. Customer connect initiatives through interactive, digital platforms, brand promotion programmes and influencer driven social media engagement have already been rolled out as part of the plans for building brand leadership.

Launching new models in design and ride quality, aggressive market penetration, channel expansion, increasing customer touch points and brand connect through experiential stores and interactive, multi-modal social portals - the Bicycles Business is readying to unleash its potential with tactical strategies to speed up growth.



New Business

Unleashing potential for growth by foraying into adjacencies and complementary business segments.

New Business Opportunities

Exploring opportunities in adjacencies, as a tool for growth, the Company has forayed into two new businesses during the year.

The supply of TI Macho brand of Thermo-Mechanically Treated (TMT) Bars and Rebars will address the fast growing construction and infrastructure space.

To capitalise the potential of the fast growing logistics space, the Company has ventured into the truck body building segment with the TBW brand of haulage trucks, uniquely designed in tubular construction using high quality steel. TII's TBW Brand of Medium and Heavy Commercial Vehicles for open and closed haulage are light in weight, with more haulage space and compliant to regulatory standards.

The Company further plans to engage in the business of manufacturing automotive vision and other vision systems and components.

Corporate Information

BOARD OF DIRECTORS

M M Murugappan, Chairman
Vellayan Subbiah, Managing Director
Pradeep V Bhide
Madhu Dubhashi
Mahesh Chhabria
Sanjay Johri
Ramesh K B Menon

COMPANY SECRETARY

S Suresh

REGISTERED OFFICE

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

PLANTS

ENGINEERING
Tube Products of India, Avadi, Chennai
Tube Products of India, Tiruttani
Tube Products of India, Shirwal, Satara
Tube Products of India, Mohali
Tube Products of India, Rajpura

BICYCLES
TI Cycles of India, Ambattur, Chennai
TI Cycles of India, Rajpura

METAL FORMED PRODUCTS
TIDC India, Ambattur, Chennai
TIDC India, Kazipally, Medak
TIDC India, Uttarakhand
TIDC India, Hosur
TIDC India, Athipet
TI Metal Forming, Nemilicherry, Chennai
TI Metal Forming, Kakkalur, Chennai
TI Metal Forming, Bawal
TI Metal Forming, Pune
TI Metal Forming, Uttarakhand
TI Metal Forming, Sanand

CORPORATE IDENTIFICATION NUMBER

L35100TN2008PLC069496

AUDITORS

S R Batliboi & Associates LLP
Chartered Accountants

BANKERS

Bank of America
HDFC Bank Limited
Standard Chartered Bank
State Bank of India
The Hongkong & Shanghai Banking Corporation Limited
BNP Paribas

Board of Directors

Mr. M M Murugappan
Chairman

Mr. M M Murugappan (63 years; DIN-00170478) holds a Masters degree in Chemical Engineering from the University of Michigan, USA. He joined the Board in August, 2017. He is currently the Chairman of Carborundum Universal Ltd, Cholamandalam Financial Holdings Ltd, Cholamandalam MS General Insurance Co. Ltd. and Wendt (India) Ltd. He is also on the Board of various companies including Mahindra & Mahindra Ltd and Cyient Ltd.

Mr. Vellayan Subbiah
Managing Director

Mr. Vellayan Subbiah (49 years; DIN-01138759) is a Bachelor of Technology in Civil Engineering from IIT Madras and holds a Masters in Business Administration from the University of Michigan. He has over 23 years of work experience in consulting, technology and financial services. He was appointed as Managing Director (Designate) of the Company, with effect from 19th August, 2017 and then took over as the Managing Director from 14th August, 2018. He was earlier the Managing Director of Cholamandalam Investment and Finance Company Ltd. He is on the Board of various companies including SRF Ltd and Havells India Ltd.

Mr. Pradeep V Bhide
Non-Executive Director

Mr. Pradeep V Bhide, I.A.S. (Retd.) (69 years; DIN-03304262) is a Graduate in Science and Law. He also holds a Masters degree in Business Administration with specialisation in Financial Management. He joined the Board in August, 2017. In a career spanning 37 years in the Indian Administrative Service, Mr. Bhide has held senior positions at the State and Central levels. He is on the Board of various companies including GlaxoSmithKline Pharmaceuticals Ltd, Heidelberg Cement India Ltd, NOCIL Ltd and L&T Finance Ltd.

Mr. Sanjay Johri
Non-Executive Director

Mr. Sanjay Johri (66 years; DIN-00032015) is a graduate from St. Stephens College and a post graduate in Economics from the Delhi School of Economics. He joined the Tata Administrative Services in 1975 and has served his entire working career with the Tata Group. Amongst his assignments with the Tatas, he has held office as the Managing Director of RDI Print & Publishing Ltd., as a Director of Tata Infomedia Ltd., & Timex Watches Ltd., and as the Managing Director & Chief Executive Officer of Voltas Ltd. He joined the Board in August, 2018.

Ms. Madhu Dubhashi
Non-Executive Director

Ms. Madhu Dubhashi (68 years; DIN-00036846) is an Economics (Hon.) Graduate and has a Post Graduate Diploma in Management from Indian Institute of Management - Ahmedabad. She has an experience of about four decades in the financial/financial services sector, having worked for various institutions like ICICI Ltd, Standard Chartered Bank etc. She joined the Board in August, 2017. She is on the Board of various companies including Axis Finance Ltd, Pudumjee Paper Products Ltd and Majesco Ltd.

Mr. Mahesh Chhabria
Non-Executive Director

Mr. Mahesh Chhabria (55 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 M/s. Kirloskar Industries Ltd., the investment arm of the Kirloskar Group. He joined the Board in February, 2019. He is on the Board of various companies including Deepak Fertilisers and Petrochemicals Corporation Ltd and Kirloskar Oil Engines Ltd.

Mr. Ramesh K B Menon
Non-Executive Director

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

Financial Highlights

₹ in Crores

OPERATING RESULTS	2018-19	2017-18	2016-17
Net Sales	4,983	4,335	3,925
Profit before Depreciation, Interest & Tax (PBDIT)	563	403	395
Profit before Interest & Tax (PBIT)	423	274	274
Profit before Tax (PBT)	371	218	202
Profit after Tax (PAT)	244	136	159
Earnings Per Share (₹)	13.0	7.3	8.5
Dividend Per Share (₹)	2.50	1.75	2.00
Book Value Per Share (₹)	75.9	64.7	60.9
SOURCES AND APPLICATION OF FUNDS			
SOURCES OF FUNDS			
Share Capital	19	19	19
Reserves and Surplus	1,406	1,194	1,123
Debt	513	679	776
Deferred Tax Liability (Net)	42	28	26
Total	**1,980**	**1,920**	**1,944**
APPLICATION OF FUNDS			
Net Fixed Assets	981	913	881
Capital Work-In-Progress	69	89	33
Investment Property	5	5	5
Investments	557	572	669
Net Working Capital	368	341	356
Total	**1,980**	**1,920**	**1,944**
RATIOS			
PBDIT To Sales (%)	11.3	9.3	10.1
PBIT To Sales (%)	8.5	6.3	7.0
PBT To Sales (%)	7.5	5.0	5.1
PAT To Sales (%)	4.9	3.2	4.1
Interest Cover (times)	10.7	6.7	5.5
ROCE (%) *	21.4	14.3	14.1
Return on Networth (%)	17.1	11.2	13.9
Total Debt Equity Ratio	0.4	0.6	0.7
Long Term Debt Equity Ratio	0.1	0.4	0.4
Sales/Fixed Assets (times)	4.7	4.3	4.3
Net Working Capital Turnover (times)	13.5	12.7	11.0
Net Debt #	487	660	655
Free Cash Flow	208	95	110

*Return on Capital Employed (ROCE) is Profit Before Interest and Tax divided by capital employed as at the end of the year.

#Debt Net of Cash & Cash Equivalent and Current Investments.

Board's Report & Management Discussion and Analysis

Dear Shareholders,

The Directors take pleasure in presenting the 11th Annual Report together with the audited financial statements of the Company for the year ended 31st March, 2019.

1. Business Environment

As one of the fastest-growing major economies, India accounts for about 15% of the World's economic growth, growing at an average rate of about 7% in the last five years. With investment picking up and domestic consumption remaining strong, India's economic growth is likely to register a soft growth of about 7.2% in FY 2018-19, and about 7.4% in the year after. While investment continued to strengthen with higher levels of spending on infrastructure, consumption remained the major contributor to growth. Goods and Services Tax (GST), a unified consumption tax on all goods and services, eradicated the disparity of taxes among different State Governments and the multilayer tax system. It has pooled the resources of the Central and the State Governments under a single tax, which can benefit both. GST has caused an increase in tax base, easier movement of goods across State borders and reduction in tax rate from 28% to 18% for several products. India also achieved a significant improvement in 'ease of doing business' ranking. Other major structural reforms in the areas of Insolvency and Bankruptcy Code, bank recapitalisation and Foreign Direct Investment are expected to support India's growth story.

Globally, the steady expansion under way since mid-2016 continues, with the growth for 2019 projected to be at 3.5% and estimated growth at 3.6% in the year after. During the year, US tariff actions on a range of products plus retaliation by its trade partners further complicated global trade relations.

During the year under review, the Indian automobile sector managed to grow 5% driven by a buoyant first half year. In the four wheeler segment, the passenger vehicle and commercial vehicle sale volumes were up by 3% and 18% respectively. In the two wheeler segment, scooters sales during the year remained flat and motorcycles grew by 8%.

2. Standalone Financial Highlights

(₹ in Cr.)

Particulars	2018-19	2017-18
Sale of Products – Gross	**4,983.05**	**4,409.67**
Excise Duty on Sales	-	(74.57)
Sale of Products – Net	**4,983.05**	**4,335.10**
Profit Before Exceptional Items and Tax	**371.08**	**217.94**
Provision for Impairment on Investments (Net)	(9.00)	(25.25)
Profit Before Tax	**362.08**	**192.69**
Tax Expense	(118.57)	(56.23)
Profit After Tax	**243.51**	**136.46**

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

3. Performance Overview

During 2018-19, the Company achieved a turnover of ₹4,983 Cr., growing 15% over the previous year's ₹4,335 Cr. The Profit before Depreciation, Interest, Exceptional Items and Tax was at ₹563 Cr. as against ₹403 Cr. in the previous year. The Profit before Tax and Exceptional Items was at ₹371 Cr. as against ₹218 Cr. in the previous year, an impressive growth of 70%.

On account of various market factors, changes in future project potential and accumulated losses, the Company has recognised during the year an impairment loss of ₹12 Cr. in the Statement of Profit and Loss in respect of investment made in Joint Venture Company.

The Cycles and Accessories segment recorded revenue of ₹1,238 Cr. as compared to ₹1,300 Cr. (net of taxes) during 2017-18, a de-growth of 5%, since the Cycles market continues to be sluggish. The operating profit before interest and tax stood at ₹11 Cr. as compared to ₹0.34 Cr. during the previous year.

The Engineering segment registered revenue of ₹2,896 Cr. as compared to ₹2,299 Cr. (net of taxes) during the previous year, a growth of 26%. The operating profit before interest and tax stood at ₹254 Cr. as compared to ₹175 Cr. during 2017-18, registering a growth of 45%. The increase in exports and stabilisation of the Large Diameter Tube manufacturing facility contributed to the increase in profits of the segment.

The Metal Formed Products segment recorded revenue of ₹1,360 Cr. as compared to ₹1,150 Cr. (net of taxes) during the previous year, a growth of 18%. The operating profit before interest and tax stood at ₹123 Cr. as compared to ₹102 Cr. during the previous year, a growth of 21%.

4. Business Review – Standalone

4.1. 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. 2018-19 was a year of recovery for the bicycle industry. As per the industry estimates, the industry volumes grew by 3%. Specials grew by 6% over previous year and the Standards segment registered a drop of 2% over previous year in trade. Orders from the Government Schemes witnessed a negative growth of 7% over previous year. Due to increasing aspirations, higher purchasing power, international exposure to usage patterns and growing fitness consciousness, the use of high-end Special bicycles continued to receive impetus, contributing to the continued steady growth of sale volumes year-on-year.

Over 80% 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 21% of the total organised market (Trade, Government, Exports and Others) with a much higher share in the premium segment.

Review of Performance

TI Cycles sold 34.4 lakh bicycles during the year, which is 8.4% lower as compared to 2017-18. The thrust on Specials segment was driven by a concerted effort to enhance consumer experience through exclusive retail outlets under our exclusive retail brand 'Track & Trail'. 43 new Track & Trail outlets were opened in 2018-19 taking the total number to 239. The segment also made an entry into e-commerce with a presence on well-known e-commerce portals like Flipkart and Amazon besides its own portal, www.trackandtrail.in

In 2018-19, 88 new model bicycles were launched and 23 older models were refreshed, contributing to 23.6% of the trade sales volume from such new products. Multiple innovations were introduced for the first time in the industry, notable among them being the Speedbar on Hercules Assassin and a range of ergonomic handlebars. Hercules Assassin received the Best Mobility Design award in the Automotive category for 2018-19 from the Confederation of Indian Industry (CII). Two patents were also filed for design innovation.

On the consumer outreach front, the business consistently ran digital campaigns for its major brands, BSA Ladybird, Hercules, Roadeo, Mach City and Montra, delivering a significant lift in brand awareness. During the year, a range of premium bicycles under licence from Disney and Marvel were launched. The iconic US cycling brand, Schwinn was also introduced in the premium end of the market for kids.

The operating profit before interest and tax stood at ₹11 Cr., as compared to ₹0.34 Cr. during 2017-18.

4.2. Engineering

TI's Presence

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

Industry Scenario

During 2018-19, the overall growth in the automotive industry's production volume was 6.26%. The passenger vehicle, commercial vehicle and two-wheeler segments registered growth of 0.14%, 24.2% and 5.82% respectively over the last fiscal. In the two wheeler segment, the sale volumes in scooters de-grew by 0.32%, while motorcycles grew by 8.8%.

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

Review of Performance

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

During the year, volumes of the tubes business grew 12%, while the cold rolled steel strips business grew 2%. The Large Diameter Tube manufacturing plant, which caters to the requirements of the power, infrastructure, off-highway and general engineering segments grew by 27% on the back drop of growth in commercial vehicles and shut down of overseas competitor's facilities. The plant reached its optimum capacity utilisation during the year and plans

have been drawn up for increasing the capacity of this facility to take advantage of increased demand.

During the year under review, the segment registered revenue of ₹2,896 Cr. as compared to ₹2,299 Cr. (net of taxes) during the previous year. The operating profit before interest and tax stood at ₹254 Cr, as compared to ₹175 Cr. during 2017-18, registering a strong growth of 45%.

Increase in volumes in the domestic market, modernisation of facility and further enhancement in efficiencies were the key business emphasis areas aiding improved profitability during the financial year 2018-19.

Engineering exports grew from 26,770 MT to 30,814 MT during the year despite drop in exports to US market due to prevailing high tariffs.

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 will be revised based on the first review by the US Department of Commerce scheduled some time in May, 2019, in which the business is planning to participate.

4.3. Metal Formed Products

TI's presence

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

Industry scenario

During 2018-19, despite growth of scooters remaining flat, the two wheeler segment grew 6% driven by motor cycles growth of 9%. The growth of passenger vehicles segment remained flat during the year. The segment is one of the major players manufacturing roller chains and fine blanked parts for the automotive industry in India. The replacement market for chains and sprockets continued to register a good growth due to the increasing two wheeler population. The domestic demand for industrial chains has a good growth.

With international car majors continuing to invest in the country and increasingly using India as an export base, many component manufacturers have the opportunity to cater to the global needs of automobile manufacturers and their Tier 1 suppliers. The passenger coach segment witnessed huge growth as the Ministry of Railways is focussing on passenger safety by initiating conversion of all old type coaches into stainless steel. This segment has achieved considerable volume growth over previous year, supplying to various customers.

Review of Performance

Sale of automotive chains and industrial chains grew by 6% and 19% respectively when compared to 2017-18 in volume terms. The Company continued to expand its presence in the aftermarket segment benefiting from the two-wheeler population growth. Fine blanked components volumes grew by 15% primarily through new parts developed for the four wheeler segment.

Doorframe sale volumes were higher at 12% during 2018-19 due to higher sales on select models with two of the renowned auto majors. The focus is on generating more business from the auto Original Equipment Manufacturers (OEMs), leveraging the Tier-1 position with specific emphasis on roll form products and other tubular parts used in passenger cars. In addition, strengthening the current position in respect of coach parts, expanding the customer base and foraying into agri-rotovators blades and other farm implements are some of the opportunities that are looked into closely to sustain the drive towards growth.

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

During the year under review, the segment recorded revenue of ₹1,360 Cr. as compared to ₹1,150 Cr. (net of taxes) during the previous year, a growth of 18%. The operating profit before interest and tax stood at ₹123 Cr. as compared to ₹102 Cr. during the previous year, a growth of 21%.

5. Dividend

The Board of Directors has recommended a final dividend of ₹0.75 per share on equity share of face value of ₹1 each for the financial year ended 31st March, 2019. Together with the interim dividend of ₹1.75 per share, paid on 24th February, 2019, on which a Dividend Distribution Tax (DDT) of ₹8 Cr. was paid, the total dividend for the year works out to ₹2.50 per share on equity share of face value of ₹1 each. The final dividend, if approved by shareholders, will be paid on or after 28th July, 2019. It would involve payment of DDT of about ₹2.9 Cr.

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

6. Share Capital

The paid up Equity Share Capital as on 31st March, 2019 was ₹18.77 Cr.

7. Finance

Cash and Cash Equivalents as at 31st March, 2019 were ₹26.28 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.

7.1. Non-Convertible Debentures

During the year, Non-Convertible Debentures (NCDs) aggregating ₹250 Cr. were redeemed and no fresh NCDs were issued during the year. As on 31st March, 2019, NCDs aggregating ₹200 Cr. were outstanding.

7.2. Deposits

The Company has not accepted any fixed deposits under Chapter V of the Companies Act, 2013 and as such no amount of principal and interest was outstanding as on 31st March, 2019.

7.3. Particulars of Loans, Guarantees or Investments

During the year under review, the Company has not given any loans or guarantees under the provisions of Section 186 of the Companies Act, 2013. The Company purchased 1,50,663 equity shares of the face value of ₹10 each, fully paid up, at par, of M/s. Watsun Infrabuild Private Limited, for an aggregate amount of ₹0.15 Cr., during the year. As part of treasury management, the Company also deploys any short-term surplus in units of mutual funds, the details relating to which form part of the Notes to the financial statements provided in this Annual Report.

7.4. Consolidated Financial Highlights

(₹ in Cr.)

Particulars	2018-19	2017-18
Revenue from contract with customers (net)	**5,774.77**	**4,999.95**
Profit Before Exceptional Items and Tax	**383.49**	**230.17**
Exceptional items	3.00	(3.26)
Profit Before Tax and Exceptional Items	**386.49**	**226.91**
Tax Expense	(126.81)	(58.32)
Profit for the year before Minority Interest and share of profit from Associate	**259.68**	**168.59**
Share of loss from Associate	8.85	(13.08)
Net Profit for the Year	**250.83**	**155.51**

8. Business Review – Subsidiaries and Joint Ventures

8.1. Shanthi Gears Ltd (SGL)

SGL, a subsidiary of the Company, recorded revenue of ₹243 Cr. in 2018-19 against ₹220 Cr. in the previous year. Profit before tax was ₹42 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.

During the year under review, the Company participated in the Buyback Scheme announced by SGL to all its eligible shareholders to purchase up to 50 lakh shares at a consideration of ₹140/- per share. The Company tendered 49 lakh shares, of which, 32,38,958 equity shares were accepted on a proportionate basis by SGL taking into account the overall response to the Buyback. The Company received a consideration of ₹45.35 Cr. as Buyback consideration on the 5th April, 2019 from SGL. Post-Buyback, the Company holds 70.47% of SGL's paid up share capital as against 70.11% held pre-Buyback.

SGL also declared and paid a Special Dividend of ₹5 per share for the financial year, 2018-19.

8.2. Financière C10 SAS (FC10)

FC10, the Company's wholly-owned subsidiary in France, recorded consolidated revenue of Euro 34 Mn in 2018 (previous year: Euro 30 Mn). The Profit before Tax for the year was Euro 0.07 Mn (previous year: Euro 0.01 Mn.). The consolidated results of FC10 include results of its subsidiaries viz., Sedis SAS, Sedis GmbH and Sedis Co Ltd in UK.

8.3. TI Tsubamex Private Limited (TTPL)

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

Since its incorporation, TTPL has been facing operational challenges in terms of winning new orders, and also in meeting rising customer expectations on quality and price parameters. The small size of its operations and high working capital intensity have further made the business situation difficult for TTPL as its customers, being OEMs, require technically superior products. Under the circumstances, TTPL sold its identified manufacturing assets to M/s. Nagata Auto Engineering India Private Limited for an aggregate consideration of ₹8 Cr. excluding taxes. The amount realised through the sale is being utilised by TTPL to repay its creditors.

TTPL recorded revenue of ₹6 Cr., in 2018-19 compared with ₹26 Cr. in 2017-18 and recorded a loss before tax of ₹11 Cr., during 2018-19 compared with the loss before tax of ₹7 Cr. in the previous year.

The Company has provided for impairment in the value of its investment for ₹12 Cr. in its books of account for the financial year under review. In the previous year, the Company had provided impairment in the value of investments for ₹11.50 Cr. Accordingly, the entire investments have been impaired as at 31st March, 2019.

8.4. 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 ₹16 Cr. and registered Profit before Tax of ₹2 Cr.

8.5. 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 ₹55 Cr. and registered Profit before Tax of ₹1 Cr.

8.6. TI Absolute Concepts Private Limited (TIACPL)

During the year under review, the Company exited TIACPL by divesting its 50% stake in the joint venture company in favour of the joint venture partner viz., Absolute Speciality Foods Chennai Private Limited at a consideration of ₹3 Cr. Consequently, TIACPL ceased to be a joint venture company during the year.

TIACPL had been facing operational difficulties due to competitive operating environment including certain restrictive regulatory orders affecting the food and beverage industry.

The Company had provided for impairment in the value of its investment of ₹13.75 Cr., in its books of account during the previous financial year, 2017-18 itself.

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

9. Financial Review

9.1. Profits & Profitability

The Profit before Tax and exceptional items registered a growth of 70%, through higher volumes, better operating efficiencies, input and fixed cost reduction initiatives and reduction in interest costs.

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

9.2. 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. The Company's new plant in Rajpura, Punjab for precision tube manufacturing was operational during the financial year and the Company has planned for further expansion in the coming financial year.

9.3. Interest Cost

The Company's interest cost reduced to ₹51.68 Cr. in 2018-19 from ₹56.38 Cr. in the previous year mainly on account of lower borrowing. With strong focus on cash generation, the Company achieved a significant level of debt reduction of ₹166 Cr. during the year. The total borrowings were reduced to ₹513 Cr. as on 31st March, 2019 from ₹679 Cr. as on 31st March, 2018.

9.4 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 2018-19	FY 2017-18	% change over previous year	Reasons
1	Interest Coverage Ratio	10.72	6.69	60%	Reduction in borrowing & finance charges and increase in the Profit before Interest Tax and Depreciation.
2	Debt-Equity Ratio	0.36	0.56	36%	Reduction in debt and increase in net worth due to higher profits.
3	Net Profit Margin	4.9%	3.2%	55%	Improvement in profits and reduction of fixed and interest cost.
4	Return on Net Worth	17.1%	11.2%	52%	Higher profits for the year.
5	Return on Capital Employed (in %)	21.4%	14.3%	50%	Higher profits and maintenance of capital employed at lower level despite increase in sales.
6	Sales Growth	14.9%	10.4%	43%	Higher sales driven primarily by growth in Auto Industry in H1 of FY 2018-19, Railways and exports.

*Ratios are tracked by the Company on a standalone basis

9.5. 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 prevent business risks through a framework of internal controls and processes. These controls ensure:

a) Recording of transactions are accurate, complete and properly authorised;

b) Adherence to Accounting Standards, compliance to applicable Statutes, Company policies and procedures and timely preparation of financial statements;

c) Effective usage of resources and safeguarding of assets;

d) Prevention and detection of frauds/errors; &

e) Efficient conduct of operations.

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

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

9.6. 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. The Company's business processes are enabled by the ERP for monitoring and reporting processes resulting in financial discipline and accountability.

10. 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 8th May, 2018 and 26th March, 2019 and reviewed the risks and mitigation plans of the SBUs of the Company.

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

10.1 Bicycles and Components

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

10.2. Engineering

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

10.3. Metal Formed Products

Risk	Why considered as Risk	Mitigation Plan/Counter Measure
Product Risk	• Revenues are model specific	• Indigenisation of equipment • Pursue options for other business using the same facilities • Model specific investments to be done by OEMs • More rigorous analysis of risks before taking up the project
User Industry Concentration Risk	• Dependence on auto sector • Impact of slow down	• Diversification into non-auto business • Focus on industrial applications • Develop range of power transmission products
Customer Retention Risk	• Availability of alternative source • Disruption in supplies	• Cost competitiveness through operational excellence initiatives • Leverage design strength • Leverage proximity to customer • Build technology superiority • Product - plant rationalisation
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 multinational player(s) of repute
Sourcing Risk	• Dependence on a few vendors for certain components	• Vendor relationship building • Enhancing vendor base, both locally as well as overseas • Leveraging strength of combined entity
Pricing risk	• Year-on-year price reduction expectation • Price recovery due to dependence on a few OEMs	• Utilisation of existing assets, optimal investment assumptions and reduced cost of operations • Value engineering and value analysis in business re-engineering process • Claims from customer for lower volumes

10.4.General

Risk	Why considered as Risk	Mitigation Plan/Counter Measure
Human Resource Risk	• Ability to attract talent, especially people with domain knowledge for new projects • Retention of talent	• Corporate brand building • Robust recruitment process • Structured induction and on the job training • Coaching and team building • Individual career and development plan • Effective communication exercises • Continuous engagement with identified talent pool • Deskill operations
Currency Risk	• Foreign currency exposure on exports, imports and borrowings	• Early identification and monitoring of exposures • Hedging of exposures based on risk profile
IT/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 stabilisation of production	• Effective project management • Pre-implementation planning • Deployment of adequate resources • Effective monitoring

11. 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 ₹2.67 Cr., during the financial year, 2018-19. The Company spent ₹2.69 Cr. towards the identified CSR projects in the fields of education, health care and rural sustainability during the year.

The Annual Report on CSR for 2018-19 is annexed to and forms part of this Report as Annexure-C as well as in the Company's website at the following link, http://www.tiindia.com/article/csrprojectsprograms/546.

12. Alteration of Memorandum of Association

During the financial year, 2018-19, with the approval of the Members by means of a Special Resolution passed with the requisite majority at the 10th Annual General Meeting, sub-clause 10 under III(B) of the Memorandum of Association of the Company was altered to provide for/facilitate the making of contribution for political purposes. No contribution for political purposes was made during the year.

The Board had, by Notice of Postal Ballot & Electronic Voting dated 27th March, 2019, further proposed for the Members' approval by means of a Special Resolution, through postal ballot and electronic voting, an alteration to Clause III(A) [Main Objects Clause] of the Memorandum of Association by insertion of a new sub-clause 10 to facilitate the Company's foray into the business of vision products and components, as and when decided appropriate.

13. Corporate Governance

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

The Company was wholly in compliance with the requirements of the Listing Agreement with the Stock Exchanges as well as the SEBI Listing Regulations.

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

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

14. Business Responsibility Reporting

As required under the SEBI Listing Regulations which mandate the inclusion of a Business Responsibility Report as part of the Annual Report for the top 500 listed entities, the Business Responsibility Report forms part of the Annual Report as Annexure-E.

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

15. Human Resources

The Company continues to leverage its strength in human capital by attracting the right talent, nurturing & developing, and retaining them to meet the short-term and long-term organisation goals. The key HR imperatives were addressed through Organisation Structure & Design, building technical & operational excellence capabilities, building leadership & talent pool, productivity improvement and employee cost reduction programs, maintaining cordial industrial relations and digitising HR processes.

The Company is successful in attracting talent from outside and during the year people were hired across different levels and functions. The Company has started creating a resource pool, wherein project executives/engineers have been hired and given exposure to the different businesses, functions, organisation values and culture.

In order to enable the Company to grow exponentially, the Company is emphasising on a high performing work culture that would enable employees to transform from a fixed to growth mind-set through empowerment across levels and by inculcating a higher sense of accountability through systematic interventions.

During the year, for providing a clear direction and focus for the future, the Company's Vision Statement was framed involving different stakeholders. The Statement reads as "Build a Globally Admired Indian Engineering Company Creating Stakeholder Delight". In line with the said Vision

Statement, empowered employees are vested with clear responsibility and focus on achieving cost leadership and faster growth of their respective business.

The Company continues to conduct leadership programs, where individuals go through 360-degree assessment feedback forming Individual Development Plans (IDPs), performance enhancement assignments, supported through mentorship. The Company continues its focus on identifying the high potential employees in the organisation, who are groomed to occupy the key roles.

In order to make the operations efficient and profitable, Total Quality Management [TQM] (at the Tubes & Chains Business Units) and Toyota Production System [TPS] (at TI Cycles Business Unit) initiatives have been launched with the help of renowned Japanese consultants.

The total number of permanent employees on the rolls of the Company as on 31st March, 2019 is 3,253.

Industrial relations continued to remain cordial at all the Company's units during the period under review.

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

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

16. Prevention of sexual harassment at workplace

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

17. Employee Stock Option Scheme

During the year under review, the Company has granted 62,562 stock options to eligible employees under its Employee Stock Option Plan viz., ESOP 2017.

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

18. Directors' Responsibility Statement

The Board of Directors confirm that the Company has in place a framework of internal financial controls and compliance system. The Internal Audit team periodically evaluates the adequacy and effectiveness of these internal controls, recommends improvements and also reviews adherence to policies based on which corrective action is taken to address gaps, if any. The internal controls are also monitored and reviewed by the Audit Committee and the Board and also subjected to a review by the Statutory 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, 2019, 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, 2019 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; and,

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.

19. Auditors

M/s. S R Batliboi & Associates LLP, Chartered Accountants (LLP Identity no.AAB-4295) were appointed as Statutory Auditors at the 9th Annual General Meeting held on 6th November, 2017 for a period of five years viz., from the conclusion of the said 9th Annual General Meeting till the conclusion of the 14th Annual General Meeting.

In terms of the resolution passed by the Members with regard to the appointment of the Statutory Auditors, the same is subject to ratification by the Members at every Annual General Meeting and their remuneration will be recommended to the Shareholders at the time of taking up such ratification of appointment each year. In the said regard, by an amendment to the Companies Act, 2013 under the Companies (Amendment) Act, 2017, the requirement for ratification of appointment of the Statutory Auditors at each Annual General Meeting has been done away with. Accordingly, there is no requirement under the present law for ratification of appointment of the Statutory Auditors. The remuneration payable to them in respect for FY 2019-20 hence needs to be fixed at the Annual General Meeting as required under Section 142 of the Companies Act, 2013.

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

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, 2019-20. Necessary resolution for ratification of their remuneration in respect of the aforesaid terms of appointment for financial year, 2019-20 forms part of the Notice for the ensuing Annual General Meeting.

20. 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.

21. Directors

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

Mr. Sanjay Johri was appointed as Additional Director with effect from 14th August, 2018. He holds office up to the date of the ensuing Annual General Meeting. The Board recommends his appointment as Independent Director under Section 149 of the Act for a term of four years viz., from the date of the 11th AGM (2019) till the date of the 15th AGM (2023).

Mr. Mahesh Chhabria was appointed as Additional Director with effect from 5th February, 2019. He holds office up to the date of the ensuing Annual General Meeting. The Board recommends his appointment as Independent Director under Section 149 of the Act for a term of five years viz., from the date of the 11th AGM (2019) till the date of the 16th AGM (2024).

The present term of Ms. Madhu Dubhashi as Independent Director is till the date of the ensuing 11th Annual General Meeting and she is eligible for a second term. The Board recommends her re-appointment as Independent Director under Section 149 of the Act for a second term of two years viz., from the date of the 11th AGM (2019) till the date of the 13th AGM (2021) by means of a Special Resolution as proposed in the Notice.

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

The Board takes pleasure in recommending the appointment of Mr. Sanjay Johri and Mr. Mahesh Chhabria as Independent Directors and the re-appointment of Ms. Madhu Dubhashi for a second term as Independent

Director for such term of Office as provided under the relevant item of the Notice for the ensuing Annual General Meeting.

22. 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, 2019 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.

23. 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 (C.P. No.3239) to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith and forms part of this Report as Annexure-G.

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

24. Annual Return

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

25. Key Managerial Personnel

Mr. L Ramkumar retired as Managing Director of the Company upon completion of his term at the conclusion of the previous Annual General Meeting held on 13th August, 2018.

Mr. Vellayan Subbiah, Managing Director (Designate) assumed Office as the Managing Director of the Company with effect from 14th August, 2018.

Mr. Vellayan Subbiah, Managing Director, Mr. K Mahendra Kumar, Chief Financial Officer and Mr. S Suresh, Company Secretary are the Key Managerial Personnel (KMPs) of the Company as per Section 203 of the Companies Act, 2013.

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

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

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

On behalf of the Board

Chennai
30th April, 2019

M M Murugappan
Chairman

Annexure-A

Dividend Distribution Policy

1. Background:

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

2. Objective:

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

3. Parameters to be considered for declaration of Dividend:

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

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

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

3.1 Financial Parameters/Internal Factors:

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

3.2 External Factors:

3.1
1. Prevailing legal requirements, regulatory restrictions laid down under the applicable laws including tax laws and changes made in accounting laws;
2. Dividend pay-out ratios of companies in the same industry; &
3. Any other factor that has a significant influence/impact on the Company's working/financial position of the Company.

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

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

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

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

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

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

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

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

5. Utilization of retained earnings:

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

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

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

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

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

7. Procedure:

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

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

8. Disclosure:

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

9. General:

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

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

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

Annexure-B

Form AOC-1

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

Part A - Information in respect of each Subsidiary (₹ in Cr.)

Sl. No.	Name of the subsidiary	Shanthi Gears Limited	Financiere C10 SAS	SEDIS SAS	Sedis GmbH	SEDIS Co.Ltd.	Creative Cycles (Private) Limited	Great Cycles (Private) Limited
1	Reporting period of the subsidiary	31-Mar-2019	31-Dec-2018	31-Dec-2018	31-Dec-2018	31-Dec-2018	31-Mar-2019	31-Mar-2019
2	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR	EUR 1 EUR = ₹79.85	EUR 1 EUR = ₹79.85	EUR 1 EUR = ₹79.85	GBP 1 GBP = ₹88.98	LKR 1 LKR = ₹0.42	LKR 1 LKR = ₹0.42
3	Share Capital	8.17	26.82	51.90	0.20	1.79	1.97	1.97
4	Reserves & Surplus	293.91	57.63	25.95	(5.46)	0.88	5.92	18.22
5	Total Assets (Non-Current and Current Assets)	352.62	32.27	198.36	2.40	9.52	16.62	22.34
6	Total Liabilities (Non-Current and Current Liabilities)	50.54	31.76	186.47	8.10	7.37	8.73	2.15
7	Investments (Non-Current and Current Investments)	123.85	83.94	65.96	0.43	0.52	-	-
8	Turnover	237.68	1.27	267.48	8.93	10.77	54.80	16.07
9	Profit/(Loss) Before Tax	42.46	(0.30)	2.89	(2.76)	(0.03)	1.43	1.68
10	Provision/(Reversal) for Tax	9.11	(0.08)	(2.22)	-	-	0.33	0.52
11	Profit/(Loss) After Tax	33.35	(0.21)	5.11	(2.76)	(0.03)	1.10	1.16
12	Proposed Dividend	Re.1/- per share	Eur 2.75/- per share	Nil	Nil	Nil	Nil	Nil
13	% of Shareholding	70.12%	100.00%	100.00%	100.00%	100.00%	80.00%	80.00%

Part B - Joint Ventures

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

Sl. No	Name of the Joint Venture company	TI Tsubamex Private Limited
1	Latest Audited Balance Sheet Date	31-Mar-2019
2	Share of Joint Venture held by the Company on the year end	
	- No of Shares	2,35,00,000
	- Amount of Investment	23,50,00,000
	- Extent of Holding (%)	78.33%
3	Description of how there is significant influence	Through shareholding
4	Reason why the Joint Venture is not consolidated	It is getting consolidated under Equity method
5	Net worth attributable to Shareholding as per latest audited Financials (₹ in Crore.)	-
6	Loss for the year (₹ in Crore.)	
	- Considered for Consolidation	8.85
	- Not Considered for Consolidation	Nil

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 - TI Absolute Concepts Private Limited

On behalf of the Board

Place : Chennai Date : 30th April, 2019	**S Suresh** Company Secretary	**K Mahendra Kumar** Chief Financial Officer	**Vellayan Subbiah** Managing Director	**M M Murugappan** Chairman

Annexure-C

Annual Report on Corporate Social Responsibility (CSR) Activities

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

   Outline of the Company's CSR Policy

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

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

   Overview of the CSR Projects and Programmes:

   TI is committed to identifying and supporting programmes aimed at -

   - Empowerment of the underprivileged sections of the society through education, access to and awareness about financial services and the like;
   - Provision of access to basic necessities like healthcare, drinking water & sanitation and the like;
   - Working towards eradicating hunger and poverty, through livelihood generation and skill development;
   - Supporting environmental and ecological balance through afforestation, soil conservation, rain water harvesting, conservation of flora & fauna and similar programmes;
   - 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, 2018-19 has been in the area of education, rural sustainability and healthcare. Details of the same can be accessed in the Company's website (web link: http://www.tiindia.com/article/values/467).

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

   Ms. Madhu Dubhashi, Chairperson (Independent Director)

   Mr. Sanjay Johri, Member (Independent Director)

   Mr. Mahesh Chhabria (Independent Director)

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

   The average net profits of the Company made during the three immediately preceding financial years as calculated under Section 135 of the Companies Act, 2013 and the Rules thereunder works out to ₹133.74 Cr.

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

   The prescribed CSR expenditure (2% of the average net profits as in 3 above) under Section 135 of the Companies Act, 2013 is ₹2.67 Cr.

5. **Details of CSR spend during the financial year, 2018-19:**

   a. Total amount spent for the financial year: ₹2.69 Cr.

   b. Amount unspent: Nil

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

Sl. No.	CSR Project/ Activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State and district where Projects or Programs was undertaken	Amount Outlay (Budget) Project or Programs wise	Amount spent on the Projects or Programs	Cumulative expenditure up to the reporting period	Amount Spent - Direct (D) or through implementing agency (IA)
1	Basic Training Center	Education	**Tamilnadu:** Avadi in Chennai	1.50	1.50	1.50	1.50 (D)
2	AMM Foundation	Education	**Tamilnadu**: TI Matriculation School, Ambattur	0.64	0.64	0.64	0.64 (IA)
3	Shri A M M Murugappa Chettiar Research Centre (MCRC)	Rural Sustainability	**Tamilnadu**: Erode, Kanchipuram, Villupuram, Sivaganga, Karur, Dindigul and Coimbatore	0.37	0.37	0.37	0.37 (IA)
4	Tiruttani Clinic (Outpatient Medical Centre)	Health	**Tamilnadu**: Tiruttani	0.26	0.18	0.18	0.18 (IA)
5	Grant of raincoats to traffic police personnel at Kotturpuram, Chennai	Preventive Healthcare	**Tamilnadu**: Kotturpuram Police officials	Not exceeding 0.01	0.004	0.004	0.006 (IA)

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

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

7. Responsibility Statement:

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

On behalf of the Board

Place: Chennai
Date: 30th April, 2019

Vellayan Subbiah
Managing Director

Madhu Dubhashi
Chairperson, CSR Committee

Annexure-D

Report on Corporate Governance

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

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

Board of Directors

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

The Board of Directors of the Company consists of seven Directors, with knowledge and experience in different fields viz., engineering, manufacturing, finance and business management. Mr. M M Murugappan, Chairman (Promoter, non-executive), Mr. Vellayan Subbiah, Managing Director (executive) and Mr. Ramesh K B Menon (non-executive) are the non-Independent Directors in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (referred to in this Report as "SEBI Listing Regulations"). Mr. Sanjay Johri, Ms. Madhu Dubhashi, Mr. Pradeep V Bhide and Mr. Mahesh Chhabria are the Independent Directors in terms of the SEBI Listing Regulations. All the Independent Directors of the Company are eminent professionals with vast experience in the fields of their expertise. None of the Directors 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 under the Companies Act, 2013, and are independent of the management.

The Company had issued letters of appointment to the Independent Directors upon being appointed by shareholders at the Annual General Meeting as required under Schedule IV to the Companies Act, 2013 and the terms and conditions of their appointment are also disclosed on the Company's website at the following link: http://www.tiindia.com/investors/466.

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

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

The Managing Director has not served or serves as Independent Director in more than three listed entities. None of the Independent Directors of the Company served or serve as Independent Director in more than seven listed entities.

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

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

The Company has a well-established practice with regard to deciding the dates of meetings. The annual calendar for the meetings of the Board is finalised early on in consultation with all the Directors. A minimum of five Board meetings are held each year. Evolving strategy, annual business plans, review of actual performance and course correction, as deemed fit, constitute

the primary business of the Board. The role of the Board also includes de-risking, investment, divestment and business reorganisation. Matters such as capital expenditure, recruitment of senior level personnel, safety & environment, Human Resources related developments, compliance with statutes and foreign exchange exposures are also reviewed by the Board from time to time.

The Company's commitment to good governance practices allows the Board to effectively perform these functions. The Company ensures that timely and relevant information is made available to all the Directors in order to facilitate their effective participation and contribution during meetings and discussions.

During the financial year, 2018-19, there were five meetings of the Board of Directors. The dates of the Board meetings, attendance and the number of Directorships/Committee memberships held by the Directors are given in **Table 1** of the annexure to this Report.

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

Audit Committee

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

The Audit Committee of the Company has four members, three of whom are Independent Directors. Mr. Pradeep V Bhide, Independent Director is the Chairman of the Committee. All the members of the Committee have excellent financial and accounting knowledge. The Chairman, Managing Director, Chief Financial Officer and the Heads of Strategic Business Units are invitees to the meetings of the Audit Committee.

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

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

The Committee met five times during the year ended 31st March, 2019. The composition of the Audit Committee and the attendance of each member at these meetings are given in **Table 2** of the annexure to this Report.

Remuneration to Directors

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

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

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

Nomination & Remuneration Committee

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

management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Committee's scope further covers recommending to the Board the appointment/re-appointment of the executive and non-executive Directors.

The Committee consists of three members. The Chairman of the Committee is Mr. Sanjay Johri, Independent Director. The other Members are Ms. Madhu Dubhashi, Independent Director and Mr. M M Murugappan, Non-Executive Director.

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

The Company's total compensation package includes fixed compensation, variable compensation in the form of annual incentive, perquisites and benefits including health and life insurance and retirement benefits. In addition, select category of employees is eligible for long-term incentive plan in the form of stock options (ESOPs) under the Company's Employee Stock Option Scheme 2017 ("Scheme"). The Scheme is in compliance with the applicable SEBI Regulations. Details of the said Scheme are provided in the Company's website, www.tiindia.com/article/values/554.

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

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

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

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

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

The Committee met four times during the year ended 31st March, 2019. The composition of the Committee and the attendance of each member at these meetings are given in **Table 3** of the annexure to this Report.

The details of remuneration paid/payable to the Managing Directors and to the non-executive Directors, for the financial year ended 31st March, 2019, are given in **Table 4** and **Table 5** respectively of the annexure to this Report.

Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee is constituted in accordance with the requirements of the Companies Act, 2013 and the Rules thereunder. The Committee consists of three members, all of them being Independent Directors. Ms. Madhu Dubhashi is the Chairperson of the Committee. The other Members are Mr. Sanjay Johri and Mr. Mahesh Chhabria.

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

The Committee met once during the year ended 31st March, 2019. The composition of the CSR Committee and the attendance of each member at the meeting of the Committee are given in **Table 7** of the annexure to this Report.

Risk Management Committee

The role of the Risk Management Committee, in brief, is to review the Risk Management Policy developed by the Management,

Risk Management framework and its implementation thereby ensuring that an effective risk management system is in place.

The Risk Management Committee regularly monitors and evaluates the key risks of the Company and apprises the management of such risks for effective mitigation. The Committee provides support to the Board in the discharge of the Board's overall responsibility in overseeing the risk management process. The Committee consists of three members, two being Independent Directors. Mr. Pradeep V Bhide is the Chairman of the Risk Management Committee. The other Members are Mr. Mahesh Chhabria, Independent Director and Mr. Vellayan Subbiah, Managing Director.

The Chairman and the Heads of Strategic Business Units are invitees to the meetings of the Committee. The Committee met two times during the year ended 31st March, 2019. The composition of the Committee and attendance of its members at the meeting are given in **Table 8** of the annexure to this Report.

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

Performance Evaluation

The annual performance evaluation was carried out pursuant to the provisions of the Companies Act, 2013, and the SEBI Listing Regulations. As part of the performance evaluation process, an evaluation questionnaire based on the criteria together with supporting documents was circulated to all the Board members, in advance. The Directors evaluated themselves, the Chairman, the Managing Director, other Board members, the Board as well as the functioning of the Board Committees viz., Audit, Nomination & Remuneration, Risk Management, Corporate Social Responsibility and Stakeholders Relationship Committees on the basis of well-defined evaluation parameters as set out in the questionnaire. The duly filled in questionnaires were received back from the Chairman and all the other Directors.

To take the evaluation exercise forward, all the Independent Directors of the Company met on 27th March, 2019, without the attendance of the non-Independent Directors and members of the management to discuss *inter alia* the matters specified under Schedule IV of the Companies Act, 2013 and Regulation 25(4) of the SEBI Listing Regulations.

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

Subsidiary Companies

The Company does not have any 'material non-listed Indian subsidiary company' in terms of the SEBI Listing Regulations as at the end of 31st March, 2019.

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

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

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

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

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

The Company is also the holding company of Shanthi Gears Limited (SGL), whose shares are listed on the Stock Exchanges the Company holds 70.12% of the share capital of SGL.

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 provisions of Section 188 of the Companies Act, 2013.

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

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

Dissemination of Information

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

on the Company's website. The Company's commitment to transparency is reflected in the information-rich Annual Report, investors' meets, periodic press releases and continuous updating of its website.

Investors' Service

The Company promptly attends to investors' queries/ grievances. In order to provide timely services, the power to approve transfer of shares has been delegated by the Board to the Shares and Debentures Committee. The Board has also authorised the Chairman/Managing Director/Chief Financial Officer/Secretary to approve transfers/transmissions. Share transfer requests are processed within 15 days from the date of receipt. Karvy Fintech Private Limited (formerly, 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. The Committee consists of Mr. M M Murugappan as its Chairman and Mr. Vellayan Subbiah and Mr. Sanjay Johri as members. The composition of the Committee and attendance of its members at the meeting are given in **Table 6** of the annexure to this Report.

Four investor complaints were received during the financial year ended 31st March, 2019, which were resolved. There were no complaints pending as at 31st March, 2019.

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, 2019.

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, 2019. Quarterly financial results of the Company are published in leading newspapers, uploaded on the Company's website and any major developments are covered in the press releases issued by the Company and also posted on its website. Financial results for the half-year ended 30th September, 2018 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, 2018-19. 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 and revised from time to time in accordance with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations are posted on the website of the Company at the following links, http://www.tiindia.com/article/values/34; http://www.tiindia.com/article/values/476; http://www.tiindia.com/article/values/493; http://www.tiindia.com/article/values/527; http://www.tiindia.com/article/values/538; http://www.tiindia.com/article/values/600; http://www.tiindia.com/article/values/601; http://www.tiindia.com/article/values/667 etc.,

Other Disclosures

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

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

Related party transactions during the year have been disclosed as a part of the financial statements as required under the relevant Ind AS issued under the Companies Act, 2013.

There have been no instances of non-compliance by the Company or have any penalty or strictures been imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India or by any statutory authority on any matter related to the capital markets during the financial year, 2018-19.

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
30th April, 2019

M M Murugappan
Chairman

Declaration on Code of Conduct

To

The Members of Tube Investments of India Limited

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

It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2019, as envisaged under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

On behalf of the Board

Chennai
30th April, 2019

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 taking into account its varied business interests. These are presented as a matrix below:

Expertise & Experience	
Financial management	Proficiency in financial management
Business environment perspective	Understanding diverse business environments, with a broad perspective of global business opportunities
Business Leadership	Leadership experience and practical understanding of significant organisations, 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

All the aforementioned core skills/expertise/competencies as identified by the Board are also available with it.

(B) Board Meeting Dates and Attendance

The Board of Directors of the Company met 5 times during the financial year 2018-19. The dates of the Board meetings were 7th May 2018, 13th August 2018, 2nd November 2018, 5th February 2019 and 27th March, 2019.

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, 2019 are as follows:

TABLE 1

Sl. No.	Name of Director	Board meetings attended (no. of meetings held)	Number of Directorships[a] - including the Company (out of which as Chairman)	Number of committee memberships[b] – including the Company (out of which as Chairman)	Attendance at last AGM	No. of shares held as on 31st March, 2019
1	Mr. M M Murugappan Chairman	5(5)	9(6)	5(3)	Present	8,42,405
2	Mr. L Ramkumar [c] Managing Director (upto 13th August, 2018)	2(2)	1(1)	1(1)	Present	1,95,290
3	Mr. Vellayan Subbiah[d] Managing Director (with effect from 14th August, 2018)	5(5)	5	2	Present	4,30,250
4	Mr. Pradeep V Bhide	4(5)	8(1)	7(4)	Not Present	-
5	Mr. S Sandilya [e]	2(2)	6(2)	5(4)	Present	-
6	Mr. Hemant M Nerurkar [f]	2(2)	8(3)	5(3)	Not Present	-
7	Ms. Madhu Dubhashi	5(5)	6	6(2)	Present	4,994
8	Mr. Ramesh K B Menon	5(5)	5(1)	3	Present	-
9	Mr. Sanjay Johri [g]	3(3)	1	2	Present	-
10	Mr. Mahesh Chhabria [h]	2(2)	7	3(1)	Not Applicable	-

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

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

(c) retired as Managing Director (Key Managerial Person) of the Company on the completion of his term of Office on 13th August, 2018.

(d) assumed Office as Managing Director (Key Managerial Person) from 14th August, 2018.

(e) retired as Independent Director on completion of his term on 13th August, 2018.

(f) retired as Independent Director on completion of his term on 13th August, 2018.

(g) appointed as Additional Director (Independent Director) with effect from 14th August, 2018.

(h) appointed as Additional Director (Independent Director) with effect from 5th February, 2019.

The names of listed entities (including this Company), where the persons who are Directors of the Company as at 31st March, 2019, hold directorship and the category thereof are furnished below:

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

(C) Composition of Audit Committee and Attendance

The Committee met five times during the year ended 31st March, 2019. The dates of the Committee's meetings were 7th May, 2018, 13th August, 2018, 2nd November, 2018, 5th February, 2019 and 26th March, 2019.

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

TABLE 2

Name of the Member	Number of meetings attended (Number of meetings held)
Mr. Pradeep V Bhide, Chairman [(a)]	4(5)
Mr. S Sandilya [(b)]	2(2)
Mr. Hemant M Nerurkar [(b)]	2(2)
Mr. Sanjay Johri [(c)]	3(3)
Mr. Ramesh K B Menon [(c)]	2(3)
Mr. Mahesh Chhabria [(d)]	1(1)

(a) nominated as Chairman of the Audit Committee with effect from 14th August, 2018.

(b) ceased as Member on 13th August, 2018.

(c) nominated as Member with effect from 14th August, 2018.

(d) nominated as Member with effect from 5th February, 2019.

(D) Composition of Nomination & Remuneration Committee and Attendance

The Committee met four times during the year ended 31st March, 2019. The dates of the Committee's meetings were 7th May, 2018, 13th August, 2018, 2nd November 2018 and 27th March, 2019. The composition of the Nomination & Remuneration Committee and the attendance of each member at these meetings are as follows:

TABLE 3

Name of the Member	Number of meetings attended (Number of meetings held)
Mr. Sanjay Johri, Chairman [(a)]	2(2)
Mr. M M Murugappan	4(4)
Ms. Madhu Dubhashi [(b)]	2(2)
Mr. Hemant M Nerurkar [(c)]	2(2)
Mr. S Sandilya [(d)]	2(2)

(a) Mr. Sanjay Johri was nominated as Chairman of the Committee with effect from 14th August, 2018.

(b) Ms. Madhu Dubhashi was nominated as member of the Committee with effect from 14th August, 2018.

(c) Mr. Hemant M Nerurkar retired as Independent Director on completion of his term of appointment on 13th August, 2018.

(d) Mr. S. Sandilya retired as Independent Director on completion of his term of appointment on 13th August, 2018.

(E) Remuneration of Managing Directors

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

TABLE 4

(Amount in ₹)

Name	Salary	Incentive[(a)]	Allowance	Perquisites & Contributions[(b)]	Total
Mr. L Ramkumar, Managing Director [(c)]	59,90,987	42,46,495	83,24,875	32,48,777	2,18,10,234
Mr. Vellayan Subbiah, Managing Director [(d)]	1,45,60,005	1,49,89,440	2,12,20,455	87,02,237	5,94,72,137

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

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

(c) Retired as Managing Director and ceased to be Director with effect from 13th August, 2018.

(d) Managing Director (Designate) till 13th August, 2018 and Managing Director from 14th August, 2018. Also, pursuant to the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the remuneration payable to the Managing Director (executive, promoter) for his term of Office is subject to the approval of the Members by means of a Special Resolution in the Annual General Meeting.

(F) Remuneration of Non-Executive Directors

The details of commission provided for/sitting fees paid to non-executive Directors for the year ended 31st March, 2019 are as follows:

TABLE 5

(Amount in ₹)

Name of the Director	Commission *	Sitting fees	Total
Mr. M M Murugappan, Chairman@	1,00,00,000	2,00,000	1,02,00,000
Mr. Hemant M Nerurkar #	2,77,397	1,45,000	4,22,397
Ms. Madhu Dubhashi	7,50,000	1,70,000	9,20,000
Mr. Pradeep V Bhide	25,00,000	2,30,000	27,30,000
Mr. S Sandilya #	2,77,397	1,45,000	4,22,397
Mr. Ramesh K B Menon	7,50,000	1,75,000	9,25,000
Mr. Sanjay Johri (a)	4,72,603	1,80,000	6,52,603
Mr. Mahesh Chhabria (b)	1,13,014	90,000	2,03,014

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

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

\# Commission calculated on *pro rata* basis - from 1st April, 2018 to 13th August, 2018.

(a) Commission calculated on *pro rata* basis - from 14th August 2018 to 31st March, 2019.

(b) Commission calculated on *pro rata* basis - from 5th February 2019 to 31st March, 2019.

(G) Composition of Stakeholders Relationship Committee and Attendance

The Committee met on 2nd November, 2018 during the year ended 31st March, 2019. The composition of the Stakeholders Relationship Committee and the attendance of each member at the above meeting are as follows:

TABLE 6

Name of the Member	Number of meetings attended (Number of meetings held)
Mr. M M Murugappan, Chairman	1(1)
Mr. Vellayan Subbiah (a)	1(1)
Mr. Sanjay Johri (b)	-(-)

(a) nominated as Member with effect from 14th August, 2018.

(b) nominated as Member with effect from 27th March, 2019.

(H) Composition of Corporate Social Responsibility Committee and Attendance

The Committee met on 7th May, 2018 during the year ended 31st March, 2019. The composition of the Corporate Social Responsibility Committee and the attendance of each member at the above meeting are as follows:

TABLE 7

Name of the Member	Number of meetings attended (Number of meetings held)
Ms. Madhu Dubhashi, Chairperson [a]	1(1)
Mr. S Sandilya [b]	1(1)
Mr. L Ramkumar [c]	1(1)
Mr. Sanjay Johri [d]	-
Mr. Mahesh Chhabria [e]	-

[a] appointed as Chairperson with effect from 5th February, 2019.

[b] ceased to be Member on 13th August, 2018.

[c] ceased to be Member on 13th August, 2018.

[d] nominated as Member with effect from 5th February, 2019.

[e] nominated as Member with effect from 5th February, 2019.

(I) Composition of Risk Management Committee and Attendance

The Committee met two times during the year ended 31st March, 2019. The dates of the Committee's meetings were 8th May, 2018 and 26th March, 2019. The composition of the Risk Management Committee and the attendance of each member at this meeting are as follows:

TABLE 8

Name of the Member	Number of meetings attended (Number of meetings held)
Mr. Pradeep V Bhide, Chairman	2(2)
Mr. Hemant M Nerurkar [a]	1(1)
Mr. L Ramkumar [a]	1(1)
Mr. Mahesh Chhabria [b]	1(1)
Mr. Vellayan Subbiah [c]	-

[a] ceased to be Member on 13th August, 2018.

[b] nominated as Member with effect from 5th February, 2019.

[c] Nominated as Member with effect from 27th March, 2019.

On behalf of the Board

M M Murugappan
Chairman

Chennai
30th April, 2019

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

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

1. The Corporate Governance Report prepared by Tube Investments of India Limited (formerly known as TI Financial Holdings Limited) (hereinafter the "Company"), contains details as required in regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D, E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('reporting criteria') for the year ended March 31, 2019 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

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

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

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

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

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

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

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

   ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Directors Register as on March 31, 2019 and verified that atleast one women director was on the Board during the year;

   iv. Obtained and read the minutes of the following committee meetings held April 01, 2018 to March 31, 2019:
      (a) Board of Directors meeting;
      (b) Audit committee;
      (c) Annual General meeting;
      (d) Nomination and remuneration committee;
      (e) Stakeholders Relationship committee;
      (f) Corporate Social Responsibility committee
      (g) Independent directors meeting; and
      (h) Risk management committee;

v. Obtained and read the policy adopted by the Company for Related Party transactions.

vi. Obtained the schedule of related party transactions during the year and balances at the year end. Obtained and read the minutes of the audit committee meeting where in such related party transactions were approved.

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

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

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

Opinion

9. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.

Other matters and Restriction on Use

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

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

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

per **Subramanian Suresh**
Partner
Membership Number: 083673
UDIN: 19083673AAAAAG1861

Place of Signature: Chennai
Date: 30th April, 2019

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

(Formerly known as TI Financial Holdings Limited)

"DARE HOUSE",

234, N S C Bose Road,

Chennai- 600001

We have examined the relevant books, papers, minutes books, forms and returns filed, notices received from the Directors during the financial year under review and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives of **TUBE INVESTMENTS OF INDIA LIMITED** (Formerly known as TI Financial Holdings Limited) **(CIN: L35100TN2008PLC069496)** having its Registered Office at "DARE HOUSE", 234, N S C Bose Road, Chennai- 600001 (hereinafter referred to as "The Company") for the purpose of issue of certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide Notification No: **SEBI/LAD-NRO/GN/2018/10** dated May 9, 2018 issued by the Securities and Exchange Board of India.

In our opinion and to the best of our knowledge 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 on the Board of the Company, as stated below, as on 31st March 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs, Government of India or any such other statutory authority.

S.No.	DIN	NAME OF THE DIRECTOR M/s.	DESIGNATION
1.	00170478	Murugappan Murugappan Muthiah	Non-Executive - Chairman
2.	01138759	Vellayan Subbiah	Managing Director
3.	03304262	Pradeep Vasudeo Bhide	Non-Executive – Independent Director
4.	00032015	Sanjaya Shyam Johri	Non-Executive – Independent Director
5.	00036846	Madhu Dubhashi	Non-Executive – Independent Director
6.	05275821	Ramesh K B Menon	Non-Executive – Non Independent Director
7.	00166049	Mahesh Ramchand Chhabria	Non-Executive – Independent Director

We further state that our certificate is issued for the specific purpose aforementioned and is not to be construed as an assurance as to the future viability of the Company or of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

PLACE : CHENNAI
DATE : 30TH APRIL, 2019

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

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 : Wednesday

Date : 24th July, 2019

Time : 3.30 P.M.

Venue : T.T.K. Auditorium, The Music Academy, 168 (Old no.306), T.T.K. Road, Chennai 600 014

Tentative Calendar for 2019-20

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, 2019	:	24th July, 2019
Results for the second quarter/half year ending 30th September, 2019	:	24th October, 2019
Results for the third quarter ending 31st December, 2019	:	January, 2020
Results for the fourth quarter ending 31st March 2020/Annual Results for the financial year 2019-20	:	April, 2020

Book Closure for Dividend

Wednesday, 10th July, 2019 to Wednesday, 24th July, 2019 (both days inclusive).

Dividend

The Board of Directors has recommended the payment of a final dividend of ₹0.75 per Equity Share. The dividend on Equity shares will be paid to those Members, whose names appear in the Register of Members as on Wednesday, 24th July, 2019 and the same will be paid on or after 28th July, 2019. During the financial year, in February, 2019, the Company paid an interim dividend of ₹1.75 per equity share.

In respect of shares held in electronic form, dividend will be paid on the basis of beneficial ownership/to holders as on 24th July, 2019 as per details furnished by the depositories for the purpose.

Unclaimed Dividend

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

Financial year to which dividend relates	Date of declaration	Due date of transfer to IE&P Fund
2016-17	06.11.2017	12.12.2024
2017-18 - Interim	12.02.2018	20.03.2025
- Final	13.08.2018	19.09.2025
2018-19 - Interim	05.02.2019	12.03.2026

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

Requests for change of address must be sent to the Company's Registrar & Transfer Agent viz., M/s. Karvy Fintech Private Ltd [formerly, Karvy Computershare Private Ltd.] ("RTA"), not later than 10th July, 2019 to enable them to forward the dividend warrants to the latest address of Members. Members are also advised to intimate the RTA the details of their bank account to enable incorporation of the same on dividend warrants. This would help prevent any fraudulent encashment of dividend warrants.

(b) Shareholders holding shares in demat form

The Company uses National Automated Clearing House (NACH) facility for payment of dividends directly to the bank accounts of shareholders. The shareholders may use the facility by providing the bank account number to the depository participant/RTA, as may be relevant,

to enable the Company to effect the dividend payment through the NACH mode. If there is any change in bank account details, Shareholders are requested to advise their Depository Participant(s)/Company's RTA, as the case may be, immediately about the change.

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

Name and address of Stock Exchanges

Name of Stock Exchanges		Address
National Stock Exchange of India Ltd.	:	Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.
BSE Ltd.	:	New Trading Ring, 1st Floor, P J Towers, Rotunda Building Dalal Street, Mumbai – 400 001.

Listing fee for the year ended 31st March, 2019 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

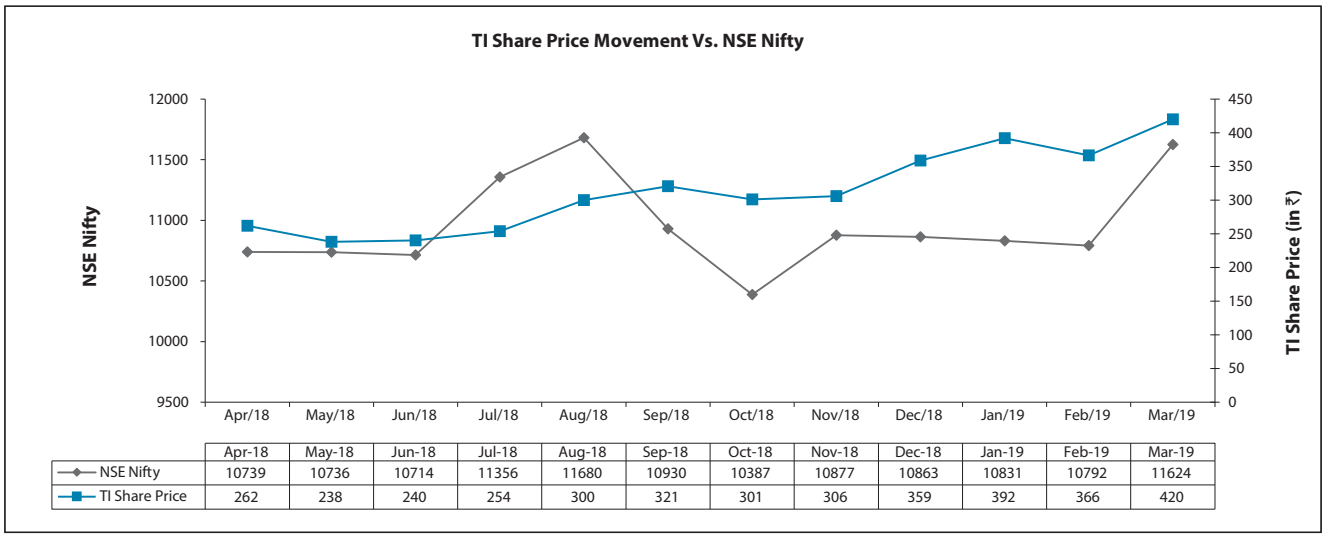
Non-Convertible Debentures

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

Market Price Data and Comparison

The monthly high and low price of the Equity Shares of the Company from April, 2018 to March, 2019 are as follows:

Month	National Stock Exchange		BSE Ltd	
	High	Low	High	Low
Apr.2018	261.90	223.05	261.80	222.00
May 2018	237.95	212.00	236.00	212.00
Jun. 2018	240.00	215.00	240.60	211.00
Jul. 2018	253.75	222.30	254.50	220.50
Aug. 2018	300.00	232.15	300.00	236.15
Sep.2018	320.60	270.00	324.00	275.95
Oct.2018	300.95	271.15	306.85	256.00
Nov. 2018	306.00	272.20	311.85	273.70
Dec. 2018	358.70	294.05	359.00	294.00
Jan. 2019	391.95	321.00	391.45	309.10
Feb. 2019	366.25	322.55	364.75	324.65
Mar. 2019	419.90	368.00	432.00	347.60



	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
NSE Nifty	10739	10736	10714	11356	11680	10930	10387	10877	10863	10831	10792	11624
TI Share Price	262	238	240	254	300	321	301	306	359	392	366	420

Registrar and Share Transfer Agent

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

Debenture Trustees

IDBI Trusteeship Services Ltd
Asian Building, Ground Floor
17 R Kamani Marg
Ballard Estate
Mumbai – 400001
e-mail : itsl@idbitrustee.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, 2019

	Category	No. of shares held	% of shareholding
A	**Promoter & Promoter Group**	8,98,89,599	47.89
B	**Non-Promoter Holding**		
	1 Institutional Investors		
	a) Mutual Funds and UTI	3,39,80,342	18.10
	b) Banks, Financial Institutions,	38,59,390	2.06
	Insurance Companies		
	c) Foreign Institutional Investors	1,96,26,611	10.46
	2 Others		
	a) Private Corporate Bodies	1,00,85,413	5.37
	b) Indian Public	2,64,16,821	14.07
	c) NRI	9,18,795	0.49
C	**Non-Promoter & Non-Public**		
	a) Bank of New York (Depository for GDR holders)	22,30,630	1.19
	b) Employees Welfare Trust	7,03,680	0.37
	Grand Total	**18,77,11,281**	**100.00**

Distribution of Shareholding as on 31st March, 2019

Category	No. of holders	% to Total	No. of shares	% to Total
1 - 5000	23,005	96.51	96,91,980	5.16
5001 - 10000	311	1.30	22,75,580	1.21
10001 - 20000	178	0.75	25,38,368	1.35
20001 - 30000	81	0.34	20,08,931	1.07
30001 - 40000	49	0.21	17,39,220	0.93
40001 - 50000	19	0.08	8,72,229	0.47
50001 - 100000	52	0.22	36,80,661	1.96
100001 & Above	142	0.59	16,49,04,312	87.85
Total	**23,837**	**100.00**	**18,77,11,281**	**100.00**

Nomination Facility

The Shareholders holding shares in physical form may avail of the nomination facility under Section 72 of the Companies Act, 2013. The nomination form (Form SH.13), along with instructions, will be provided to the Members on request. In case the Members wish to avail of this facility, they are requested to write to the Company's RTA viz., M/s. Karvy Fintech 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, 2019, 22,30,630 GDRs were outstanding representing an equal number of underlying Equity Shares. The aforesaid GDRs are not listed in any Stock Exchange.

Commodity Price Risk/Foreign Exchange Risk and Hedging Activities

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

Means of Communication

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

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

Date of AGM	Whether any Special Resolution was passed	Particulars
30.09.2016	No	Not applicable
06.11.2017	Yes	Issue of Secured Redeemable Non-Convertible Debentures on private placement basis for a maximum sum of ₹400 crores.
13.08.2018	Yes	a) Alteration of sub-clause 10 under III(B) viz., Objects Incidental or Auxiliary to the Attainment of Main Objects of the Memorandum of Association to provide for making of political contribution. b) Issue of Secured Redeemable Non-Convertible Debentures on private placement basis for a maximum sum of ₹500 crores.

The Shareholders approved the said Special Resolutions with requisite majority.

Resolution passed by Postal Ballot

No Special Resolution was passed by Postal Ballot during the year.

Details of Special Resolution proposed to be conducted through Postal Ballot

By a Notice of Postal Ballot & Electronic Voting dated 27th March, 2019, the Company has sought the Members' approval, by means of a Special Resolution, for alteration to III(A) (Main Objects Clause) of the Memorandum of Association of the Company through insertion of a new Main Objects Clause as sub-clause 10 after the existing sub-clause 9, to facilitate the Company engage in the business of manufacturing of automotive vision and other vision systems and components, which has been identified by the Company as one of the potential opportunities for future growth. This will be a new line of business for the Company as and when entered into. The Postal Ballot & Electronic Voting process is open from Monday, 8th April, 2019 (9.00 a.m. IST) till Tuesday, 7th May, 2019 (5.00 p.m. IST).

Mr. R Sridharan of M/s. R Sridharan & Associates, Company Secretaries has been appointed by the Board of Directors of the Company to act as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

Details of the procedure of the Postal Ballot & Electronic Voting process and procedure are set out in the Notice sent to all shareholders, in physical and electronic mode on 5th April, 2019. The process followed conforms wholly to the requirements of the Section 110 of the Companies Act, 2013, Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Rules and Regulations.

General Body Meeting

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

Year	Date	Time	Venue
2015-16	30.09.2016	10.00 A.M.	Registered Office: Dare House, 324 N.S.C Bose Road, Chennai 600 001.
2016-17	06.11.2017	3.30 P.M.	T.T.K Auditorium, The Music Academy, 163 (Old No. 306) T.T.K Road, Chennai 600 014.
2017-18	13.08.2018	3.30 P.M.	Same as above

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 1.4.2018	1,956	17,50,811
2	Number of Shareholders who approached the Company for transfer of their shares from TII Demerger Unclaimed Share Suspense Account during the year [from 1.4.2018 to 31.3.2019]	66	1,09,790
3	Number of Shareholders to whom shares were transferred TII Demerger Unclaimed Share Suspense Account during the year [from 1.4.2018 to 31.3.2019]	66	1,09,790
4	Aggregate number of Shareholders and the outstanding shares in the TII Demerger Unclaimed Share Suspense Account lying as on 31.3.2019.	1,890	16,41,021

The voting rights on the Shares in the TII Demerger Unclaimed Share Suspense Account as on 31st March, 2019 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) The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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

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, 2018-19 are furnished below:

a)	Fees for audit and related services paid to M/s. S R Batliboi & Associates LLP and all their network firms/entities	₹ 0.35 Cr.
b)	Fees for Other services paid to M/s. S R Batliboi & Associates LLP and all their network firms/entities	₹ 0.43 Cr.

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

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

Annexure-E

Business Responsibility Report

About this Report

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) prescribe that the top 500 listed entities based on market capitalisation as at the end of March of every financial year are required to include a Business Responsibility Report (BRR) as part of their Annual Report. The following report has been prepared in accordance with Regulation 34 of the Listing Regulations since the Company figures among the top 500 listed entities in India based on market capitalisation at the National Stock Exchange of India Limited (NSE) and the BSE Ltd (BSE) as at 31st March, 2019.

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, 2018 to 31st March, 2019
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 : 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 and two direct subsidiaries in Sri Lanka engaged in manufacture of bicycles and components.
	b) Number of National locations	The Company has manufacturing operations in 18 locations nationally (5 - Engineering; 2 – Bicycles; 11 – Metal Formed Products) .
10	Markets served by the Company— Local/State/National/ International	The Company predominantly serves the Indian market. The Company also has sizeable export of bicycles, tubes and industrial chains to other countries in Asia, Europe and the Americas.

Section B: Financial details of the Company

Sl. No.	Details	
1	Paid up Capital (INR)	₹18.77 Cr.
2	Total Turnover (INR)	₹4,983.05 Cr.
3	Total profit after taxes (INR)	₹243.51 Cr.
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹2.69 Cr. 1.10%
5	List of activities in which expenditure in 4 above has been incurred	Education, Rural Sustainability & Healthcare (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 3 step down subsidiaries. [Of the same, 2 subsidiaries are located in India of which one is a listed subsidiary. The rest are located abroad].

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

   The Indian listed subsidiary (not in the top 500 companies based on market capitalisation as on 31st March, 2019) has its own BR initiatives. The other Indian subsidiary takes/would take part in the BR initiatives of the Company. The overseas subsidiaries carry out their BR initiatives in consonance with the prevailing requirements at their respective locations.

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

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

Section D: BR Information

1. Details of Director/Directors responsible for BR

Details		
a)	Details of the Director/Director responsible for implementation of the BR policy/policies	
	• DIN Number	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 marginalised
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 been 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 work place
Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised	• 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	• 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 a number of policies which is assessed by the BR Head monthly, quarterly and annually based upon its importance and impact on the Company's operations and activities.

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

  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/articles/values/677.

Section E: Principle-wise Performance

Principle 1 – Ethics, Transparency & Accountability

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

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

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

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

The Company has set up a Whistle-blower mechanism as an avenue for voicing of concerns *inter alia* relating to unethical behavior. During the year, there were no complaints under the Company's Whistle Blower policy. There were four complaints from stakeholders (viz., shareholders) under the Stakeholders Relationship Committee established for voicing of grievances/issues by investors, all of which were promptly resolved. There were no complaints pending as at 31st March, 2019.

Principle 2 - Safety and sustainability of goods & services

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

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

Steel Tubes

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

Industrial/Automotive Chains

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

Bicycles

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

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

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

–

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

Yes. Vendors/service providers are encouraged to adopt management practices detailed under the international standards such as ISO 9001, ISO 14001, OHSAS 18001 and Company's Environment, Health and Safety (EHS) Guidelines. The Company's integrated operations ensure sustainable exploitation of the available resources. Joint project opportunities amongst various business units improve efficiencies in sourcing besides resulting in product efficiencies. Conscious efforts are made to ensure that everyone connected with the Company be it the designers, producers, value chain members, customers and recyclers are made aware of their responsibilities. The Company is continuously focused on internal improvements 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.

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

The Company has developed a vendor base around many of its manufacturing locations. Capability building is the primary focus of the Company's vendor development and management process. The Company recognises the importance of its vendor base and continuously 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 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	3,253
2	Please indicate the total number of employees hired on temporary/ contractual/casual basis	8,880
3	Please indicate the number of permanent women employees	74
4	Please indicate the number of permanent employees with disabilities	4
5	Do you have an employee association that is recognized by management?	Yes
6	What percentage of your permanent employees is members of this recognized employee association?	52.03%
7	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Nil
8	What safety & skill up-gradation training was provided in the last year?	Safety: Safety Induction General Awareness on Safety Usage of Personal Protective Equipment (PPE) & Equipment Handling Video Based Training Handling Firefighting equipment SHE policy awareness 5S training Traffic safety Safety Survey conducted at 14 locations and the findings are being taken for corrective actions Skill: Class room training On the job training
	• Permanent employees (includes women employees and employees with disabilities)	95.93%
	• Casual/Temporary/Contractual Employees	89.22%

Principle 4 - Responsiveness towards stakeholders

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

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

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

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

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

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

   The Company on a periodical basis undertakes dedicated activities as a part of its CSR initiatives for the disadvantaged, vulnerable and marginalised stakeholders in and around the Company's factories/plants. Education, sports and health aids are provided to schools in rural/ under-developed areas and to schools supporting differently abled children. The Company acknowledges the importance of skill development in this competitive environment and has set up the Basic Training Center (BTC) at the Avadi Complex of Tube Products of India, a division of the Company, with the motto of developing technical skills amongst indigent students. The BTC will provide a skill bank of a technically competent and industry ready work force drawn from socially and economically backward sections of the society. All the fifty students of the BTC who appeared for the All India Trade Test for the National Apprentice Certificate during 2018 found suitable placements in various organisations. The Company also pursues other local community assistance programmes in and around its plants' and office locations.

Principle 5 - Promoting human rights

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

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

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

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

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

   No complaint pertaining to violation of human rights was received during the financial year ended 31st March, 2019.

Principle 6 - Protecting the environment

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

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

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

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming etc.? Y/N. If yes, please give hyperlink for webpage etc.

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

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

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

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

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

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

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

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

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

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

No show cause/legal notices were received from CPCB/ SPCB during the financial year.

Principle 7- Responsibility towards public and regulatory policy

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

Yes.

(a) Confederation of Indian Industry

(b) Southern India Chamber of Commerce & Industry

(c) Madras Management Association

(d) All India Cycle Manufacturers' Association

(e) Employers Federation of Southern India

(f) Federation of Indian Chamber of Commerce and Industry

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

Yes. While the Company is not actively involved in lobbying, as a responsible corporate citizen, the Company as a part of major industry associations/chambers makes recommendations/representations before regulators and associations for advancement and improvement of industrial climate in India.

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

Principle 8 – Supporting inclusive growth and development

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

   Yes. Please refer to the CSR Annual Report for the financial year ended 31st March, 2019.

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

   For the financial year, 2018-19, while certain budgeted CSR initiatives were implemented directly by the Company with in-house support, for projects requiring specialised experience and expertise for execution, implementing agencies were also involved.

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

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

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

   Please refer to the CSR Annual Report of the Board's Report for the FY 2018-19 for details of the direct contribution made by the Company during the financial year ended 31st March, 2019.

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

   Initiatives are identified based on the requirement of the community such that the benefits out of them are of an enduring nature. – Please refer to the CSR Annual Report for the financial year ended 31st March, 2019.

Principle 9 – Providing value to customers & consumers

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

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

   Pending customer complaints/consumer cases constitute a very meager percentage (less than 1%) as at the end of 31st March, 2019. Proactive steps are being taken to resolve the same at the earliest.

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

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

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so**

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

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

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

Annexure-F

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

The details of remuneration during the financial year, 2018-19 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, 2018-19:

Name	Designation	Ratio#
Mr. M M Murugappan	Chairman	21.67
Mr. Pradeep V Bhide	Director	5.80
Mr. S. Sandilya@	Director	0.90
Mr. Ramesh K B Menon	Director	1.96
Mr. Vellayan Subbiah	Managing Director	126.33
Mr. Hemant M Nerurkar@	Director	0.90
Ms. Madhu Dubhashi	Director	1.95
Mr. Sanjay Johri~	Director	1.39
Mr. Mahesh Chhabria$	Director	0.43
Mr. L Ramkumar@	Managing Director	46.33

Note:
*Remuneration includes Sitting Fees
#Number of times the median remuneration
@Part of the year – up to 13th August, 2018
~Part of the year – from 14th August, 2018
$Part of the year – from 5th February, 2019

(ii) Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer & Company Secretary in the financial year, 2018-19

Name	Designation	% increase
Mr. M M Murugappan	Director	0.25%
Mr. Pradeep V Bhide	Director	0.00%
Mr. S. Sandilya #	Director	-
Mr. Ramesh K B Menon@	Director	-
Mr. Vellayan Subbiah@	Managing Director	-
Mr. Hemant M Nerurkar#	Director	-
Ms. Madhu Dubhashi	Director	6.36%
Mr. Sanjay Johri~	Director	-
Mr. Mahesh Chhabria$	Director	-
Mr. L Ramkumar#	Managing Director	-
Mr. S Suresh	Company Secretary	11.35%
Mr. K Mahendra Kumar	Chief Financial Officer	6.65%

@Part of the year – 2017-18
#Part of the year – up to 13th August, 2018
~Part of the year – from 14th August, 2018
$Part of the year – from 5th February, 2019

(iii)	**Percentage increase / (decrease) in median remuneration of employees in the financial year, 2018-19**	(0.62%)
(iv)	**Number of permanent employees on the rolls of the Company as on 31.3.2019**	3253

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

Parameters	
Average % increase in the salaries of employees other than managerial personnel viz., Managing Directors in the financial year, 2018-19	2.90%
Average % increase in the managerial remuneration in the financial year, 2018-19 viz., Managing Director's remuneration	Not comparable, as Mr. L Ramkumar and Mr. Vellayan Subbiah, Managing Directors were not in employment for the entire financial years required to be compared.
Remarks	The Managing Directors' remuneration comprises of fixed and variable component. The annual increment in salary for the financial year, 2018-19 is determined by the Nomination & Remuneration Committee on the basis of Company financials, level of responsibility, experience and scales prevailing in the industry.

(vi) Affirmation

It is affirmed that the remuneration paid to the employees during the financial year, 2018-19 is as per the Remuneration Policy of the Company.

On behalf of the Board

Place : Chennai
Date : 30th April 2019

M M Murugappan
Chairman

Secretarial Audit Report

Annexure-G

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015]

The Members,
TUBE INVESTMENTS OF INDIA LIMITED
(Formerly known as "TI FINANCIAL HOLDINGS LIMITED")
Dare House
No.234, N S C Bose Road
Chennai – 600001

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 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, 2019 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 there under;

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

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

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

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

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

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

h) The Company has not bought back any Securities during the period under review and hence the question of complying with the provisions of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 does not arise;

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

1. Factories Act, 1948;
2. Labour laws and other incidental laws related to labour and employees appointed by the Company including those on contractual basis as relating to wages, gratuity, prevention of sexual harassment, dispute resolution, welfare, provident fund, insurance, compensation etc.;
3. Industries (Development & Regulation) Act, 1951;
4. Acts relating to consumer protection including the Competition Act, 2002;
5. Acts and Rules prescribed under prevention and control of pollution;
6. Acts and Rules relating to Environmental protection and energy conservation;
7. Acts and Rules relating to hazardous substances and chemicals;
8. Acts and Rules relating to electricity, fire, petroleum, drugs, motor vehicles, explosives, boilers etc.;
9. Acts relating to protection of IPR;
10. Land revenue laws: and
11. Other local laws as applicable to various plants and offices.

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 is 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 the National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

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

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

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

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

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

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

We further report that during the audit period, the Company has redeemed Non-Convertible Debentures (NCDs) aggregating ₹250 Cr. and no fresh NCDs were issued during the year.

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

PLACE : CHENNAI
DATE : 30th April, 2019

Annexure-H

Form MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
1.	Cycles and Accessories	3092	25
2.	Steel Strips and Tubes	2431	49
3.	Metal Formed Products	2511	26

III. PARTICULARS OF HOLDING, SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Shanthi Gears Ltd.	304A, Trichy Road, Singanallur Coimbatore – 641 005	L29130TZ1972PLC000649	Subsidiary	70.12	2(87)(ii)
2	TI Tsubamex Private Ltd.	"Dare House", No.234, N S C Bose Road Chennai – 600 001	U28910TN2014PTC094447	Subsidiary*	78.30	2(87)(ii)

* also, a Joint Venture under Ind AS

Sl. No.	Name and Address of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
3	Financiere C10 SAS	35 Rue Des Bas Trevois 10003 TROY France, RCS Troyes 428,747,703 (No.2000 B Management 163)	Foreign Company	Subsidiary	100.00	2(87)(ii)
4	Sedis SAS	35 Rue Des Bas Trevois 10003 TROY France, RCS Troyes 379 720 212 (No.92B Management 146)	Foreign Company	Fellow Subsidiary [Subsidiary of (3) above]	100.00	2(87)(ii)
5	Sedis GmbH	Schurmannstr. 16 D-45136 Essen Deutschland	Foreign Company	Fellow Subsidiary [Subsidiary of (3) above]	100.00	2(87)(ii)
6	Sedis Co. Ltd.	248 Mackadown Lane, Kitts Green, Birmingham, D33 OLE England	Foreign Company	Fellow Subsidiary [Subsidiary of (3) above]	100.00	2(87)(ii)
7	Great Cycles (Private) Ltd.	101 C, Phase III, Export Processing Zone, Katunayake, Sri Lanka.	Foreign Company	Subsidiary	80.00	2(87)(ii)
8	Creative Cycles (Private) Ltd.	101 C, Phase III, Export Processing Zone, Katunayake, Sri Lanka.	Foreign Company	Subsidiary	80.00	2(87)(ii)

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

(i) Category-wise Shareholding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2018)				No. of Shares held at the end of the year (31st March, 2019)				% change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(A)	**PROMOTER**									
(1)	**INDIAN**									
(a)	Individual/HUF	9987295	-	9987295	5.33	8474355	-	8474355	4.52	-0.81
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	71125795	-	71125795	37.93	69325795	-	69325795	36.93	-1.00
(d)	Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1):	**81113090**	**-**	**81113090**	**43.25**	**77800150**	**-**	**77800150**	**41.44**	**-1.81**
(AA)	**PROMOTER GROUP**									
(a)	Individual/HUF	6232289	-	6232289	3.32	5189529	-	5189529	2.77	-0.55
(b)	Central Government/State Government(s)	-	-	-	-					-
(c)	Bodies Corporate	2106470	-	2106470	1.12	2106470	-	2106470	1.12	-
(d)	Others	2055750	-	2055750	1.10	4793450	-	4793450	2.55	1.45
	Sub-Total (AA):	10394509	-	10394509	5.54	12089449	-	12089449	6.44	-0.90
(A2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	-					-
(b)	Bodies Corporate	-	-	-	-					-
(c)	Institutions	-	-	-	-					-
(d)	Qualified Foreign Investor	-	-	-	-					-

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2018)				No. of Shares held at the end of the year (31st March, 2019)				% change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(e)	Others	-	-	-	-					-
	Sub-Total A(2):	**-**	**-**	**-**	**-**					**-**
	Total Shareholding of Promoter and Promoter Group (A)=(A1)+(AA)+(A2)	**91507599**	**-**	**91507599**	**48.79**	**89889599**	**-**	**89889599**	**47.89**	**-0.90**
(B)	**PUBLIC SHAREHOLDING**									
(1)	INSTITUTIONS									
(a)	Mutual Funds/UTI	24975117	-	24975117	13.32	33980342	-	33980342	18.10	4.78
(b)	Financial Institutions/Banks	907911	7350	915261	0.49	923264	-	923264	0.49	0.00
(c)	Central Government/State Government(s)	-	-	-	-					-
(d)	Venture Capital Funds	-	-	-	-					-
(e)	Insurance Companies	2936126	-	2936126	1.57	2936126	-	2936126	1.57	0
(f)	Foreign Institutional Investors / Foreign Portfolio Investors	20233020	236660	20469680	10.92	18708235	236660	18944895	10.09	-0.83
(g)	Foreign Venture Capital Investors	-	-	-	-					-
(i)	Others – Alternate Investments Fund	529216	-	529216	0.28	681716-	-	681716	0.36	0.08
	Sub-Total B(1):	**49581390**	**244010**	**49825400**	**26.56**	**57466343**	**-**	**57466343**	**30.61**	**4.05**
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	11745553	4140	11749693	6.26	10081273	4140	10085413	5.37	-0.89
(b)	Individuals									
	(i) Individual Shareholders holding nominal share capital upto Rs.1 lakhs	17714311	1272856	18987167	10.12	16600675	1031281	17631956	9.39	-0.73
	(ii) Individual Shareholders holding nominal share capital in excess of Rs.1 lakhs	9222694	-	9222694	4.92	8568206	-	8568206	4.56	-0.35
(c)	Others									
	CLEARING MEMBERS	59837	-	59837	0.03	110263	-	106396	0.06	0.03
	NON RESIDENT INDIANS	1085242	57030	1142272	0.61	861765	57030	918795	0.49	-0.12
	TRUSTS	107396	-	107396	0.06	106396	-	16396	0.06	0.00
	EMPLOYEE BENEFIT TRUST	703680	-	703680	0.37	703680	-	703680	0.37	0.00
	OTHERS	-	-	-	-	-	-	-	-	-
	Sub-Total B(2):	**40638713**	**1334026**	**41972739**	**22.38**	**37032258**	**1092451**	**38124709**	**20.31**	**-2.07**
	Total Public Shareholding B=B(1)+B(2):	**90220103**	**1578036**	**91798139**	**48.95**	**94261941**	**1329111**	**95591052**	**50.92**	**1.97**
	Total (A+B):	**181727702**	**1578036**	**183305738**	**97.74**	**184449370**	**1031281**	**185480657**	**98.81**	**-1.07**
										.
(C)	Shares held by custodians for GDRs & ADRs									
(1)	Promoter and Promoter Group	-	-	-	-					-
(2)	Public	4223460	7170	4230630	2.26	2223460	7170	2230630	1.19	-1.07
	Sub-Total C:	**-**	**-**	**-**						
	GRAND TOTAL (A+B+C):	**185951162**	**1585206**	**187536368**	**100.00**	**186672830**	**1038451**	**1877112811**	**100.00**	

(ii) Shareholding of Promoters

Sl. No	Name of the Share Holder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
	Messrs.	No. of Shares	% of the Shares of the Company	% of the Shares pledged/ encumbered to total Shares	No. of Shares	% of the Shares of the Company	% of the Shares pledged/ encumbered to total Shares	
1	Mr. M V Murugappan	863980	0.46	0.00	863980	0.46	0.00	0.00
2	Mr. M V Subbiah	744150	0.40	0.00	879150	0.47	0.00	0.07
3	Mr. S Vellayan	430250	0.23	0.00	430250	0.23	0.00	0.00
4	Mr. A Vellayan	631900	0.34	0.02	631900	0.34	0.02	0.00
5	Mr. V Narayanan	281140	0.15	0.00	281140	0.15	0.00	0.00
6	Mr. V Arunachalam	338990	0.18	0.00	338990	0.18	0.00	0.00
7	Mr. A Venkatachalam	764610	0.41	0.02	764610	0.41	0.02	0.00
8	Mr. Arun Venkatachalam	198130	0.11	0.00	198130	0.11	0.00	0.00
9	Mr. M M Murugappan	1730535	0.92	0.00	842405	0.45	0.00	(0.47)
10	Mr. M M Veerappan	0	0.00	0.00	0	0.00	0.00	0.00
11	Mr. M M Muthiah	0	0.00	0.00	0	0.00	0.00	0.00
12	Mr. M M Venkatachalam	1167710	0.62	0.002	407900	0.22	0.002	(0.40)
13	Mr. M V Muthiah	0	0.00	0.00	0	0.00	0.00	0.00
14	Mr. M V Subramanian	0	0.00	0.00	0	0.00	0.00	0.00
15	Mr. M A Alagappan	840660	0.45	0.003	840660	0.45	0.003	0.00
16	Mr. Arun Alagappan	833090	0.44	0.00	833090	0.44	0.00	0.00
17	Mr. M A M Arunachalam	618820	0.33	0.00	618820	0.33	0.00	0.00
18	M V Murugappan (HUF)	543330	0.29	0.00	543330	0.29	0.00	0.00
19	E.I.D. Parrry (India) Ltd.	0	0.00	0.00	0	0.00	0.00	0.00
20	Coromandel International Ltd. (Formerly known as Coromandel Fertilizers Ltd.)	0	0.00	0.00	0	0.00	0.00	0.00
21	New Ambadi Estate Private Ltd.	0	0.00	0.00	0	0.00	0.00	0.00
22	Ambadi Enterprises Ltd.	1058200	0.56	0.00	1058200	0.56	0.00	0.00
23	Ambadi Investments Ltd.	70066595	37.36	0.00	68266595	36.37	0.00	(0.96)
24	Carborundum Universal Ltd.	1000	0.00	0.00	1000	0.00	0.00	0.00

Sl. No	Name of the Share Holder	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of the Shares of the Company	% of the Shares pledged/ encumbered to total Shares	No. of Shares	% of the Shares of the Company	% of the Shares pledged/ encumbered to total Shares	% change in Shareholding during the year
	Messrs.							
25	Murugappa & Sons (M V Murugappan, M A Alagappan and M M Murugappan hold shares on behalf of the Firm)	0	0.00	0.00	0	0.00	0.00	0.00
26	TI Financial Holdings Limited (Formerly, Tube Investments of India Limited)	0	0.00	0.00	0	0.00	0.00	0.00
	Total	**81113090**	43.25	0.04	**77800150**	41.45	0.02	(1.76)

(iii) Change in Promoters' Shareholding

Name of the Promoters	Shareholding at the beginning of the year					Cumulative Shareholding during the year (1.4.2018 to 31.3.2019)	
	No. of Shares at the beginning of the year (1.4.2018)/at end of the year (31.3.2019)	% of total Shares of the Company	Date	Increase/ Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the Company
Ambadi Investments Ltd.	70066595	37.36					
			29/06/2018	1800000	Sale	68266595	36.37
	68266595	36.37	31/03/2019			68266595	36.37
Mr. M M Venkatachalam	1167710	0.62					
			29/06/2018	759810	Transfer	407900	0.22
	407900	0.22	31/03/2019			407900	0.22
Mr. M M Murugappan	1064295	0.57					
			31/12/2018	388130	Transfer	676165	0.36
			29/03/2019	500000	Transfer	176165	0.09
	176165	0.09	31/03/2019			176165	0.09
Mr. M V Subbiah	572950	0.30					
			29/06/2018	135000	Transfer	707950	0.36
	707950	0.38	31/03/2019			707950	0.38

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year					Cumulative Shareholding during the year (1.4.2018 to 31.3.2019)	
		No. of Shares at the beginning of the year (1.4.2018)/ at end of the year (31.3.2019)	% of total Shares of the Company	Date	Increase/ Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the Company
1	HDFC TRUSTEE COMPANY LIMITED A/C HDFC BALANCED FUND	1,47,99,500	7.89					
				08/06/2018	41,10,000	Purchase	1,89,09,500	10.08
				08/06/2018	-41,10,000	Sale	1,47,99,500	7,89
				28/09/2018	84,300	Purchase	1,48,83,800	7.93
				23/11/2018	10,00,000	Sale	1,38,83,800	7.40
				04/01/2019	-47,660	Sale	1,38,36,140	7.37
				15/02/2019	5,93,383	Purchase	1,44,29,523	7.69
				22/02/2019	6,39,341	Purchase	1,50,68,864	8.03
				01/03/2019	19,559	Purchase	1,50,88,423	8.04
				08/03/2019	4,200	Purchase	1,50,92,623	8.04
				29/03/2019	3,18,000	Purchase	1,54,10,623	8.21
		1,54,10,623	8.21	31/03/2018			1,54,10,623	8.21
2	GAGANDEEP CREDIT CAPITAL PVT LTD	40,41,256	2.16					
				04/01/2019	-6,90,378	Sale	33,50,878	1.79
				08/02/2019	-10,00,000	Sale	23,50,878	1.25
		23,50,878	1.25	31/03/2019			23,50,878	1.25
3	L&T MUTUAL FUND TRUSTEE LIMITED-L&T EMERGING BUSINESSES FUND							
		3569135	1.90	06/04/2018	3,75,325	Purchase	39,44,460	2.10
				13/04/2018	80,313	Purchase	40,24,773	2.15
				27/04/2018	50000	Purchase	40,74,773	2.17
				11/05/2018	6,00,000	Purchase	46,74,773	2.49
				18/05/2018	1,09,928	Purchase	47,84,701	2.55
				25/05/2018	4,853	Purchase	47,89,554	2.55
				01/06/2018	12,078	Purchase	48,01,632	2.56
				08/06/2018	8,904	Purchase	48,10,536	2.56
				22/06/2018	25,000	Purchase	48,35,536	2.58
				29/06/2018	73,457	Purchase	49,08,993	2.62
				24/08/2018	15,126	Purchase	49,24,119	2.62
				31/08/2018	1,59,550	Purchase	50,83,669	2.71
				07/09/2018	24,350	Purchase	51.08,019	2.72

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year					Cumulative Shareholding during the year (1.4.2018 to 31.3.2019)	
		No. of Shares at the beginning of the year (1.4.2018)/ at end of the year (31.3.2019)	% of total Shares of the Company	Date	Increase/ Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the Company
				28/09/2018	1,16,814	Purchase	52,24,833	2.78
				05/10/2018	5,62,677	Purchase	57,87,510	3.08
				12/10/2018	85579	Purchase	58,73,089	3.13
				19/10/2018	91,881	Purchase	59,64,970	3.18
				26/10/2018	51,453	Purchase	60,16,423	3.21
				02/11/2018	15,735	Purchase	60,32,158	3.21
				23/11/2018	3,747	Purchase	60,35,905	3.22
				30/11/2018	1,76,518	Purchase	62,12,423	3.31
				07/12/2018	19,814	Purchase	62,32,237	3.32
				14/12/2018	36,454	Purchase	62,68,691	3.34
				04/01/2019	-7,72,077	Sale	54,96,614	2.93
				11/01/2019	5,496	Purchase	55,02,110	2.93
				18/01/2019	30,024	Purchase	55,32,134	2.95
				25/01/2019	32,721	Purchase	55,64,855	2.96
				01/02/2019	25,571	Purchase	55,90,426	2.98
				08/02/2019	-7,95,787	Purchase	47,94,639	2.55
		47,94,639	2.55	31/03/2019			47,94,639	2.55
4	SBI TAX ADVANTAGE FUND SERIES II							
		2,800	0.00	22/06/2018	-700	Sale	2,100	0.00
				07/09/2018	-2100	Sale	0	0.00
				07/12/2018	13,340	Purchase	13,340	0.01
				14/12/2018	30,660	Purchase	44,000	0.02
				21/12/2018	3,362	Purchase	47,362	0.03
				28/12/2018	18,410	Purchase	65,772	0.04
				31/12/2018	43,966	Purchase	1,09,738	0.06
				04/01/2019	12,34,855	Purchase	13,44,593	0.72
				08/01/2019	21,00,000	Purchase	34,44,593	1.84
		34,44,593	1.84	31/03/2019			34,44,593	1.84
5	LIFE INSURANCE CORPORATION OF INDIA							
		29,36,046	1.57					
		29,36,046	1.57	31/03/2019			29,36,046	1.57

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year					Cumulative Shareholding during the year (1.4.2018 to 31.3.2019)	
		No. of Shares at the beginning of the year (1.4.2018)/ at end of the year (31.3.2019)	% of total Shares of the Company	Date	Increase/ Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the Company
6	TOYOTA TSUSHO CORPORATION							
		27,00,000	1.44					
		27,00,000	1.44	31/03/2019			27,00,000	1.44
7	RELIANCE CAPITAL TRUSTEE CO LTD A/C-RELIANCE REGULAR SAVINGS FUND EQUITY OPTION							
		26,43,846	1.41					
				06/04/2018	26,43,846	Purchase	52,77,692	2.81
				06/04/2018	-26,43,846	Sale	26,33,846	1.40
				27/04/2018	6,00,000	Purchase	32,33,486	1.72
				05/10/2018	3,754	Purchase	32,37,600	1.73
				12/10/2018	38,500	Purchase	32,76,100	1.75
		32,76,100	1.75	31/03/2019			32,76,100	1.75
8	SHAMYAK INVESTMENT PRIVATE LIMITED							
		23,48,880	1.25					
				22/03/2019	-5,00,000	Sale	18,48,880	0.99
		18,48,880	0.99	31/03/2019			18,48,880	0.99
9	THE WELLINGTON TRUST COMPANY NATIONAL ASSOCIATION							
		20,28,099	1.08					
				27/04/2018	4,63,361	Purchase	24,91,460	1.33
		24,91,460	1.33	31/03/2019			24,91,460	1.33
10	MAYANK JASHWANTLAL SHAH							
		19.89,200	1.06					
				07/09/2018	-7 0,000	Sale	19,19,200	1.02
				30/11/2018	-1,00,000	Sale	18,19,200	0.97
				07/12/2018	-18,936	Sale	18,00,264	0.96
				14/12/2018	-10,000	Sale	17,90,264	0.95
				04/01/2019	-3,035	Sale	17,87,229	0.95
				22/02/2019	-5,000	Sale	17,82,229	0.95
		17,82,229	0.95	31/03/2019			17,82,229	0.95

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year					Cumulative Shareholding during the year (1.4.2018 to 31.3.2019)	
		No. of Shares at the beginning of the year (1.4.2018)/ at end of the year (31.3.2019)	% of total Shares of the Company	Date	Increase/ Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the Company
11	UTI-UNIT SCHEME FOR CHARITABLE AND RELIGIOUS TRUSTS AND REGISTERED SOCIETIES							
		19,14,415	1.02					
				06/04/2018	-26,941	Sale	18,87,474	1.01
				13/04/2018	-24,368	Sale	18,63,106	0.99
				20/04/2018	-3,440	Sale	18,59,666	0.99
				27/04/2018	-5,45,106	Sale	13,14,560	0.70
				04/05/2018	-11,045	Sale	13,03,515	0.70
				18/05/2018	-409	Sale	13,03,106	0.69
				31/08/2018	-1,00,000	Sale	12,03,106	0.64
				14/09/2018	-6,668	Sale	11,96,438	0.64
		11,96,438	0.64	31/03/2019			11,96,438	0.64
12	TII DEMERGER UNCLAIMED SHARE SUSPENSE ACCOUNT	1750981	0.93	31/03/2018	-4,470	Transfer	17,46,511	0.93
				01/06/2018	-40,220	Transfer	17,06,291	0.91
				08/06/2018	-1,330	Transfer	17,04,961	0.91
				20/07/2018	-8,010	Transfer	16,96,951	0.90
				10/08/2018	-1,000	Transfer	16,95,951	0.90
				24/08/2018	-22,920	Transfer	16,73,031	0.89
				21/09/2018	-17,710	Transfer	16,55,321	0.88
				30/11/2018	-1,030	Transfer	16,54,291	0.88
				04/01/2019	-5,380	Transfer	16,48,911	0.88
				08/02/2019	-7,890	Transfer	16,41,021	0.87
		1641021	0.87	31/03/2018			16,41,021	0.87
13	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND							
		049005	0.03	08/06/2018	-487	Sale	48,518	0.03
				15/06/2018	-1,768	Sale	46,750	0.02
				21/09/2018	-13,119	Sale	33,631	0.02
				14/12/2018	-3,142	Sale	30,489	0.02
				15/03/2019	3,924	Purchase	34,413	0.02
		34413	0.02	31/03/2019			34,413	0.02

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year (1.4.2018)		Cumulative Shareholding during the year (1.4.2018 to 31.3.2019)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Directors					
1	**Mr. M M Murugappan**				
	At the beginning of the year	17,30,535	0.9219	-	-
	Date wise Decrease in Shareholding during the year				
	31-12-2018 – Transfer*	3,88,130	0.2067	13,42,405	0.7151
	26-03-2019 – Transfer*	5,00,000	0.4488	8,42,405	0.4487
	At the end of the year	-	-	8,42,405	0.4487
2	**Mr. L Ramkumar**				
	At the beginning of the year	1,25,650	0.0670	-	-
	Date wise Increase in Shareholding during the year				
	26-04-2018 - Allotment	69,640	0.0371	1,95,290	0.1040
	At the end of the year	1,95,290	0.1040	1,25,650	0.067
3	**Mr. Vellayan Subbiah**				
	At the beginning of the year	4,30,250	0.2294		
	Date wise Increase in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	4,30,250	0.2294
4	**Mr. Sanjay Johri**				
	At the beginning of the year	-	-	-	-
	Date wise Increase in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
5	**Ms. Madhu Dubhashi**				
	At the beginning of the year	-	-	-	-
	Date wise Increase in Shareholding during the year (04-09-2018)	4,994	0.0027	4,994	0.0027
	At the end of the year	4,994	0.0027	4,994	0.0027
6	**Mr. Pradeep V Bhide**				
	At the beginning of the year	-	-	-	-
	Date wise Increase in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
7	**Mr. Mahesh Chhabria**				
	At the beginning of the year	-	-	-	-
	Date wise Increase in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year (1.4.2018)		Cumulative Shareholding during the year (1.4.2018 to 31.3.2019)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8	**Mr. Ramesh K B Menon**				
	At the beginning of the year	-	-	-	-
	Date wise Increase in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
	Key Managerial Personnel				
9	**Mr. K Mahendra Kumar – Chief Financial Officer**				
	At the beginning of the year	-	-	-	-
	Date wise Increase in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
10	**Mr. S Suresh – Company Secretary**				
	At the beginning of the year	-	-	-	-
	Date wise Increase in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-

* Off market – by way of settlement to family trust.

V. INDEBTEDNESS

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

Particulars	Secured	Short Term - Unsecured	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	678.86	-	-	678.86
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	13.69	-	-	13.69
Total (i+ii+iii)	**692.55**	**-**	**-**	**692.55**
Change in Indebtedness during the financial year				
i) Addition	480.00	984.50	-	1,464.50
ii) Reduction	775.23	855.00	-	1,630.23
Net Change	**(295.23)**	**129.50**	**-**	**(165.73)**
Indebtedness at the end of the financial year				
i) Principal Amount	383.63	129.50	-	513.13
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3.36	0.05	-	3.41
Total (i+ii+iii)	**386.99**	**129.55**	**-**	**516.54**

VI. Remuneration of Directors and Key Managerial Personnel

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

(₹ in Cr.)

Sl. No.	Particulars of Remuneration	Mr. L Ramkumar Managing Director@	Mr. Vellayan Subbiah Managing Director	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2.038	5.505	7.543
	(b) Value of perquisites under Section 17(2) of Income-tax Act, 1961	0.142	0.442	0.584
	(c) Profits in lieu of salary under Section 17(3) of Income tax Act, 1961	-		
2	Stock Option	-		
3	Sweat Equity	-		
4	Commission - as % of Profit - others, specify	-		
5	Others, please specify			
	Total (A)			
	Overall Ceiling as per the Act	**2.181**	**5.947**	**8.128**

B. Remuneration to other Directors:

(₹ in Cr.)

Particulars of remuneration 1.Independent Directors	Name of Directors Mr. S Sandilya	Mr. Pradeep V. Bhide	Mr. Hemant M Nerurkar	Ms. Madhu Dubhashi
Fees for attending Board/Committee Meetings	0.014	0.023	0.014	0.017
Commission	0.028	0.250	0.028	0.075
Others, please specify	-	-	-	-
Total (1)	**0.042**	**0.273**	**0.042**	**0.092**

Particulars of remuneration 2. Independent Directors	Name of Directors Mr. Sanjay Johri	Mr. Mahesh Chhabria	Total Amount
Fees for attending Board/Committee Meetings	0.018	0.009	0.095
Commission *	0.047*	0.011*	0.439
Others, please specify	-	-	-
Total (1)	**0.065**	**0.020**	**0.534**

2. Other Non-Executive Directors	Mr. M M Murugappan	Mr. Ramesh K B Menon	Total Amount
Fees for attending Board/Committee Meetings	0.020	0.017	0.037
Commission*	1.000	0.075	1.075
Others, please specify	-	-	-
Total (2)	**1.020**	**0.092**	**1.112**
Total (B) = (1)+(2)			**1.646**
Total Managerial Remuneration (A)+(B)			**9.774**
Overall Ceiling as per the Act			**41.59**

Note: * Commission will be paid subject to the adoption of accounts for the financial year ended 31st March, 2019 by the shareholders at the forthcoming Annual General Meeting.
pro rata payment – Appointed as Directors w.e.f. 14th August, 2018 and 5th February, 2019 respectively.
@ *pro rata* payment – Ceased to be Directors on 13th August, 2018.

C. Remuneration to Key Managerial Personnel other than Managing Director/Manager/Whole-time Director (₹ in Cr.)

Particulars of remuneration		Key Managerial Personnel		Total Amount
		Company Secretary	Chief Financial Officer	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	0.867	1.170	2.037
	(b) Value of perquisites under Section 17(2) of Income-tax Act, 1961	0.041	0.046	0.087
	(c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of Profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	**0.908**	**1.216**	**2.124**

VII. Penalties/Punishment/Compounding of Offences:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2019.

Annexure-I

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

Power & Fuel Consumption

Sl. No.	Particulars	2018-19	2017-18
1	**Electricity**		
	(a) Purchased		
	Units (kWh)	15,26,50,271	14,28,82,987
	Total Cost (₹ Cr.)	113.40	105.02
	Rate per unit (₹)	7.43	7.35
	(b) Own Generation through Diesel Generator		
	Units (kWh)	20,33,706	31,14,264
	Total Cost (₹ Cr.)	4.54	5.48
	Rate per unit (₹)	22.34	17.58
	(c) Own generation through Solar Plant		
	Units (kWh)	3,27,055	3,44,216
	Total Cost (₹ Cr.)	0.19	0.20
	Rate per unit (₹)	5.87	5.94
2	**Consumption per unit of production**	**2018-19**	**2017-18**
a.	Cycles (kWh per Cycle)	4	5
b.	Strips and Tubes (kWh per Ton)	225	229
c.	Metal Form (kWh per Ton)	527	537
d.	Chains (kWh per Ton)	1,202	1,233

Conservation of Energy

The Company is committed to the conservation of energy and pursues various measures in the said regard. Some of the measures taken during 2018-19 are highlighted hereunder:

a) In the Engineering Division, energy efficient pumps were installed at eleven places in place of old mono bloc pumps. Metal halide illumination was replaced with LED lighting across the factory. Heat pumps for the 6-high mill coolant have been introduced and the output of condenser coil is utilised for control room cooling. Usage of Variable Frequency Drives in Utilities has also reduced energy consumption.

b) In the Uttarakhand Chains Plant of the Metal Formed Products Division, timers have been installed in the Tilting Rotary Electric Furnace Quench Tanks to run the agitator fans for only the required time. Sodium vapour lamps have been replaced with LED lamps. In the Ambattur Chains Plant of the Metal Formed Products Division, tube and street lights have been replaced with LED lamps. Thyristor controls have been introduced in the Mesh Belt and Grease Tanks to control heating consumption. Energy efficient pumps have been introduced in the cooling system of the Mesh Belt Furnace. Power consuming Chiller units in the Auto Chains area have been removed by providing heat exchangers in assembly machines.

c) In the Metal Forming Plants of the Metal Formed Products Division, idle time cut-off for motors has been minimized by providing timer interlocks in machines. Cyclic timers have been introduced to cut off power at the time of lunch, dinner and tea to save power on man coolers and lighting power consumption in production lines. Delta connections have been converted to Star where feasible in presses. Variable Frequency Drives have been installed in the new Royal Enfield Mill to reduce power consumption. Oil chillers have been converted to water chillers to improve efficiency. Common Hydraulic lines in mill power packs have also reduced the power consumption in mills. Chiller running time study has been done and cooling tower water circulation has been improved to minimize chiller power consumption. Limit switch interlocks have been provided to lower power consumption of oil fume extractors by minimizing blower idle time. Solar power has been added for lighting and motor loads where feasible. Replacement of 2 nos. of 800 kVA and 1 no. 1500 kVA automatic variable ratio transformers with 2 nos. of 1000 KVA of OLTC (On Load Tap Changer) transformer has improved efficiency.

d) In the Bicycles Division, LED hi-bay fittings for factory shop floor lighting and new energy-efficient transformers have been introduced for energy conservation. LPG conversion from HSD (Hi Speed Diesel) has been done for the ovens of process plants ovens. Tube immersion heater for phosphating plants has been introduced in CKD (Completely Knocked Down) lines for thermal efficiency. Bath temperatures have been reduced in the Degreasing, Phosphating and Pickling lines from 60-75 Degree Celsius to ambient temperature to save power by changes to chemicals used. Painting plant conveyor speed has been standardized with an increased speed. Painting plant efficiency has also been improved with reduction in no. of empty jigs during colour changes. There has been some cost reduction through third party power purchase.

Expenditure on R & D

(₹ in Cr.)

Particulars	2018-19	2017-18
Capital expenditure	2.35	6.12
Recurring	11.38	22.04
Total	**13.73**	**28.16**
Total R&D expenditure as a % of total turnover (Net)	0.28	0.65

Foreign Exchange Earnings and Outgo

Particulars	2018-19	2017-18
Foreign exchange earnings (CIF Value)	421.11	354.37
Foreign exchange outgo	434.35	324.26

On behalf of the Board
M M Murugappan
Chairman

Chennai
30th April, 2019

Plant Locations

Tube Products of India
P. B. No. 4&18, CTH Road,
Avadi, Chennai 600 054
Tel: (044) – 42291999
Fax : (044) – 42291990

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

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

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

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

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

TI Cycles of India
Sandharsi Tehsil
Rajpura, Patiala Punjab
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TIDC India
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
Gangonouli
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, Vangaram Road,
Athipet, Chennai - 6000 058.
Cell: 09384675154

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

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

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

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

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

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

CONTACT ADDRESS

COMPLIANCE OFFICER
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Company Secretary
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For all matters relating to investor services:
Karvy Fintech Private Limited
(Formerly, Karvy Computershare Private Limited)
Karvy Selenium Tower B Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad 500 032
e-mail : einward.ris@karvy.com
Tel : (040) – 67162222
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Toll Free: 1800-345-4001

Independent Auditor's Report

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

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of Tube Investments of India Limited (formerly known as TI Financial Holdings Limited) ("the Company"), which comprise the Balance sheet as at March 31 2019, 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 financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
(a) Timing of Revenue recognition *(as described in Note 3.11 of the Standalone Ind AS financial statements)*	
The Company has 3 operating segments, namely, Engineering Segment, Metal Formed Products Segment and Cycles and Accessories 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 contracts / arrangements with various customers across these segments are different and accordingly the timing of revenue recognition in accordance with Ind AS 115 - Revenue from Contracts with Customers also vary across different customers. 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. Accordingly, whether revenue is recognized in respect of sales where the control over goods have not passed to the customer, resulting in improper revenue recognition is considered as key audit matter.	Our audit response in respect of testing the timing of revenue recognition consisted of the following procedures: • We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls that the Company has in relation to revenue recognition. • On a sample basis, we tested contracts with customers, including Incoterms, purchase orders issued by customers, and sales invoices raised by the Company to determine the timing of transfer of control and the timing of revenue recognition in respect of such contracts. • We performed analytical procedures of disaggregated data of revenue transactions during the audit period to identify any unusual trends warranting additional audit procedures. • We also tested journal entries on sample basis focusing on unusual or irregular transactions. • We performed cut off testing for sales made near the reporting date and tested whether the revenue was recognised in the appropriate period by testing shipping records and sales invoices for sample transactions and tested the management assessment involved in this process, wherever applicable.

Key audit matters	How our audit addressed the key audit matter
Existence of Inventories and allowance for slow / non-moving inventory and obsolescence *(as described in Note 3.10 of the Standalone Ind AS financial statements)*	
Inventory represents 21% of total assets of the Company as at March 31, 2019. Such Inventory is held across various factories and warehouses as at the reporting date. Considering the number of locations and the level of inventory held across its factories and warehouses, as well as the physical verification of inventory at these locations on different dates, the risk of existence such inventory and the identification of non-moving, obsolete / damaged inventory is a significant area of audit importance. The inventory valuation also requires management estimates towards write-down of inventory items to its net realizable value (wherever applicable) and allowance for slow moving or non-moving inventory. Considering the relative significance of the Inventory to the Standalone financial statements, we have considered the existence and allowance for inventory obsolescence of inventory as key audit matter.	Our audit response in respect of testing the existence of inventories and allowance for slow / non-moving inventory and obsolescence consisted of following procedures (as applicable in each case): • Procedures to test the existence of inventories consisted of testing the relevant internal controls, including in specific the testing of the inventory physical verification process that is performed annually by management at various locations and the testing of automated recording of sales and purchase transactions in the IT system (three-way-match) by our IT specialists. • We observed the physical verification of Inventory conducted by management at certain locations selected by us. Our procedures in this regard included: - Observing compliance of stock count instructions by management personnel; observing steps taken by management to ascertain the existence inventory on the date of the count (including identification of non-moving, obsolete / damaged inventory); - Performing independent inventory counts on sample basis and reconciling the same to the management counts (wherever applicable); - 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 - 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. • We performed cut off testing for purchase and sales transactions made near the reporting date to assess whether transactions are recorded in the correct period by testing shipping records, sales / purchase invoices (as applicable), for sample transactions. • 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.

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 Ind AS Financial Statements and our auditor's report thereon.

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

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

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
   (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer Note 36a to the Standalone Ind AS Financial Statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

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

per **Subramanian Suresh**
Partner
Membership Number: 083673
Place of Signature: Chennai
Date: April 30, 2019

ANNEXURE 1 REFERRED TO IN OUR REPORT OF EVEN DATE

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

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

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

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

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

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

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

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

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

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, 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	2011-12, 2015-16, 2016-17, Apr to Jun 17	0.73
Central Excise Act, 1944	Excise Duty / Interest / Penalty	CCE (Appeals) / CESTAT / HC	1995-96, 2002-03 to 2006-07 & 2013-14	0.20
Value Added Tax Act, 2005	VAT	Joint Commissioner, Pune, Maharashtra	2010-11	0.13
Central Sales Tax Act, 1956	CST	CESTAT	2013-14	0.06
Income Tax Act, 1961	Income Tax	CIT (Appeals)	2005-06, 2006-07, 2009-10 & 2011-12	7.15

* Net of amounts paid under protest of Rs.85.01 Crores.

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

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

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the reporting requirements under clause 3(xiv) are not applicable to the Company and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions involving directors as referred to in Section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per **Subramanian Suresh**
Partner
Membership Number: 083673
Place of Signature: Chennai
Date: April 30, 2019

Annexure 2 to the independent auditor's report of even date on the standalone ind as financial statements of tube investments of india limted (formerly known as TI Financial Holdings Limited)

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

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

We have audited the internal financial controls over financial reporting of Tube Investments of India Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting

to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per **Subramanian Suresh**
Partner
Membership Number: 083673
Place of Signature: Chennai
Date: April 30, 2019

Balance Sheet

(₹ in Crores)

Particulars	Notes	As at 31-Mar-2019	As at 31-Mar-2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4a	980.63	913.10
Capital Work-in-Progress		68.68	89.60
Investment Property	5	4.93	5.01
Intangible Assets	4b	0.21	-
Financial Assets			
(a) Investments			
- Investment in Subsidiaries and Joint ventures	6a	548.70	560.70
- Other Investments	6b	8.60	11.12
(b) Other Financial Assets	6c	18.24	17.58
(c) Derivative Instruments	40	2.12	-
Non-Current Tax Assets		16.62	13.45
Other Non-Current Assets	7	51.72	30.72
		1,700.45	**1,641.28**
Current Assets			
Inventories	8	647.17	607.23
Financial Assets			
(a) Loans	9a	1.58	1.45
(b) Trade Receivables	9b	561.13	575.44
(c) Derivative Instruments	40	7.16	-
(d) Cash and Cash Equivalents	9c	26.28	19.25
(e) Bank Balances other than (d) above	9d	3.47	-
(f) Other Financial Assets	9e	24.37	23.55
Other Current Assets	10	40.89	65.33
		1,312.05	**1,292.25**
Total Assets		**3,012.50**	**2,933.53**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	18.77	18.75
Other Equity	12	1,406.25	1,194.39
Total Equity		**1,425.02**	**1,213.14**
Non-Current Liabilities			
Financial Liabilities			
(a) Long Term Borrowings	13a	100.00	200.00
Long Term Liabilities	13b	9.00	-
Deferred Tax Liabilities	14	41.92	28.21
		150.92	**228.21**
Current Liabilities			
Financial Liabilities			
(a) Short Term Borrowings	15a	313.13	228.86
(b) Trade Payables	15b		
- total outstanding dues of micro enterprises and small enterprises		0.48	0.40
- total outstanding dues of creditors other than micro enterprises and small enterprises		883.35	887.44
(c) Derivative Instruments	40	-	0.31
(d) Other Financial Liabilities	15c	156.57	296.23
Government Grants	18c	3.21	1.08
Short Term Provisions	16	59.87	58.99
Other Current Liabilities	17	19.95	18.87
		1,436.56	**1,492.18**
Total Liabilities		**1,587.48**	**1,720.39**
Total Equity and Liabilities		**3,012.50**	**2,933.53**
Summary of Significant Accounting Policies	3		

The accompanying notes are an integral part of the financial statements
As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn. No : 101049W / E300004

per **Subramanian Suresh**
Partner
Membership No : 083673

Chennai
30th April 2019

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

S Vellayan
Managing Director

M M Murugappan
Chairman

K Mahendra Kumar
Chief Financial Officer

S Suresh
Company Secretary

Statement of Profit and Loss

(₹ in Crores)

Particulars	Notes	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Revenue from Contracts with Customers	19		
Revenue from Operations		4,983.05	4,409.67
Other Operating Revenues		302.68	245.12
		5,285.73	**4,654.79**
Other Income	20	66.52	54.53
Total Income		**5,352.25**	**4,709.32**
Expenses			
Cost of Materials Consumed	21	3,195.38	2,698.32
Purchase of Stock-in-Trade - Cycles / Components and Metal Formed Products		187.47	139.55
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	(26.41)	0.05
Excise Duty on Sale of Goods and Scraps	19	-	83.38
Employee Benefits Expense	23	439.09	432.91
Depreciation and Amortisation Expense	24	140.20	128.30
Finance Costs	25	51.68	56.38
Other Expenses	26	993.76	952.49
Total Expenses		**4,981.17**	**4,491.38**
Profit Before Tax and Exceptional items		**371.08**	**217.94**
Less : Exceptional Items	27	9.00	25.25
Profit Before Tax after exceptional items		**362.08**	**192.69**
Income Tax Expense	28		
- Current Tax		116.29	74.16
- Adjustment of tax relating to earlier years		(2.66)	(7.68)
- Deferred Tax (Net) (Refer Note 14)		4.94	(10.25)
		118.57	**56.23**
Profit for the year (I)		**243.51**	**136.46**
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		7.54	0.19
Income Tax Effect		(2.63)	(0.07)
		4.91	**0.12**
Other Comprehensive Income not to be reclassified to Statement of Profit and Loss in subsequent periods:			
Re-measurement Gain / (Loss) on Defined Benefit Obligations (Net)		(2.41)	1.46
Income Tax Effect		0.84	(0.51)
		(1.57)	**0.95**
Net (Loss) / Gain on FVTOCI Equity Securities		(2.45)	(1.07)
Income Tax Effect		0.11	0.43
		(2.34)	**(0.64)**
Other Comprehensive Income/(Loss) for the Year, Net of Tax (II)		**1.00**	**0.43**
Total Comprehensive Income for the Year, Net of Tax (I + II)		**244.51**	**136.89**
Earnings Per Equity Share of ₹1 each (Previous year - ₹1 each)	31		
Basic		13.02	7.28
Diluted		13.01	7.27

The accompanying notes are an integral part of the financial statements

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

per **Subramanian Suresh**
Partner
Membership No : 083673

Chennai
30th April 2019

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

S Vellayan
Managing Director

M M Murugappan
Chairman

K Mahendra Kumar
Chief Financial Officer

S Suresh
Company Secretary

Statement of Changes in Equity

a. Equity Share Capital:

Particulars	No. of shares	₹ in Crores
As at 31st March 2017		
Equity Shares of ₹1 each issued, subscribed and fully paid	18,74,47,871	18.74
Issue of Share Capital (Refer Note 11)	88,497	0.01
As at 31st March 2018		
Equity Shares of ₹1 each issued, subscribed and fully paid	18,75,36,368	18.75
Issue of Share Capital (Refer Note 11)	1,74,913	0.02
As at 31st March 2019	**18,77,11,281**	**18.77**

b. Other Equity

For the year ended 31st March 2019 (₹ 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 2018	**0.10**	**5.43**	**735.53**	**112.50**	**0.11**	**334.63**	**-**	**(0.12)**	**6.21**	**1,194.39**
Effect of adoption of Ind AS 115	-	-	(0.49)	-	-	-	-	-	-	(0.49)
As at 1st April 2018 (Restated)	**0.10**	**5.43**	**735.04**	**112.50**	**0.11**	**334.63**	**-**	**(0.12)**	**6.21**	**1,193.90**
Profit for the Year	-	-	243.51	-	-	-	-	-	-	243.51
Other comprehensive income for the Year (Note 30)	-	-	(1.57)	-	-	-	-	4.91	(2.34)	1.00
Total Comprehensive Income			**241.94**					**4.91**	**(2.34)**	**244.51**
Receipt of Subsidy	-	-	0.32	-	-	-	-	-	-	0.32
Share-based payments	-	4.93	-	-	-	-	-	-	-	4.93
Exercise of share options	3.50	(2.41)	1.49	-	-	-	-	-	-	2.58
Sale of FVTOCI investments	-	-	1.47	-	-	-	-	-	-	1.47
DRR transferred to Retained Earnings (Net)	-	-	62.50	(62.50)	-	-	-	-	-	-
Dividends	-	-	(42.23)	-	-	-	-	-	-	(42.23)
Dividend distribution tax on Dividend	-	-	(2.79)	-	-	-	-	-	-	(2.79)
Adjustment relating to Employee Welfare Benefit Trust	-	-	3.81	-	-	-	(0.25)	-	-	3.56
As at 31st March 2019	**3.60**	**7.95**	**1,001.55**	**50.00**	**0.11**	**334.63**	**(0.25)**	**4.79**	**3.87**	**1,406.25**

Statement of Changes in Equity

For the year ended 31st March 2018

(₹ 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 2017	**-**	**-**	**663.17**	**118.75**	**0.11**	**334.63**	**-**	**(0.24)**	**6.85**	**1,123.27**
Profit for the Year	-	-	136.46	-	-	-	-	-	-	136.46
Other comprehensive income for the Year (Note 30)	-	-	0.95	-	-	-		0.12	(0.64)	0.43
Total Comprehensive Income			**137.41**					**0.12**	**(0.64)**	**136.89**
Exercise of share options	0.10	-	-	-	-	-	-	-	-	0.10
Share-based payments	-	5.43	-	-	-	-	-	-	-	5.43
DRR transferred to Retained Earnings (Net)	-	-	6.25	(6.25)	-	-	-	-	-	-
Dividends	-	-	(60.94)	-	-	-	-	-	-	(60.94)
Dividend distribution tax on Dividend	-	-	(10.36)	-	-	-	-	-	-	(10.36)
As at 31st March 2018	**0.10**	**5.43**	**735.53**	**112.50**	**0.11**	**334.63**	**-**	**(0.12)**	**6.21**	**1,194.39**

The accompanying notes are an integral part of the financial statements
As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn. No : 101049W / E300004

per **Subramanian Suresh**
Partner
Membership No : 083673

Chennai
30th April 2019

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

S Vellayan
Managing Director

M M Murugappan
Chairman

K Mahendra Kumar
Chief Financial Officer

S Suresh
Company Secretary

Cash Flow Statement

(₹ in Crores)

Particulars		Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
A.	**Cash Flow from Operating Activities:**		
	Profit Before Tax after exceptional items	**362.08**	**192.69**
	Adjustments to reconcile Profit Before Tax to Net Cash Flows:		
	Depreciation on Property, Plant and Equipment	140.09	128.22
	Depreciation on Investment Properties	0.08	0.08
	Amortisation of Intangible assets	0.03	-
	Share based payment expenses	4.93	5.29
	(Profit)/Loss on Property Plant & Equipment sold/discarded (Net)	(0.87)	3.12
	(Profit) on Sale of Investments carried at FVTPL	(1.89)	(2.03)
	Impairment allowance for receivables and advances (includes bad debts written off) (Refer Note 26)	1.83	1.08
	Net Foreign Exchange differences	4.13	0.24
	Receipt of Subsidy	0.32	-
	Finance Income (including Fair Value changes in Financial Instruments)	(3.93)	(0.15)
	Finance Costs	51.68	56.38
	Liabilities/Provisions no longer payable written back	(1.75)	(1.47)
	(Reversal of Provision)/Provision for Impairment of Investments (Net)	(1.75)	25.25
	Loss on sale of joint venture	10.75	-
	Dividend Income	(34.30)	(11.38)
	Operating Profit before Working Capital / Other Changes	**531.43**	**397.32**
	Adjustments for :		
	Increase in Long Term Liabilities	9.00	-
	Increase in Provisions and Government Grants	0.60	10.43
	(Decrease)/Increase in Trade and Other Payables	(0.57)	169.85
	Increase/(Decrease) in Other Financial Liabilities	1.42	(55.77)
	Increase/(Decrease) in Other Current Liabilities	1.08	(2.69)
	(Increase) in Other Non-Current Assets	(21.19)	(6.56)
	(Increase)/Decrease in Other Financial and Current Assets	28.47	(20.66)
	Decrease/(Increase) in Trade and Other Receivables	10.20	(45.94)
	(Increase) in Inventories	(39.94)	(26.51)
	Cash Generated From Operations	**520.50**	**419.47**
	Income Tax paid	(109.71)	(63.45)
	Net Cash Flow from Operating Activities	**410.79**	**356.02**

Cash Flow Statement

(₹ in Crores)

Particulars		Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
B.	**Cash Flow from Investing Activities:**		
	Capital Expenditure (Including Capital Work In Progress and Capital Advances)	(171.82)	(215.97)
	Proceeds from Sale of Property plant and equipment	3.60	3.52
	Sale/(Purchase) of Current Investments (Net) (Refer Note 9f)	1.89	104.11
	Sale/(Purchase) of Non Current Investments	4.55	(31.20)
	Amount invested in deposits having a original maturity of more than 3 months (Net)	(3.47)	-
	Interest Income received	1.68	0.50
	Dividend Received	29.52	11.38
	Net Cash Used in Investing Activities	**(134.05)**	**(127.66)**
C.	**Cash Flow from Financing Activities: (Refer Note 9c)**		
	Proceeds from Issue of Shares	2.61	0.11
	Proceeds from Long Term Borrowings	-	100.00
	(Repayment) of Long Term Borrowings	(250.00)	(124.99)
	Proceeds/(Repayment) from Short Term Borrowings (Net) (Refer Note 15a)	99.65	(142.86)
	Finance Costs Paid	(61.96)	(60.07)
	Dividends Paid (Including Net Dividend Distribution Tax)	(45.02)	(71.30)
	Net Cash Used in Financing Activities	**(254.72)**	**(299.11)**
	Net Decrease in Cash and Cash Equivalents [A+B+C]	**22.02**	**(70.75)**
	Cash and Cash Equivalents at the beginning of the Year	**(61.18)**	**9.57**
	Cash and Cash Equivalents as at End of the Year (Refer Note 9c)	**(39.16)**	**(61.18)**

The accompanying notes are an integral part of the financial statements
As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn. No : 101049W / E300004

per **Subramanian Suresh**
Partner
Membership No : 083673

Chennai
30th April 2019

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

S Vellayan
Managing Director

M M Murugappan
Chairman

K Mahendra Kumar
Chief Financial Officer

S Suresh
Company Secretary

Notes to Financial Statements

1. General Information of the Company

Corporate Information

Tube Investments of India Limited ("the Company") with CIN No: L35100TN2008PLC069496, was formerly known as TI Financial Holdings Limited and is a Public Limited Company domiciled in India. The Company is listed on BSE and National Stock Exchange. The Registered Office of the Company is located at 234, NSC Bose Road, Chennai, Tamilnadu. The Company was originally incorporated as TI Financial Holdings Limited on 6th October 2008 under the Companies Act, 1956, as a wholly-owned subsidiary of erstwhile Tube Investments of India Limited ("Demerged Company").

Pursuant to the Scheme of Arrangement ("the Scheme") approved by NCLT (National Company Law Tribunal), the Manufacturing Business Undertaking of the Demerged Company was vested in/transferred to the Company with effect from 1st August 2017 and the appointed date was 1st April 2016. The name of the Company was changed to "Tube Investments of India Limited" (Resulting Company).

The Company has manufacturing locations across the Country and has three product segments namely, Cycles and Accessories, Engineering and Metal Formed Products. The Company also has Subsidiaries and Joint Venture Companies, Viz., Shanthi Gears Limited, Financiere C10 SAS, Sedis SAS, Sedis Gmbh, SEDIS Co Limited, Great Cycles (Private) Limited, Creative Cycles (Private) Limited and TI Tsubamex Private Limited.

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on 30th April 2019.

2. Basis of Preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments)

The standalone financial statements are presented in INR, which is its functional currency and all values are rounded to the nearest crore, except when otherwise indicated.

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;

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:

Notes to Financial Statements

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. Involvement of external valuers is decided upon annually by the Company. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. Other fair value related disclosures are given in the relevant notes (Refer Note 41).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above (Refer Note 41).

3.3. Use of Estimates

The preparation of Standalone Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, like provision for employee benefits, provision for doubtful trade receivables/advances/contingencies, provision for warranties, allowance for slow/non-moving inventories, useful life of Property, Plant and Equipment, provision for retrospective price revisions, provision for taxation, etc., during and at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

3.4. Cash and Cash Equivalents

Cash and Cash equivalents comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

3.5. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

For the purpose of the Statement of cash flows, cash and cash equivalents as defined above, net of outstanding bank overdrafts as they are considered an integral part of the cash management of the Company.

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3.6. Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is measured at cost and not depreciated. Cost includes related taxes, duties, freight, insurance, etc. attributable to the acquisition, installation of the Property, Plant and Equipment and borrowing cost if capitalisation criteria are met but excludes duties and taxes that are recoverable from tax authorities.

Machinery Spares including spare parts, stand-by and servicing equipment are capitalised as Property, Plant and Equipment if they meet the definition of property, plant and equipment i.e. if the company intends to use these for more than a period of 12 months. These spare parts capitalized are depreciated as per Ind AS 16.

Subsequent expenditure relating to Property, Plant and Equipments is capitalised only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Material replacement cost is capitalized provided it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When replacement cost is eligible for capitalization, the carrying amount of those parts that are replaced in derecognized. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful life.

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).

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

Capital Work-in-Progress: Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, net of accumulated impairment loss, if any. Cost comprises direct cost and attributable interest. Once it has becomes available for use, their cost is re-classified to appropriate caption and subjected to depreciation.

3.7. Investment Properties

Investment property represents property held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition Criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation on building classified as investment property has been provided on the straight-line method over a period of 60 years as prescribed in Schedule II to the Companies Act, 2013. These are based on the Company's estimate of their useful lives taking into consideration technical factors.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying valuation models.

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

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the

Notes to Financial Statements

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 generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of three years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the third year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, 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.

Notes to Financial Statements

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.

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.

Notes to Financial Statements

3.12.Other Income

Dividends:

Dividend income is accounted for when the right to receive it is established.

Interest Income:

For all debt instruments measured at amortised cost, interest income is recognised on time proportion basis, taking into account the amount outstanding and effective interest rate.

Rental Income:

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

Royalty Income:

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

3.13.Government Grants, Subsidies and Export Benefits

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/ subsidy will be received.

When the grant or subsidy from the Government relates to an expense item, it is recognised as income on a systematic basis in the statement of profit and loss over the period necessary to match them with the related costs, which they are intended to compensate. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset, i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value of the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

3.14.Employee Benefits

I. Defined Contribution Plans

a. Superannuation

The Company contributes a sum equivalent to 15% of the eligible employees salary to a Superannuation Fund administered by trustees and managed by Life Insurance Corporation of India (LIC). The Company has no liability for future Superannuation Fund benefits other than its annual contribution and recognizes such contributions as an expense in the year in which the services are rendered.

b. Provident Fund

Contributions in respect of Employees who are not covered by Company's Employees Provident Fund Trust are made to the Regional Provident Fund. These Contributions are recognised as expense in the year in which the services are rendered. The Company has no obligation other than the contribution payable to the Regional Provident fund.

c. Employee State Insurance

Contributions to Employees State Insurance Scheme are recognised as expense in the year in which the services are rendered.

II. Defined Benefit Plan

a. Gratuity

The Company makes annual contribution to a Gratuity Fund administered by trustees and the Contributions are invested in a Scheme with Life Insurance Corporation of India, as permitted by Indian Law. The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined every year using the Projected Unit Credit method.

Re-measurements, comprising of actuarial gains / losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are immediately recognised in the balance sheet with a corresponding debit or Credit in to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to profit or loss in subsequent periods.

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Past service cost is recognised in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs and
- Net interest expense or income.

b. Provident Fund

In respect of the employees not covered under Point I b above, contributions to the Company's Employees Provident Fund Trust are made in accordance with the fund rules. The interest rate payable to the beneficiaries every year is being notified by the Government.

In the case of contribution to the Trust, the Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and recognizes such obligation, if any, determined based on an actuarial valuation as at the balance sheet date, as an expense.

III. Long Term Compensated Absences

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit Credit method at the year-end. 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 determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Operating Lease as a Lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of profit and loss on a straight line basis over the lease term.

Operating Lease as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

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.

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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 crystalizes.

If the forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognised in Other Comprehensive Income is transferred to statement of profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised. If any of these events occur or if a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised under Other Comprehensive Income is transferred to the statement of profit and loss for the year.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge 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

The following category of Property, Plant and Equipment are not depreciated as per Schedule II of Companies Act, 2013. These category of Property, Plant and Equipment are depreciated based on the Company's estimate of their useful lives taking into consideration, technical advice:

Description of Assets	Useful Life
Buildings - Roof structure on certain factory areas, where useful life is less	10 Years
Plant and Machinery - Special tools and special purpose machines used in door frame products	4 Years
Plant and Machinery - Electrical Appliances such as Air Conditioner, Fridge, Water Cooler, Camera, TV, Grinder etc.,	5 Years
Office Equipment - Data Processing Equipment	3 Years
Vehicles - Motor Vehicles	4 Years
Intangible Assets	3 Years

Finance lease assets are depreciated over the primary lease period of upto 95 years, as the right to use these assets ceases on expiry of the lease period.

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Depreciation is provided pro-rata from the month of Capitalisation.

Certain Property, Plant and Equipment are treated as Continuous Process Plants based on technical evaluation done by the Management and are depreciated on the straight-line method based on the useful life as prescribed in Schedule II to the Companies Act, 2013.

3.19. Research and Development

Revenue expenditure on research and development is expensed when incurred. Capital expenditure on research and development is capitalised under Property, Plant and Equipment and depreciated in accordance with Note 3.18 above.

3.20. Taxes on Income

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in Other Comprehensive Income or in Equity). Current tax items are recognised in correlation to the underlying transaction either in 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 date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

In the situations where one or more entities in the Company are entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or

Notes to Financial Statements

liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate.

3.21. Provisions and Contingencies

A provision is recognized when a Company has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for warranty-related costs are recognized when the product is sold or service provided. Provision is estimated based on historical experience and technical estimates. The estimate of such warranty-related costs is reviewed annually.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the Standalone Financial Statements.

3.22. Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalisation of Borrowing Costs is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period they occur.

3.23. Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the period.

The weighted average number of Equity Shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential Equity Shares, that have changed the number of Equity Shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential Equity Shares.

3.24. Share Based Payments (Employees Stock Option Scheme)

Stock options are granted to the employees under the stock option scheme. The costs of stock options granted to the employees (equity-settled awards) of the company are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Company and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

This cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves/ stock options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or Credit for a period represents the movement in cumulative

Notes to Financial Statements

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 has 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 are 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.

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. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments At Amortised Cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt Instruments at FVTPL

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

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

Equity Investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Notes to Financial Statements

iii. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is de-recognised primarily when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset or has transferred control of the asset

iv. Impairment of Financial Assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and Credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in Credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets, the Company determines that whether there has been a significant increase in the Credit risk since initial recognition. If Credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if Credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, Credit quality of the instrument improves such that there is no longer a significant increase in Credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected Credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other Credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off Criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in Credit risk and impairment loss, the Company combines financial instruments on the basis of shared Credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in Credit risk to be identified on a timely basis.

B. Financial Liabilities

i. Initial Recognition and Measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Notes to Financial Statements

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

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

3.27. Cash Dividend

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

3.28. Equity Investment in Subsidiaries and Joint Ventures

Investment in Subsidiaries and Joint Ventures are carried at Cost in the Separate Financial Statements as permitted under Ind AS 27.

3.29. Changes in accounting policies and disclosures

New and amended standards and interpretations

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Other amendments and interpretations also applied for the first time in 2018-19, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective.

Notes to Financial Statements

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1st April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1st April 2018. The sale of tools to the customers requires the company to manufacture the tool and also supply the components produced from the tools over the life of the asset. Considering that the control is transferred over a period, the company has amortised the tooling revenue and cost as against accounting the entire revenue and cost upfront. Since the Company has elected to apply modified retrospective approach, previous year numbers are not comparable with current year. The impact on revenue and cost (amortised) as at 1st April 2018 is ₹7.88 Cr. and ₹7.39 Cr. respectively.

The impact on revenue from operations and cost of material consumed in the current year had the impact of Ind AS 115 not been considered is ₹9.52 Cr. The impact on the balance sheet has resulted in company accounting for deferred Revenue and Deferred Cost of ₹13.87 Cr. and ₹13.63 as at 31st March 2019.

Notes to Financial Statements

Note 4a. Property, Plant and Equipment

(₹ in Crores)

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As at 31-Mar-2018	Additions	Deletions	As at 31-Mar-2019	As at 31-Mar-2018	For the year	On Deletions	As at 31-Mar-2019	As at 31-Mar-2019	As at 31-Mar-2018
Land (Freehold)	**121.62**	**5.96**	**-**	**127.58**	**-**	**-**	**-**	**-**	**127.58**	**121.62**
	(120.24)	(1.38)	(-)	(121.62)	(-)	(-)	(-)	(-)	(121.62)	(120.24)
Land (Leasehold)	**0.61**	**-**	**-**	**0.61**	**0.01**	**0.01**	**-**	**0.02**	**0.59**	**0.60**
	(0.61)	(-)	(-)	(0.61)	(0.01)	(-)	(-)	(0.01)	(0.60)	(0.60)
Buildings	**274.47**	**36.48**	**0.16**	**310.79**	**21.40**	**13.76**	**0.06**	**35.10**	**275.69**	**253.07**
	(230.39)	(45.70)	(1.62)	(274.47)	(10.12)	(11.48)	(0.20)	(21.40)	(253.07)	(220.27)
Plant & Machinery	**721.71**	**162.64**	**3.80**	**880.55**	**204.45**	**118.43**	**1.93**	**320.95**	**559.60**	**517.26**
	(619.85)	(110.45)	(8.59)	(721.71)	(99.94)	(108.72)	(4.21)	(204.45)	(517.26)	(519.91)
Railway Siding	**0.01**	**-**	**-**	**0.01**	**-**	**-**	**-**	**-**	**0.01**	**0.01**
	(0.01)	(-)	(-)	(0.01)	(-)	(-)	(-)	(-)	(0.01)	(0.01)
Office Equipment	**12.51**	**2.89**	**0.05**	**15.35**	**6.98**	**3.71**	**0.04**	**10.65**	**4.70**	**5.53**
	(9.08)	(3.53)	(0.10)	(12.51)	(3.29)	(3.75)	(0.06)	(6.98)	(5.53)	(5.79)
Furniture & Fixtures	**10.31**	**0.87**	**-**	**11.18**	**2.44**	**1.25**	**-**	**3.69**	**7.49**	**7.87**
	(8.57)	(1.86)	(0.12)	(10.31)	(1.27)	(1.28)	(0.11)	(2.44)	(7.87)	(7.30)
Vehicles	**12.03**	**1.51**	**2.47**	**11.07**	**4.89**	**2.93**	**1.72**	**6.10**	**4.97**	**7.14**
	(9.39)	(3.70)	(1.06)	(12.03)	(2.17)	(2.99)	(0.27)	(4.89)	(7.14)	(7.22)
Total	**1,153.27**	**210.35**	**6.48**	**1,357.14**	**240.17**	**140.09**	**3.75**	**376.51**	**980.63**	**913.10**
	(998.14)	(166.62)	(11.49)	(1,153.27)	(116.80)	(128.22)	(4.85)	(240.17)	(913.10)	(881.34)
Note 4b. Intangible Assets										
Software	**-**	**0.24**	**-**	**0.24**	**-**	**0.03**	**-**	**0.03**	**0.21**	**-**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Notes:

a. All the above assets are owned by the Company unless otherwise stated as leased asset.

b. Previous Year Figures are given in brackets.

c. Non Convertible Debentures are secured by first pari-passu charge on certain Land and Building.

Notes to Financial Statements

Note 5. Investment Property

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Opening Balance as at the beginning of the period	5.17	5.17
Additions during the year	-	-
Closing Balance as at the end of the period	**5.17**	**5.17**
Depreciation and Impairment		
Opening Balance as at the beginning of the period	0.16	0.08
Depreciation during the year	0.08	0.08
Closing Balance as at the end of the period	**0.24**	**0.16**
Net Block as at the end of the period	**4.93**	**5.01**

Information regarding Income and Expenditure of Investment Property:

(₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Rental Income derived from Investment Properties	0.51	0.43
Direct Operating Expenses (including repairs and maintenance)	-	-
Profit arising from Investment Properties before Depreciation and Indirect Expenses	**0.51**	**0.43**
Depreciation	(0.08)	(0.08)
Profit arising from Investment Properties before Indirect Expenses	0.43	0.35

The Company's Investment Property consists of two properties in Mumbai lying vacant and two properties in Chennai which have been let out on rent.

As at 31st March 2019, Fair Value of the properties is ₹6.90 Cr. (31st March 2018 - ₹6.74 Cr.)

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

The Company has no restrictions on the disposal of its Investment Property and no contractual obligations to purchase, construct or develop Investment Property or for Repairs, Maintenance and Enhancements.

Reconciliation of Fair Value

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Opening Balance as at the beginning of the period	**6.74**	**6.48**
Fair value difference	0.16	0.26
Purchases	-	-
Sales	-	-
Closing Balance as at the end of the period	**6.90**	**6.74**

Notes to Financial Statements

Note 6a. Investment in Subsidiaries and Joint ventures

Particulars	Nominal Value ₹ per unit	Number of shares		₹ in Crores	
		As at 31-Mar-2019	As at 31-Mar-2018	As at 31-Mar-2019	As at 31-Mar-2018
Investments at Cost:					
Equity Shares (Fully Paid) - Quoted					
Investment in Subsidiaries					
Shanthi Gears Limited	1	5,72,96,413	5,72,96,413	464.10	464.10
Equity Shares (Fully Paid) - Unquoted					
Investment in Subsidiaries					
Financiere C10 SAS	Euro 15	2,23,920	2,23,920	61.15	61.15
Great Cycles (Private) Limited	LKR 10	40,00,000	40,00,000	16.98	16.98
Creative Cycles (Private) Limited	LKR 10	40,00,000	40,00,000	6.47	6.47
Investment in Joint Ventures					
TI Tsubamex Private Limited	10	2,35,00,000	2,35,00,000	23.50	23.50
TI Absolute Concepts Private Limited (Refer Note a below)	10	-	1,37,50,000	-	13.75
Total				**572.20**	**585.95**
Less : Provision for Impairment of Investments (Refer Note 27)				(23.50)	(25.25)
Total				**548.70**	**560.70**

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Quoted		
Cost	464.10	464.10
Market value	740.27	740.84
Unquoted		
Cost	108.10	121.85
Aggregate amount of impairment in the value of investments in Joint Venture	23.50	25.25

Notes:

a. During the year, the Company has divested its entire shareholding of 1,37,50,000 shares of ₹10/- each in the joint venture company , TI Absolute Concepts Private Ltd. (TIABS) in favour of the joint venture partner, Absolute Speciality Foods Chennai Private Ltd.

Notes to Financial Statements

Note 6b. Other Investments

Particulars	Nominal Value ₹ per unit	Number of shares As at 31-Mar-2019	Number of shares As at 31-Mar-2018	₹ in Crores As at 31-Mar-2019	₹ in Crores As at 31-Mar-2018
Investments at Fair Value Through Other Comprehensive Income (FVTOCI):					
Equity Shares (Fully Paid) - Quoted					
LG Balakrishnan & Bros. Limited. (Refer Note b)	10	-	5,192	-	0.55
LGB Forge Limited. (Refer Note b)	1	-	25,960	-	0.01
GIC Housing Finance Limited. (Refer Note b)	10	-	48,700	-	1.81
Equity Shares (Fully Paid) - Unquoted					
Bombay Mercantile Co-operative Limited (Fair value ₹5,000 only)	10	500	500	-	-
Southern Energy Development Corporation Limited	10	70,000	70,000	6.04	6.34
TI Cycles of India Co-operative Canteen Limited (Fair value - ₹250 only)	5	50	50	-	-
TI Diamond-Miller Co-operative Canteen Limited (Fair value - ₹100 only)	5	20	20	-	-
Cauvery Power Generation Chennai Private Limited	10	24,00,000	24,00,000	2.41	2.41
Watsun Infrabuild Private Limited (Refer Note c below)	10	1,50,663	-	0.15	-
Total				**8.60**	**11.12**

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Quoted		
Cost	-	0.24
Market value	-	2.37
Unquoted		
Cost	2.63	2.48

Notes:

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

b. During the year, the Company has sold the entire investments held in LG Balakrishnan & Bros. Limited, LGB Forge Limited and GIC Housing Finance Limited. These investments are classified as FVTOCI and consequently the gain on sale has been transferred to retained earnings. The fair value of the investments on the date of derecognition is ₹1.71 Cr. and cumulative gain is ₹1.47 Cr.

c. During the year, the Company subscribed to 1,50,663 Equity Shares of face value of ₹10 each of Watsun Infrabuild Private Limited at face value, amounting to ₹0.15 Cr.

Notes to Financial Statements

Note 6c. Other Financial Assets

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

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Electricity and Other Deposits	18.24	17.58
Total	**18.24**	**17.58**

Note 7. Other Non-Current Assets

(Considered Good, Unsecured unless stated otherwise) (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Capital Advances		
- Secured	4.54	3.16
- Unsecured	8.88	9.30
Deposits with Government, Public Bodies and Others:		
- Balance with Customs, Excise and Sales Tax Authorities	29.39	18.26
Contract Assets	8.91	-
Total	**51.72**	**30.72**

Note 8. Inventories

(Lower of Cost and estimated Net Realisable Value) (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Raw Materials	183.92	203.52
Work-in-Progress	115.06	127.91
Finished Goods	214.89	194.33
Stock-in-Trade	63.77	46.02
Stores and Spare Parts	6.49	7.02
Goods-in-Transit		
- Raw Materials	53.99	20.33
- Stock-in-Trade	9.05	8.10
Total	**647.17**	**607.23**

During the year ended 31st March 2019, ₹11.15 Cr. was recognised as an expense to bring the inventories to record them at Net Realisable Value. (31st March 2018 - ₹9.61 Cr.)

Note 9a. Loans

(Considered Good, Unsecured unless stated otherwise) (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Loan to employees	1.58	1.45
Total	**1.58**	**1.45**

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-2019	As at 31-Mar-2018
Considered Good	559.84	563.27
Provision for Receivables	(1.52)	(1.31)
	558.32	**561.96**
Trade Receivables which have significant increase in credit Risk	3.69	15.00
Provision for Receivables	(0.88)	(1.52)
	2.81	**13.48**
Trade Receivables - credit impaired	3.21	5.37
Provision for Impairment on Receivables	(3.21)	(5.37)
	-	**-**
Total		
Considered Good	559.84	563.27
Trade Receivables which have significant increase in credit Risk	3.69	15.00
Trade Receivables - credit impaired	3.21	5.37
	566.74	**583.64**
Provision for Doubtful / Impairment on Receivables	(5.61)	(8.20)
Total	**561.13**	**575.44**
Includes dues from Related parties		
Sedis SAS	1.57	6.72
Shanthi Gears Limited	0.02	0.03
TI Tsubamex Private Limited	-	0.82
TI Absolute Concepts Private Limited	-	0.84
Creative Cycles (Private) Limited	-	0.23

Trade Receivables are non-interest bearing and are generally have Credit period to a maximum of 120 days. For terms and conditions relating to Related Party receivables, refer Note 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-2019	As at 31-Mar-2018
Opening Balance as at beginning of the year	8.20	7.12
Created / (Reversed) during the year	(2.59)	1.08
Closing Balance as at end of the year	**5.61**	**8.20**

Note 9c. Cash and Cash Equivalents (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balances with Banks in Current Accounts	25.35	18.70
Cash on hand	0.05	0.06
Other Bank balances		
- Unpaid Dividend Accounts	0.88	0.49
Cash and Cash Equivalents as per Balance Sheet	**26.28**	**19.25**
Cash Credit facility (Secured)	(64.56)	(79.94)
Balances in Unpaid Dividend Accounts	(0.88)	(0.49)
Cash and Cash Equivalents as per Statement of Cash Flows	**(39.16)**	**(61.18)**

Notes to Financial Statements

As at 31st March 2019, the Company had undrawn committed borrowing facilities of ₹211.87 Cr. (31st March 2018 - ₹296.14 Cr.).

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

The Company has applied amendments to Indian Accounting Standard 7 "Statement of Cash Flows", which is effective for annual periods beginning on or after 1st April 2017. The amendments require the Company to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from Cash Flows and non-cash changes (such as fair value changes). The changes in liabilities arising from financial activities are only on account of changes in the Cash Flows.

Note 9d. Bank Balances other than 9c above

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Deposits with original maturity of more than 3 months but less than 12 months	0.20	-
Bank Deposits with original maturity of more than 12 months	3.27	-
Total	**3.47**	**-**

Note 9e. Other Financial Assets

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

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Claims Recoverable		
- Goods and Services	3.18	4.05
- Employee Related	0.65	0.44
Other deposits	4.02	3.58
Dividend Accrued	4.78	-
Interest Accrued	0.20	-
Government Grants	11.54	15.48
Total	**24.37**	**23.55**

Note 9f - During the year, the Company has invested an aggregate amount of ₹724.00 Cr. (Previous Year - ₹1198.10 Cr.) in the units of various Cash Management Schemes of Mutual funds, for the purpose of deployment of temporary cash surplus and has Nil (Previous Year - Nil) in various schemes of mutual funds as at year end. The total consideration received on the sale of units during the year was ₹725.89 Cr. (Previous Year - ₹1302.21 Cr.)

Note 10. Other Current Assets

(Considered Good, Unsecured unless stated otherwise)

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Advances Recoverable		
- Goods and Services	21.68	17.62
- Employee Related	0.23	0.57
- Prepaid Expenses	2.50	2.78
- Gratuity Fund (Net of Provision)	0.08	0.86
	24.49	**21.83**
Balances with Customs, Excise, Sales Tax and GST Authorities	11.68	43.50
Contract Assets	4.72	-
Total	**40.89**	**65.33**

Notes to Financial Statements

Note 11. Equity Share Capital

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Authorised Capital		
25,00,00,000 Equity Shares of ₹1 each		
(31-Mar-2018: 25,00,00,000 Equity Shares of ₹1 each)	25.00	25.00
Issued, Subscribed and Paid-up Capital		
18,77,11,281 Equity Shares of ₹1 each fully paid up (31-Mar-2018: 18,75,36,368 Equity Shares of ₹1 each fully paid up)	18.77	18.75
Total	**18.77**	**18.75**

a) The Reconciliation of shares capital is given below

Particulars	As at 31-Mar-2019		As at 31-Mar-2018	
	No.of Shares	₹ in Crores	No.of Shares	₹ in Crores
At the beginning of the year	18,75,36,368	18.75	18,74,47,871	18.74
Issue of Share Capital *	1,74,913	0.02	88,497	0.01
At the end of the year	**18,77,11,281**	**18.77**	**18,75,36,368**	**18.75**

* The Breakup of shares issued during the previous year was as follows:

Particulars	No.of Shares
Shares issued upon exercise of Employee Stock Options of the Demerged Company prior to the record date i.e 28th August 2017	42,720
Shares issued upon exercise of Employee Stock Options of the Resulting Company	45,777
Total	88,497

b) Terms/Rights attached to class of shares

The Company has only one class of shares referred to as Equity Shares having a par value of ₹1 each. The holders of Equity Shares are entitled to one vote per share. Dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. Repayment of capital will be in proportion to the number of Equity Shares held by the shareholders.

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

Particulars	As at 31-Mar-2019		As at 31-Mar-2018	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Ambadi Investments Limited (Face Value ₹1 each)	6,82,66,595	36.37%	7,00,66,595	37.36%

d) Status on Global Depository Receipts (GDRs)

The aggregate number of GDRs deemed to be outstanding as at 31st March 2019 is 22,30,630 (As at 31st March 2018 – 42,30,630) each representing one Equity Share of ₹1 face value. GDR % against total number of shares is 1.19% (Previous Year -2.26%). The GDRs carry the same terms/rights attached to Equity Shares of the Company.

Notes to Financial Statements

Note 12. Other Equity

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
General Reserve	334.63	334.63
Securities Premium	3.60	0.10
Retained Earnings	1,001.55	735.53
Other Reserves		
Share Options Outstanding Account	7.95	5.43
Cash Flow Hedge Reserve	4.79	(0.12)
FVTOCI Reserve	3.87	6.21
Capital Reserve	0.11	0.11
Treasury Shares	(0.25)	-
Debenture Redemption Reserve	50.00	112.50
Total Other Equity	**1,406.25**	**1,194.39**

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.

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	**334.63**	334.63
Additions during the year	**-**	-
Balance at the end of the year	**334.63**	**334.63**

b. **Securities Premium** - The Securities premium received during the year represents the premium received towards allotment of 1,74,913 shares. This balance will be utilised in accordance with the provisions of Section 52 of the Companies Act 2013 towards issuance of fully paid bonus shares, write-off of preliminary expenses, commission / discount expenses on issue of shares / debentures, premium payable on redemption of redeemable preference shares / debentures and buy back of its own shares / securities under Section 68 of the Companies Act 2013.

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	0.10	-
Additions during the year	3.50	0.10
Balance at the end of the year	**3.60**	**0.10**

Notes to Financial Statements

c. **Retained Earnings** - The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above may not be distributable in entirety.

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	**735.53**	**663.17**
Profit for the Year	243.51	136.46
Dividend Paid during the year	(42.23)	(60.94)
Dividend Distribution tax paid during the year	(2.79)	(10.36)
Effect of adoption of Ind AS 115	(0.49)	-
Receipt of Subsidy	0.32	-
Exercise of share options	1.49	-
Sale of FVTOCI investments	1.47	-
Other Comprehensive Income - Re-measurement Gain/(Loss) on Defined Benefit Obligations (Net)	(1.57)	0.95
Transferred from DRR (Net)	62.50	6.25
Adjustment relating to Employee Welfare Trust	3.81	-
Balance at the end of the year	**1,001.55**	**735.53**

d. **Share Option Outstanding Account** – Under Ind AS 102, fair value of the options granted is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service. Stock options granted but not vested as on the transition date were valued for expired period, calculated from the grant date till date of transition, and were credited to Share options outstanding account.

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	5.43	-
Additions during the year	4.93	5.43
Deductions during the year	(2.41)	-
Balance at the end of the year	**7.95**	**5.43**

e. **Cash Flow Hedge Reserve** - The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	(0.12)	(0.24)
Additions / (Deductions) during the year (Net)	4.91	0.12
Balance at the end of the year	**4.79**	**(0.12)**

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-2019	As at 31-Mar-2018
Balance at the beginning of the year	6.21	6.85
Deductions during the year	(2.34)	(0.64)
Balance at the end of the year	**3.87**	**6.21**

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

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
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** - Pursuant to the scheme of arrangement (Refer Note 1), the trust currently holds 7,03,680 shares each of both the Company and the Demerged Company (Cholamandalam Financial Holdings Limited, earlier known as TI Financial Holdings Limited) at a cost of ₹0.25 Cr as at 31st March 2019. These shares are treated as treasury shares in the standalone financial statements. The market value of these shares as on 31st March 2019 was approximately ₹61 Cr. In view of the requirements of SEBI (Share Based Employee Benefits) Regulations, 2014, these shares have to be disposed within 5 years from the date of these regulations (i.e. before 28th October 2019). The gain/loss on sale of these treasury shares will be recognised in equity by the Company in accordance with Ind AS 32.

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	-	-
Adjustment relating to Employee Benefit Trust	(0.25)	-
Balance at the end of the year	**(0.25)**	**-**

i. **Debenture Redemption Reserve (DRR)** - The Companies (Share Capital and Debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures outstanding. Accordingly, the Company has created DRR equal to 25% of the outstanding debentures.

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	112.50	118.75
Additions during the year	-	25.00
Deductions during the year	(62.50)	(31.25)
Balance at the end of the year	**50.00**	**112.50**

Notes to Financial Statements

Note 13a. Long Term Borrowings

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Secured, Listed and Rated Non-Convertible Debentures (NCD)		
7.56% Privately Placed NCD	100.00	100.00
7.55% Privately Placed NCD	-	100.00
Total	**100.00**	**200.00**

Repayment Schedule:

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

Coupon Rate	Effective Interest Rate	Outstanding Amount in ₹ Cr.	Maturity date and Redemption particulars
7.56%	7.55%	100	28-Dec-20
*7.55%	7.55%	100	20-Feb-20

*Classified as "Other Financial Liabilities" (Refer Note 15c)

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

Note 13b. Long Term Liabilities

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Contract Liability	9.00	-
	9.00	**-**

Note 14. Deferred Tax Assets and Liabilities

(₹ in Crores)

Particulars	Balance Sheet		Statement of Profit and Loss	
Nature - (Liability)/Asset	**31-Mar-2019**	**31-Mar-2018**	**31-Mar-2019**	**31-Mar-2018**
Deferred Tax Liabilities				
Difference between depreciation as per books of accounts and the Income Tax Act, 1961	(59.06)	(59.71)	(0.65)	(4.67)
Total (A)	**(59.06)**	**(59.71)**	**(0.65)**	**(4.67)**
Deferred Tax Assets				
Provision for Doubtful Trade Receivables	1.96	2.86	0.90	(0.40)
Provision for Employee Benefits	1.54	3.63	2.09	1.17
On expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	15.05	20.67	5.62	(6.12)
Effect of Cash flow hedge and fair value of equity investments through Other Comprehensive Income	(4.66)	(2.14)	2.52	(0.36)
MAT Credit Entitlement	-	6.25	6.25	12.55
Unused tax credits and Others	3.25	0.23	(3.02)	(0.23)
Total (B)	**17.14**	**31.50**	**14.36**	**6.61**
Deferred Tax Expenses/(Income) (A+B)			**13.71**	**1.94**
Net Deferred Tax (Liabilities)/Assets (A+B)	**(41.92)**	**(28.21)**		

Notes to Financial Statements

Reconciliation of Deferred Tax Liabilities (Net) (₹ in Crores)

Particulars	31-Mar-2019	31-Mar-2018
Opening balance	(28.21)	(26.27)
Tax Income / (Expense) during the period recognised in Profit and Loss	(4.94)	10.25
MAT Credit Utilised	(6.25)	(12.55)
Tax Income / (Expense) during the period recognised in OCI	(2.52)	0.36
Closing balance	**(41.92)**	**(28.21)**

Note 15a. Short Term Borrowings (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Secured Borrowings		
(Secured by *pari passu* first charge on Inventories and Trade Receivables)		
From Banks		
Packing Credit Rupee Loans	119.07	148.92
Cash Credit	64.56	79.94
Unsecured Borrowings		
Packing Credit Rupee Loans	129.50	-
Total	**313.13**	**228.86**

Note - Short term Borrowings have a maturity of up to 6 months with an interest rate range of 8% - 10%

During the current year, the company has borrowed fresh short term loans amounting to ₹1,694.50 Cr. (Previous year - ₹1,350.00 Cr.) and repaid loans to the tune of ₹1,594.85 Cr. (Previous year - ₹1,492.86 Cr.) relating to Packing Credit, Commercial Paper and other Short Term Working Capital Loans.

Note 15b. Trade Payables (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Trade Payables		
- Dues to Micro, Small & Medium Enterprises (See Note below)	0.48	0.40
- Others *	883.35	887.44
Total	**883.83**	**887.84**
* Includes Dues to		
Key Managerial Personnel	2.35	2.29
- Sedis SAS	0.06	0.02
- Parry Enterprises India Limited	0.21	0.16
- Shanthi Gears Limited	0.40	0.04
- Great Cycles (Private) Limited	0.38	-
- Creative Cycles (Private) Limited	4.61	-

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Principal amount due to suppliers under MSMED Act	0.45	0.37
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	10.11	6.90
Interest paid to suppliers under MSMED Act (Section 16)	0.03	0.02
Interest due and payable to suppliers under MSMED Act, for payments already made	0.03	0.03
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	0.03	0.03

Trade payables are non-interest bearing and are normally settled within a period of 90 to 180 days. For terms and conditions relating to Related Party payables, Refer Note 37.

Notes to Financial Statements

Note 15c. Other Financial Liabilities

(At Amortised Cost) (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Current Maturities of Long Term Borrowings		
Secured, Listed and Rated Non-Convertible Debentures (NCD)		
- 8.79% Privately Placed NCD	-	150.00
- 8.90% Privately Placed NCD	-	100.00
- 7.55% Privately Placed NCD*	100.00	-
Interest Accrued But Not Due	3.41	13.69
Unpaid dividends	0.88	0.49
Advances and Deposits from Customers / Others	9.57	8.69
Dues to Directors	1.50	1.35
Other Liabilities		
- Recoveries from Employees	3.77	3.54
- Capital Creditors	36.81	18.00
- Others	0.63	0.47
Total	**156.57**	**296.23**

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

Note 16. Short Term Provisions (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Provision for Compensated Absences (Refer Note a below)	18.59	18.85
Provision for Warranties (Refer Note b below)	2.32	1.57
Provision for Contingency / Others (Refer Note c below)	38.96	38.57
Total	**59.87**	**58.99**

(a) Provision for Compensated Absences

This refers to the Company's liability for accumulated Earned Leave and Sick Leave, which can be encashed at the time of resignation/ retirement of employee. The assumptions used to compute the provision are provided in Note 35c.

(b) Provision for Warranties (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
At the Beginning of the Year	1.57	1.62
Created during the Year	1.85	1.11
Utilized during the Year	(1.10)	(1.16)
At the end of the Year	**2.32**	**1.57**

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 Financial Statements

(c) Provision for Contingencies / Others (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
At the beginning of the Year	38.57	31.24
Created/(Utilised) during the year	0.39	7.33
At the end of the year	**38.96**	**38.57**

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-2019	As at 31-Mar-2018
Statutory Liabilities	7.25	8.06
Contract Liability	4.87	-
Advances from Customers	7.83	10.81
Total	**19.95**	**18.87**

Note 18a. Financial Assets (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Financial Assets - Non Current		
At Fair Value		
Investments at FVTOCI	8.60	11.12
Derivative Instruments	2.12	-
At Amortised Cost		
Other Financial Assets	18.24	17.58
Total Non Current Financial Assets (A)	**28.96**	**28.70**
Financial Assets - Current		
At Amortised Cost		
(a) Loans	1.58	1.45
(b) Trade Receivables	561.13	575.44
(c) Cash and Cash Equivalents	26.28	19.25
(d) Bank Balances other than 9c above	3.47	-
(e) Other Financial Assets	24.37	23.55
(f) Derivative Instruments	7.16	-
Total Current Financial Assets (B)	**623.99**	**619.69**
Total Financial Assets (A + B)	**652.95**	**648.39**

Notes to Financial Statements

Note 18b. Financial Liabilities

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Financial Liabilities - Non Current		
At Amortised Cost		
Borrowings	100.00	200.00
Total Non Current Financial Liabilities (A)	**100.00**	**200.00**
Financial Liabilities - Current		
At Fair Value		
Derivative Instruments	-	0.31
At Amortised Cost		
(a) Short Term Borrowings	313.13	228.86
(b) Trade Payables	883.83	887.84
(c) Other Financial Liabilities	156.57	296.23
Total Current Financial Liabilities (B)	**1,353.53**	**1,413.24**
Total Financial Liabilities (A + B)	**1,453.53**	**1,613.24**

Note 18c. Government Grants

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the Beginning of the Year	1.08	1.38
Received during the Year	8.04	4.41
Released to the Statement of Profit and Loss	(5.91)	(4.71)
Balance at the End of the Year	**3.21**	**1.08**
Current	3.21	1.08
Non current	-	-
	3.21	**1.08**

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. There are no unfulfilled conditions or contingencies attached to these grants.

Note 18d. Proposed Dividend

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Proposed Dividends on Equity shares:		
Dividend for FY 2018-19 - ₹0.75 per share (Dividend for FY 2017-18 - ₹0.50 per share)	14.08	9.38
Dividend Distribution Tax (DDT) on Proposed Dividend	2.87	1.93
	16.95	**11.31**

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

Notes to Financial Statements

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

Particulars	Relationship	Country of Incorporation	Proportion of ownership as at 31-Mar-2019
Financiere C10 SAS (FC 10)	Subsidiary	France	100.00%
Subsidiaries of FC 10			
- Sedis SAS		France	
- Sedis GmbH		Germany	
- Sedis Co. Ltd		United Kingdom	
Shanthi Gears Limited (SGL)	Subsidiary	India	70.12%
TI Tsubamex Private Limited (TTPL)	Joint Venture	India	78.33%
Great Cycles (Private) Limited	Subsidiary	Srilanka	80.00%
Creative Cycles (Private) Limited	Subsidiary	Srilanka	80.00%

Note 19. Revenue from Contracts with Customers

(₹ in Crores)

Particulars	Year Ended 31-Mar-2019				
	Cycles and Accessories	Engineering	Metal Formed Products	Others	Total
Revenue from Contract with Customers					
Finished Goods	1,017.54	2,465.18	1,270.26	-	**4,752.98**
Traded Goods	214.57	-	15.50	-	**230.07**
Sale of Products (A)	**1,232.11**	**2,465.18**	**1,285.76**	**-**	**4,983.05**
Other Operating Revenue					
Scrap Sales	2.87	220.09	73.46	-	**296.42**
Service Income from Subsidiaries	-	-	-	2.25	**2.25**
Conversion Income	-	0.07	-	-	**0.07**
Others	3.38	0.07	0.35	0.14	**3.94**
Other Operating Revenue (B)	**6.25**	**220.23**	**73.81**	**2.39**	**302.68**
Total (A+B)	**1,238.36**	**2,685.41**	**1,359.57**	**2.39**	**5,285.73**

(₹ in Crores)

Particulars	Year Ended 31-Mar-2018				
	Cycles and Accessories	Engineering	Metal Formed Products	Others	Total
Revenue from Contract with Customers					
Finished Goods	1,112.91	1,993.15	1,106.63	-	**4,212.69**
Traded Goods	185.92	-	11.06	-	**196.98**
Sale of Products (A)	**1,298.83**	**1,993.15**	**1,117.69**	**-**	**4,409.67**
Other Operating Revenue					
Scrap Sales	1.86	175.34	55.80	-	**233.00**
Service Income from Subsidiaries	-	-	-	7.59	**7.59**
Conversion Income	-	0.08	-	-	**0.08**
Others	3.99	0.13	0.33	-	**4.45**
Other Operating Revenue (B)	**5.85**	**175.55**	**56.13**	**7.59**	**245.12**
Total (A+B)	**1,304.68**	**2,168.70**	**1,173.82**	**7.59**	**4,654.79**

Notes to Financial Statements

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

Particulars	Year Ended 31-Mar-2019				Year Ended 31-Mar-2018			
	Cycles and Accessories	Engineering	Metal Formed Products	Others	Cycles and Accessories	Engineering	Metal Formed Products	Others
Revenue								
External Customers	**1,238.36**	**2,685.41**	**1,359.57**	**2.39**	1,304.68	2,168.70	1,173.82	7.59
Inter-Segment	**-**	**210.56**	**0.33**		-	189.85	1.14	
	1,238.36	**2,895.97**	**1,359.90**	**2.39**	**1,304.68**	**2,358.55**	**1,174.96**	**7.59**
Inter Segment Elimination and Adjustment	**-**	**(210.56)**	**(0.33)**		-	(189.85)	(1.14)	
Total revenue from contracts with customers	**1,238.36**	**2,685.41**	**1,359.57**	**2.39**	**1,304.68**	**2,168.70**	**1,173.82**	**7.59**

In Previous year, Sale of Products includes Excise Duty collected from customers of ₹74.57 Cr.

In Previous year, Sale of Products net of Excise Duty is ₹4,335.10 Cr.

In Previous year, Sale of Scrap includes Excise Duty collected from Customers of ₹8.81 Cr.

In Previous year, Sale of Scrap net of Excise Duty is ₹224.19 Cr.

Revenue from operations for periods up to 30th June 2017 includes excise duty. From 1st July 2017 onwards the excise duty and most indirect taxes in India have been replaced by Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations year ended 31st March 2019 is not comparable to 31st March 2018.

Timing of Revenue Recognition

(₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Revenue recognised at a point in time	5,279.24	4,644.25
Revenue recognised over a period of time	6.49	10.54
Total	**4,983.05**	**4,409.67**

Summary of Contract Balances

(₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Trade Receivables	561.13	575.44
Contract liability (Refer Note below)	13.87	7.88
Contract asset (Refer Note below)	13.63	7.39
Advances from Customers	7.83	10.81

Contract assets and Contract liabilities are deferred revenue and deferred cost on amortisation of tooling revenue and tooling cost, amortised over the life of the tool.

Note - The Company has adopted modified retrospective approach with respect to Ind AS 115 and effect of Ind AS 115 are given by adjusting the opening retained earnings. The Contract liability and Contract Asset balances amounting to ₹7.88 Cr. and ₹7.39 Cr. has been accounted as at 1st April 2018.

Of the total contract liabilities at the beginning of the year, the company has recognised revenue in the current year amounting to ₹3.53 Cr.

Notes to Financial Statements

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price: (₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Revenue as per Contracted Price	5,361.71	4,729.60
Adjustments		
- Discounts	(75.98)	(74.81)
Revenue as per Statement of Profit and loss	**5,285.73**	**4,654.79**

Note 20. Other Income (₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Dividend income from Investments in Subsidiaries carried at Cost	33.43	10.03
Dividend income from Investments at FVTOCI (Includes ₹0.03 Cr. from derecognised FVTOCI investments)	0.87	1.35
Rental Income	0.66	0.60
Royalty Income	0.61	0.23
Gain on Exchange Fluctuation (Net)	3.33	5.59
Profit on Property, Plant and Equipment sold/discarded (Net)	0.87	-
Profit on Sale of Investments at FVTPL	1.89	2.03
Liabilities no longer payable written back	1.75	1.47
Claims recovered	0.52	6.24
Government Grant	20.27	26.49
Interest Income from Financial Assets		
Fixed Deposits with Banks	1.56	0.20
Others	0.32	0.30
Others	0.44	-
Total	**66.52**	**54.53**

Note 21. Cost of Materials Consumed (₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Opening Raw Materials	223.85	196.80
Purchases	3,209.44	2,725.37
Closing Raw Materials	(237.91)	(223.85)
	3,195.38	**2,698.32**

Notes to Financial Statements

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

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Closing stock		
Work-in-Progress	115.06	127.91
Finished Goods	214.89	194.33
Stock-in-Trade	72.82	54.12
	402.77	**376.36**
Opening stock		
Work-in-Progress	127.91	82.38
Finished Goods	194.33	238.54
Stock-in-Trade	54.12	55.49
	376.36	**376.41**
Changes in Inventories		
Work-in-Progress	12.85	(45.53)
Finished Goods	(20.56)	44.21
Stock-in-Trade	(18.70)	1.37
Changes in inventories of Work-In-Progress, Finished Goods and Stock-in-Trade*	**(26.41)**	**0.05**
* Includes Decrease / (Increase) in Excise Duty on Finished Goods	-	2.79

Note 23. Employee Benefits Expense (₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Salaries, Wages and Bonus (Refer Note 34)	366.84	355.22
Gratuity Expenses (Refer Note 35a)	2.92	3.14
Contribution to Provident and Other Funds	19.73	19.89
Staff Welfare Expenses	49.60	54.66
Total	**439.09**	**432.91**

Note 24. Depreciation and Amortisation Expense (₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Depreciation on Property, Plant and Equipment (Refer Note 4a)	140.09	128.22
Depreciation on Investment Properties (Refer Note 5)	0.08	0.08
Amortisation of Intangible Assets (Refer Note 4a)	0.03	-
Total	**140.20**	**128.30**

Note 25. Finance Costs (₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Interest Expense on Borrowings	51.60	56.31
Other Borrowing Costs	0.08	0.07
Total	**51.68**	**56.38**

Note – The Interest Expense on Borrowings includes the interest subvention received, amounting to ₹5.91 Cr. (Previous year - ₹4.71 Cr.) on Packing Credit loans

Notes to Financial Statements

Note 26. Other Expenses

(₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Consumption of Stores and Spares	224.01	208.42
Conversion Charges	128.86	111.85
Power and Fuel *	182.11	164.76
Rent (Net of Recoveries) (Refer Note 39)	18.51	18.30
Repairs and Maintenance - Building	0.55	0.39
Repairs and Maintenance - Machinery	75.16	78.44
Insurance	3.33	4.14
Rates and Taxes	8.31	5.60
Travelling and Conveyance	20.24	23.96
Printing, Stationery and Communication	4.82	5.70
Freight, Delivery and Shipping Charges	220.72	203.17
Commission on Sales	11.21	8.90
Advertisement and Publicity	27.48	37.75
Impairment allowance for receivables and advances (Net) (includes bad debts written off of ₹4.42 Crs)	1.83	1.08
Loss on Tangible Assets Sold / Discarded (Net)	-	3.12
Auditor's Remuneration (Refer Note a below)	0.61	0.67
Commission to Non Whole Time Directors	1.51	1.50
Directors' Sitting Fees	0.13	0.10
Bank Charges	1.35	2.20
Information Technology Expenses	10.26	9.51
Donations to Charitable and other institutions	0.02	0.47
Expenditure on Corporate Social Responsibility (Refer Note b below)	2.69	1.35
Other Expenses	50.05	61.11
Total	**993.76**	**952.49**
* Includes Stores Consumed	67.78	58.46

(a) Auditor's Remuneration

(₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
As Auditor:		
Audit Fee	0.43	0.43
Tax Audit Fee	0.05	0.04
Audit of Consolidated Financial Statements	0.05	0.04
In other capacity:		
Certification Engagements	0.08	0.06
Others	-	0.10
Total	**0.61**	**0.67**

(b) Corporate Social Responsibility

(₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Gross amount required to be spent by the Company during the year	2.67	1.26
Amount spent during the year:		
(i) Education	2.12	1.35
(ii) Others	0.57	-
Total	**2.69**	**1.35**

Notes to Financial Statements

Note 27. Exceptional Items

(₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Provision for Impairment of Investment in Joint Ventures (Refer Note a)	12.00	25.25
Loss on sale of investment in Joint Venture (Refer Note b)	10.75	-
Reversal of impairment provision in Joint venture (Refer Note b)	(13.75)	-
	9.00	**25.25**

a. During the current year, considering the market factors, changes in future project potential and accumulated losses, the company has recognised an impairment loss of around ₹12.00 Cr. (Previous Year – ₹25.25 Cr.), in respect of investment made in Joint Venture.

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

Note 28. Income Tax Expense

The major components of income tax expense for the years ended 31st March 2019 and 31st March 2018 are:

Statement of Profit and Loss

(₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Current Tax:		
Current income tax charge	116.29	74.16
Adjustments in respect of current income tax of previous years	(2.66)	(7.68)
Deferred Tax:		
Relating to the origination and reversal of temporary differences	4.94	(10.25)
Income Tax expense reported in the Statement of Profit and Loss	**118.57**	**56.23**

Other Comprehensive Income(OCI)

(₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Tax effect on		
(Loss) / Gain on FVTOCI Equity Investments	(0.11)	(0.43)
Re-measurement Gain / (Loss) on Defined Benefit Obligations	(0.84)	0.51
Movement on cash flow hedges	2.63	0.07
Income Tax charged to OCI	**1.68**	**0.15**

Notes to Financial Statements

Reconciliation of Tax Expense and the Accounting Profit multiplied by Corporate Income Tax Rate applicable for 31st March 2019 and 31st March 2018

The tax on the Company's profit before tax differs from the theoretical amount that would arise on using the standard rate of corporation tax in India (34.944%) as follows:

(₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Accounting Profit before Income Tax	**362.08**	**192.69**
Profit before Income Tax multiplied by Standard Rate of Corporate Tax in India of 34.944% (Previous year: 34.608%)	126.53	66.69
Effects of:		
Benefit u/s 35(2AB) of Income Tax Act, 1961	(3.22)	(6.79)
Dividend Income - Exempt from tax	(11.99)	(3.94)
Benefit u/s 80IC of Income Tax Act, 1961	-	(1.97)
Dividend income taxed at Special Rate	0.84	-
Other Disallowances	5.93	0.85
Reversal of provision with respect to prior years	(2.66)	(7.68)
Provision for Impairment of Investments	3.14	8.74
Effect of enacted Tax rate on Deferred tax	-	0.33
Net Effective Income Tax	**118.57**	**56.23**

Note 29. Research and Development expenses

Revenue Expenditure*

(₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Employee Benefits Expense	8.00	9.53
Consumption of Stores and Spares	0.85	2.08
Power and Fuel	0.30	0.26
Repairs to Machinery	0.17	0.84
Other Expenses	2.06	8.82
	11.38	**21.53**

Capital Expenditure

(₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Building	-	0.03
Plant & Machinery	2.33	5.63
Office Equipment	-	0.36
Furniture and Fixtures	0.02	0.06
	2.35	**6.08**

* Recognized in Employee Benefit Expenses and Other Expenses respectively

Notes to Financial Statements

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-2019 (₹ in Crores)

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

During the year ended 31-Mar-2018 (₹ in Crores)

Particulars	Cash flow hedge reserve	FVTOCI reserve	Retained Earnings	Total
Foreign Exchange Forward Contracts	0.12	-	-	0.12
Loss on FVTOCI Financial Assets	-	(0.64)	-	(0.64)
Re-measurement gains on Defined Benefit Plans	-	-	0.95	0.95
Total	**0.12**	**(0.64)**	**0.95**	**0.43**

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-2019	Year Ended 31-Mar-2018
Profit After Tax (₹ in Crores)	243.51	136.46
Weighted average number of Shares *		
- Basic	18,69,56,619	18,74,91,054
- Diluted	18,71,60,005	18,76,29,895
Earning Per Share of ₹1 each		
- Basic	13.02	7.28
- Diluted	13.01	7.27
Weighted average number of Equity Shares in calculating Basic Earnings Per Share	18,69,56,619	18,74,91,054
Dilution - Stock Options granted under ESOP	2,03,386	1,38,841
Weighted average number of Equity Shares in calculating Diluted EPS	18,71,60,005	18,76,29,895

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

Notes to Financial Statements

b. Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Standalone Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

ii. Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

iii. 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. 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.

Note 33. Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Notes to Financial Statements

Ind AS 116 - Leases

Ind AS 116 Leases was notified by MCA on 30th March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1st April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from 1st April 2019. The Company has established an implementation team to implement Ind AS 116 and it continues to evaluate the changes to accounting systems and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 116 on financial statements will only be possible once the implementation project has been completed.

Ind AS 12 - Uncertain Tax Positions

Appendix C in Ind AS 12 is effective from 1st April 2019 and it set out the principles on recognition and measurement principle when there is uncertainty over income tax treatments. An entity shall evaluate whether it is probable that the tax authority shall accept an uncertain tax treatment. If it is probable, the tax base shall be consistent with that of the items used in its income tax filings. If not probable, the company shall reflect the effect of uncertainty by using either the most likely amount method or expected value method. If the uncertain tax treatment affects current and deferred tax, the entity shall make consistent judgement and estimates for current and deferred tax.

The interpretation is effective for annual reporting periods beginning on or after 1st April 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. The company is in the process of evaluating the changes and reliable estimate of the quantitative impact will be possible on completion of the study.

Ind AS 19 - Employee Benefits

Ind AS 19 has been amended to factor the impact relating to benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement in determining the past service cost, current service cost and net interest cost or income. The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1st April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

Ind AS 28 - Investments in Associates and Joint Ventures

The amendment states that Ind AS 109 applies to other financial instruments in an associate or joint venture to which the equity method is not applied for long term interest that form part of entity's net investment in an associate or joint venture.

These amendments shall be made retrospectively in accordance with Ind AS 8 for annual periods beginning from 1st April 2019. These amendments are not applicable to the Company.

Ind AS 109 - Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract

Notes to Financial Statements

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1st April 2019. These amendments have no impact on the Standalone financial statements of the Company.

Ind AS 103 - Party to a Joint Arrangements obtains control of a business that is a Joint Operation

The amendments clarify that, when an party to a joint arrangement obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st April 2019. These amendments are currently not applicable to the Company but may apply to future transactions.

Ind AS 111 - Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1st April 2019. These amendments are currently not applicable to the Company but may apply to future transactions.

Ind AS 12 - Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. An entity applies those amendments for annual reporting periods beginning on or after 1st April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its standalone financial statements.

Note 34. Stock Options

During the year, the Nomination and Remuneration Committee of the Board of Directors of the Company, at its meeting held on 27th March 2019, approved the grant of 10,122 Stock Options and 52,440 Stock Options to eligible employees of the Company.

In this regard, the Company has recognised expense amounting to ₹4.93 Cr. (Previous Year - ₹5.29 Cr.) for employees services received during the year, shown under Salaries, Wages and Bonus (Refer Note 23).

The movement in Stock Options are given below:

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

Notes to Financial Statements

Particulars	Date of Grant	Options outstanding As at 31-Mar-2017	During the Year 2017-18 Options Granted	Options Cancelled/ lapsed	Options Excercised and allotted	Options outstanding As at 31-Mar-2018	Options vested but not exercised As at 31-Mar-2018
Grant 1	21-Nov-17	-	51,516	-	4,672	46,844	46,844
Grant 2	21-Nov-17	-	34,241	-	34,241	-	-
Grant 3	21-Nov-17	-	21,280	-	4,864	16,416	16,416
Grant 4	21-Nov-17	-	15,112	-	-	15,112	15,112
Grant 5	21-Nov-17	-	9,344	-	2,000	7,344	7,344
Grant 6	21-Nov-17	-	2,32,270	9,660	-	2,22,610	2,22,610
Grant 7	12-Feb-18	-	10,86,480	-	-	10,86,480	-
Grant 8	12-Feb-18	-	2,62,200	-	-	2,62,200	-
Total		**-**	**17,12,443**	**9,660**	**45,777**	**16,57,006**	**3,08,326**

The details of Stock Options granted to certain employees for 2018-19 and 2017-18 are given below:

Particulars	Date of Grant	Weighted Average Exercise Price (₹)	Options Granted	Options Cancelled/ lapsed	Options Exercised and allotted	Options vested and Outstanding at the End of the Year	Options unvested and Outstanding at the End of the Year	Vested Date	Weighted Average Remaining Contractual Life (In Years)
Grant 1	21-Nov-17	44.36	-	-	17,302	29,542	-	21-Nov-17	1.72
Grant 2	21-Nov-17	17.61	-	-	-	-	-	21-Nov-17	-
Grant 3	21-Nov-17	43.42	-	-	-	16,416	-	21-Nov-17	1.00
Grant 4	21-Nov-17	43.42	-	-	15,112	-	-	21-Nov-17	-
Grant 5	21-Nov-17	13.78	-	-	7,344	-	-	21-Nov-17	-
Grant 6	21-Nov-17	187.29	-	-	1,34,000	88,610	-	15-Mar-18	3.96
Grant 7	12-Feb-18	270.20	-	4,50,790	1,155	1,78,470	4,56,065	Partially vested on 12-Feb19	4.87
Grant 8	12-Feb-18	270.20	-	-	-	52,440	2,09,760	-	5.88
Grant 9	27-Mar-19	378.25	62,562	-	-	-	62,562	-	5.09
			62,562	**4,50,790**	**1,74,913**	**3,65,478**	**7,28,387**		

Particulars	Date of Grant	Weighted Average Exercise Price (₹)	Options Granted	Options Cancelled/ lapsed	Options Exercised and allotted	Options vested and Outstanding at the End of the Year	Options unvested and Outstanding at the End of the Year	Vested Date	Weighted Average Remaining Contractual Life (In Years)
Grant 1	21-Nov-17	44.36	51,516	-	4,672	46,844	-	21-Nov-17	2.72
Grant 2	21-Nov-17	17.61	34,241	-	34,241	-	-	21-Nov-17	-
Grant 3	21-Nov-17	43.42	21,280	-	4,864	16,416	-	21-Nov-17	1.96
Grant 4	21-Nov-17	43.42	15,112	-	-	15,112	-	21-Nov-17	1.33
Grant 5	21-Nov-17	13.78	9,344	-	2,000	7,344	-	21-Nov-17	0.33
Grant 6	21-Nov-17	187.29	2,32,270	9,660	-	2,22,610	-	15-Mar-18	4.96
Grant 7	12-Feb-18	270.20	10,86,480	-	-	-	10,86,480	-	5.87
Grant 8	12-Feb-18	270.20	2,62,200	-	-	-	2,62,200	-	6.88
			17,12,443	**9,660**	**45,777**	**3,08,326**	**13,48,680**		

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 2019:

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

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-2019	31-Mar-2018
1.	Defined benefit obligation at beginning of period	53.17	51.32
2.	Service cost		
	a. Current service cost	2.99	3.15
3.	Interest expenses	4.25	3.72
4.	Cash flows		
	a. Benefit payments from plan	(5.88)	(3.55)
5.	Remeasurements		
	a. Effect of changes in demographic assumptions	0.63	(3.21)
	b. Effect of experience adjustments	1.27	1.74
6.	Transfer In / Out	0.28	-
7.	Defined benefit obligation at end of period	56.71	53.17

(₹ in Crores)

B.	Change in fair value of plan assets	31-Mar-2019	31-Mar-2018
1.	Fair value of plan assets at beginning of period	54.03	51.41
2.	Interest income	4.32	3.72
3.	Cash flows		
	a. Total employer contributions	4.55	1.63
	b. Benefit payments from plan assets	(5.88)	(2.73)
4.	Remeasurements		
	a. Return on plan assets (excluding interest income)	(0.51)	-
5.	Transfer In / Out	0.28	-
6.	Fair value of plan assets at end of period	56.79	54.03

Notes to Financial Statements

(₹ in Crores)

C.	Amounts recognized in the Balance Sheet	31-Mar-2019	31-Mar-2018
1.	Defined benefit obligation	56.71	53.18
2.	Fair value of plan assets	(56.79)	(54.04)
3.	Funded status	(0.08)	(0.86)
4.	Net defined benefit liability (asset)	(0.08)	(0.86)

(₹ in Crores)

D.	Components of defined benefit cost	31-Mar-2019	31-Mar-2018
1.	Service cost		
	a. Current service cost	2.99	3.15
2.	Net interest cost		
	a. Interest expense on DBO	4.25	3.72
	b. Less - Interest (income) on plan assets	4.32	3.73
	c. Total net interest cost	(0.07)	(0.01)
3.	Remeasurements (recognized in OCI)		
	a. Effect of changes in financial assumptions	0.63	(3.21)
	b. Effect of experience adjustments	1.27	1.75
	c. Less - (Return) on plan assets (excluding interest income)	(0.51)	-
	d. Total remeasurements included in OCI	2.41	(1.46)
4.	Total defined benefit cost recognized in P&L and OCI	5.33	1.68

(₹ in Crores)

E.	Re-measurement	31-Mar-2019	31-Mar-2018
	a. Actuarial Loss/(Gain) on DBO	2.41	(1.46)
	b. Less - Returns above Interest Income	-	-
	Total Re-measurements (OCI)	2.41	(1.46)

(₹ in Crores)

F.	Employer Expense (P&L)	31-Mar-2019	31-Mar-2018
	a. Current Service Cost	2.99	3.15
	b. Interest Cost on net DBO	(0.07)	(0.01)
	c. Total P&L Expenses	2.92	3.14

(₹ in Crores)

G.	Net defined benefit liability (asset) reconciliation	31-Mar-2019	31-Mar-2018
1.	Net defined benefit asset	(0.86)	(0.09)
2.	Defined benefit cost included in P&L	2.92	3.14
3.	Total remeasurements included in OCI	2.41	(1.46)
4.	Employer contributions	(4.55)	(1.64)
5.	Net benefit paid from plan assets	-	(0.81)
6.	Net defined benefit liability (asset) as of end of period	(0.08)	(0.86)

(₹ in Crores)

H.	Reconciliation of OCI (Re-measurment)	31-Mar-2019	31-Mar-2018
1.	Recognised in OCI during the period	2.41	(1.46)
2.	Recognised in OCI at the end of the period	2.41	(1.46)

Notes to Financial Statements

(₹ in Crores)

I.	Sensitivity analysis - DBO end of Period	31-Mar-2019	31-Mar-2018
1.	Discount rate +1%	52.66	49.29
2.	Discount rate - 1%	61.27	57.56
3.	Salary Increase Rate +1%	61.17	57.47
4.	Salary Increase Rate -1%	52.67	49.28
5.	Attrition Rate +1%	57.40	53.94
6.	Attrition Rate -1%	55.96	52.32

J.	Significant actuarial assumptions	31-Mar-2019	31-Mar-2018
1.	Discount rate Current Year	7.85%	8.00%
2.	Discount rate Previous Year	8.00%	7.25%
3.	Salary increase rate	Uniform 5.0%	Uniform 5.0%
4.	Attrition Rate	3.0% [AGE 0TO30] 1.0% [AGE 31TO40] 2.0% [AGE DEFAULT]	3.0% [AGE 0TO30] 1.0% [AGE 31TO40] 2.0% [AGE DEFAULT]
5.	Retirement Age	58	58
6.	Pre-retirement mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
7.	Disability	Nil	Nil

K.	Data	31-Mar-2019	31-Mar-2018
1.	No.	3,279	3,368
2.	Avg. Age (years)	40	39
3.	Avg. Past Service (years)	14	14
4.	Avg. Sal. Monthly (₹)	23,863	23,286
5.	Future Service (years)	18	19
6.	Weighted average duration of DBO	14	15

(₹ in Crores)

L.	Expected cash flows for following year	31-Mar-2019	31-Mar-2018
1.	Expected employer contributions / Additional Provision Next Year	3.02	2.14
2.	Expected total benefit payments		
	Year 1	4.47	4.76
	Year 2 to Year 5	22.53	20.24
	Next 5 years	32.32	29.48

(₹ in Crores)

M.	Defined benefit obligation at end of period	31-Mar-2019	31-Mar-2018
	Current Obligation	4.47	4.76
	Non-Current Obligation	52.24	48.42
	Total	56.71	53.18

Notes to Financial Statements

(₹ in Crores)

	SUMMARY	31-Mar-2019	31-Mar-2018
1.	Defined benefit obligation at end of period	56.71	53.17
2.	Fair value of plan assets at end of period	56.79	54.03
3.	Net defined benefit liability (asset)	(0.08)	(0.86)
4.	Defined benefit cost included in P&L	2.92	3.14
5.	Total remeasurements included in OCI	2.41	(1.46)
6.	Total defined benefit cost recognized in P&L and OCI	5.33	1.68

Notes:

i The entire Plan Assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC).

ii The expected/actual return on Plan Assets is as furnished by LIC.

iii The estimate of future salary increase takes into account inflation, likely increments, promotions and other relevant factors.

b. Provident Fund

The Company's Provident Fund is exempted under Section 17 of the The Employees' Provident Funds and Miscellaneous Provisions Act, 1952. Conditions for the grant of exemption stipulate that the employer shall make good the deficiency, if any, in the interest rate declared by the Trust over the statutory limit. The Actuary has provided a valuation for Provident Fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided below and the Company does not have additional obligation as at 31st March 2019.

The details of fund and plan assets are given below: (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Fair value of plan assets at end of period	143.08	140.58
Defined benefit obligation at end of period	141.96	136.56

The principal assumptions used in determining the present value obligation of interest guarantee under the deterministic approach are as follows:

Particulars	31-Mar-2019	31-Mar-2018
Discount Rate	7.75%	8.00%
Average Interest Rate expected to be declared	8.65%	8.55%

During the year, the Company contributed ₹6.76 Cr. (Previous year – ₹6.95 Cr) under Defined Benefit Plans and the same has been recognised in the Statement of Profit and Loss under Employee Benefits expense.

c. Long Term Compensated Absences

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

Particulars	31-Mar-2019	31-Mar-2018
Discount Rate	7.75%	8.00%
Future Salary Increase (%)	5.00%	5.00%
Attrition Rate	1 to 3%	1 to 3%

Notes to Financial Statements

d. Contributions to Defined Contribution Plans

During the year, the Company recognised ₹5.05 Cr. (Previous Year - ₹5.19 Cr.) to Provident Fund under Defined Contribution Plan, ₹6.40 Cr. (Previous Year - ₹6.34 Cr.) for Contributions to Superannuation Fund and ₹1.52 Cr. (Previous Year - ₹1.47 Cr.) for Contributions to Employee State Insurance Scheme in the Statement of Profit and Loss.

Note 36a. Contingent Liabilities

(₹ in Crores)

Particulars		As at 31-Mar-2019	As at 31-Mar-2018
(i)	Disputed Income-Tax demands under appeal / remand pending before various appellate/ assessing authorities against the Demerged Company.	39.40	39.40
(ii)	Disputed Service Tax, Excise and Customs duty demand pertaining to financial years 2001-02 to 2002-2003 under appeal pending before the Appellate Tribunal. The Management is of the opinion that the above demands are arbitrary and are not sustainable	0.11	0.11
(iii)	Claims against the Company not acknowledged as debts	1.02	1.02
(iv)	Amounts payable to employees with respect to retrospective applicability of amendments to the Payment of Bonus Act, 1965 in respect of FY 2014-15, pending at High Court under a writ petition. The Management is of the opinion that the above retrospective amendment is not sustainable.	2.61	-

(a) Draft Assessment Order received from Income Tax Authorities and show cause notices received from various other Government Authorities, pending adjudications, have been considered as contingent liability based on management assessment.

(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.

Note 36b. Commitments

(₹ in Crores)

Particulars		As at 31-Mar-2019	As at 31-Mar-2018
(i)	Estimated amount of contracts remaining to be executed on capital expenditure and not provided for	60.99	58.69
(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.	4.69	7.95

Note 36c

The Supreme Court had passed judgement on 28th February 2019 that all allowances paid to employees are to be considered for the purposes of PF wage determination. There are numerous interpretative issues relating to the above judgement. As a matter of caution, the company has made a provision on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject.

Notes to Financial Statements

Note 37. Disclosure in respect of Related Parties pursuant to Ind AS 24

a) List of Related Parties

I. Subsidiary Companies

a. Shanthi Gears Limited
b. Financiere C10 SAS and its Subsidiaries namely
   i. Sedis SAS
   ii. Sedis Company Limited
   iii. Sedis Gmbh
c. Great Cycles (Private) Limited
d. Creative Cycles (Private) Limited

II. Joint Venture Company

a. TI Tsubamex Private Limited
b. TI Absolute Concepts Private Limited (till 4th June 2018)

III. Company having Significant Influence

a. Ambadi Investments Limited
b. Parry Agro Industries Limited
c. Parry Enterprises India Limited

IV. Key Management Personnel (KMP)

a. Mr Vellayan Subbiah - Managing Director w.e.f 14th August 2018 (Managing Director Designate till 13th August 2018)
b. Mr L Ramkumar - Managing Director (Till 13th August 2018)
c. Mr S Suresh - Company Secretary
d. Mr K Mahendra Kumar - Chief Financial Officer

V. Non Executive Directors

a. Mr M M Murugappan, Chairman
b. Mr Hemanth M Nerurkar (Till 13th August 2018)
c. Mr Pradeep V Bhide
d. Mr S Sandilya (Till 13th August 2018)
e. Ms Madhu Dubhashi
f. Mr Ramesh K B Menon
g. Mr Sanjay Johri (from 14th August 2018)
h. Mr Mahesh Chhabria (from 5th February 2019)

VI. Post Employment Benefit Plans

a. T.I.I.(Subsidiaries) Employees Provident Fund
b. TI Employees Provident Fund India Ltd
c. Tube Products Of India Employees Provident Fund
d. Tube Investments of India Limited, Senior Officer, Superannuation Fund

Notes to Financial Statements

During the year the following transactions were carried out with the related parties in the ordinary course of business:

(₹ in Crores)

Transaction	Related Party	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Services Received	Parry Enterprises India Limited	6.61	9.93
Dividend Paid	Ambadi Investments Limited	15.36	22.77
	Mr. L. Ramkumar	-	0.04
	Mr. Vellayan Subbaiah	0.10	0.14
	Mr. M M Murugappan	0.18	0.23
Dividend Received	Shanthi Gears Limited	28.65	10.03
	Financiere C10 SAS	4.78	-
Subscription to Equity Shares	Great Cycles (Private) Limited	-	16.98
	Creative Cycles (Private) Limited	-	6.47
	TI Tsubamex Private Limited	-	4.00
	TI Absolute Concepts Private Limited	-	3.75
Sale of Equity Shares	TI Absolute Concepts Private Limited	3.00	-
Sales and Services rendered	Shanthi Gears Limited	2.25	2.25
	Financiere C10 SAS	-	5.34
	Sedis SAS	19.85	20.43
	TI Absolute Concepts Private Limited	-	1.34
Purchases and Services received	Shanthi Gears Limited	0.60	4.74
	Sedis SAS	0.09	0.36
	Great Cycles (Private) Limited	3.11	0.19
	Creative Cycles (Private) Limited	55.89	2.80
Remuneration (Refer note i below)	Key Management Personnel	10.25	10.00
Fair value Cost of Stock options granted	Key Management Personnel	0.73	1.70
Sitting Fees and Commission	Non executive directors	1.64	1.60
Reimbursement of Expenses - Received	Shanthi Gears Limited	0.91	1.23
	TI Tsubamex Private Limited	-	0.74
Bad debts written off	TI Tsubamex Private Limited	1.01	-
Contribution to Post Employment Benefit Plans	T.I.I.(Subsidiaries) Employees Provident Fund	5.00	4.56
	TI Employees Provident Fund India Ltd	6.21	6.66
	Tube Products Of India Employees Provident Fund	8.85	8.26
	Tube Investments of India Limited, Senior Officer, Superannuation Fund	3.14	3.07

Notes to Financial Statements

(₹ in Crores)

Transaction	Related Party	As at 31-Mar-2019	As at 31-Mar-2018
Rental Deposit Payable	Shanthi Gears Limited	-	0.04
Payable	Parry Enterprises India Limited	0.21	0.16
	Shanthi Gears Limited	0.40	0.04
	Sedis SAS	0.06	0.02
	Great Cycles (Private) Limited	0.38	-
	Creative Cycles (Private) Limited	4.61	-
	Key Managerial Personnel	2.35	2.29
Receivable	Shanthi Gears Limited	0.02	0.03
	TI Tsubamex Private Limited	-	0.82
	TI Absolute Concepts Private Limited	-	0.84
	Creative Cycles (Private) Limited	-	0.23
	Sedis SAS	1.57	6.72
Dividend Receivable	Financiere C10 SAS	4.78	-
Advances Paid	Creative Cycles (Private) Limited	-	3.31

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 2019, the Company has not recorded any impairment of receivables relating to amounts owed by Related Parties except for TI Tsubamex as mentioned above (Refer Note 9b and Note 15b for Trade Receivables and Trade Payables respectively).

i) Details of remuneration to Key Managerial Personnel are given below:

(₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Salaries and Allowances	6.46	6.31
Provident Fund and Super Annuation	0.72	0.77
Perquisites	0.72	0.63
Incentive	2.35	2.29
Fair value Cost of Stock options granted	0.73	1.70
	10.98	**11.70**

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.

(₹ in Crores)

PARTICULARS	CYCLES AND ACCESSORIES		ENGINEERING		METAL FORMED PRODUCTS		ELIMINATIONS		TOTAL	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
REVENUE										
External Sales	1,232.11	1,298.83	2,465.18	1,993.15	1,285.76	1,117.69	-	-	4,983.05	4,409.67
Inter-Segment Sales	-	-	210.56	189.85	0.33	1.14	(210.89)	(190.99)	-	-
Other Operating Revenue	6.25	5.85	220.23	175.55	73.81	56.13			300.29	237.53
Unallocated Corporate Income	-	-	-	-	-	-	-	-	2.39	7.59
Total Revenue	**1,238.36**	**1,304.68**	**2,895.97**	**2,358.55**	**1,359.90**	**1,174.96**	**(210.89)**	**(190.99)**	**5,285.73**	**4,654.79**
Unallocated Corporate Expenses net of Income	-	-	-	-	-	-	-	-	(1.35)	(16.80)
RESULTS										
Operating Profit	11.26	(0.13)	253.43	178.16	122.33	102.54	-	-	385.67	263.77
Profit / (Loss) on Sale of Property, Plant and Equipment	(0.02)	0.47	0.26	(3.23)	0.66	(0.10)	-	-	0.90	(2.86)
Net Operating Profit	**11.24**	**0.34**	**253.69**	**174.93**	**122.99**	**102.44**			**386.57**	**260.91**
Dividend Income	-	-	-	-	-	-	-	-	34.30	11.38
Finance Costs	-	-	-	-	-	-	-	-	(51.68)	(56.38)
Tax Expense	-	-	-	-	-	-	-	-	(118.57)	(56.23)
Exceptional Items										
- Provision for Impairment of Investment in Joint Ventures	-	-	-	-	-	-	-	-	(9.00)	(25.25)
Profit on Sale of Current Investments (Net)	-	-	-	-	-	-	-	-	1.89	2.03
Net Profit	**11.24**	**0.34**	**253.69**	**174.93**	**122.99**	**102.44**	**-**	**-**	**243.51**	**136.46**
ASSETS										
Segment Assets	479.78	554.04	1,161.67	1,165.80	737.03	594.45	(37.10)	(39.20)	2,341.38	2,275.09
Unallocated Corporate Assets	-	-	-	-	-	-	-	-	661.84	658.44
Total Assets	**479.78**	**554.04**	**1,161.67**	**1,165.80**	**737.03**	**594.45**	**(37.10)**	**(39.20)**	**3,003.22**	**2,933.53**
LIABILITIES										
Segment Liabilities	290.16	320.88	475.02	502.22	286.55	202.86	(37.10)	(39.20)	1,014.63	986.76
Unallocated Corporate Liabilities	-	-	-	-	-	-	-	-	17.80	26.25
Total Liabilities	**290.16**	**320.88**	**475.02**	**502.22**	**286.55**	**202.86**	**(37.10)**	**(39.20)**	**1,032.43**	**1,013.01**
OTHER INFORMATION										
Capital Expenditure	6.27	7.38	83.95	140.56	78.26	56.38	-	-	168.48	204.32
Unallocated Corporate Capital Expenditure	-	-	-	-	-	-	-	-	3.34	11.65
Depreciation and Amortisation expense	14.39	15.83	73.73	65.66	47.94	43.31	-	-	136.06	124.80
Unallocated Corporate Depreciation	-	-	-	-	-	-	-	-	4.14	3.50
Investment in Joint Ventures (Net of Impairment)	-	-	-	-	-	-	-	-	-	12.00

Notes to Financial Statements

Revenue from external customers (₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
India	4,869.40	4,300.43
Outside India	416.33	354.36
Total Revenue per Statement of Profit or Loss	**5,285.73**	**4,654.79**

There are no sales to external customers more than 10% of Total Revenue.

Non-Current operating assets (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
India	1,615.85	1,556.68
Outside India	84.60	84.60
Total	**1,700.45**	**1,641.28**

Reconciliation of Segment assets and liabilities to amounts reflected in the Standalone Financial Statements (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Segment Assets	3,003.22	2,933.53
Add: Derivative Instruments	9.28	-
Total Assets	**3,012.50**	**2,933.53**

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Segment Liabilities	1,032.43	1,013.01
Add: Deferred Tax Liabilities (Note 14)	41.92	28.21
Add: Long term and Short term Borrowings (Note 13a and Note 15a)	413.13	428.86
Add: Current maturities of Long term Borrowings (Note 15c)	100.00	250.00
Add: Derivative Instruments	-	0.31
Total Liabilities	**1,587.48**	**1,720.39**

Note 39. Operating Leases

The Company has operating lease agreements for certain office space and residential accommodation which are generally cancellable in nature. As per the lease terms, an amount of ₹18.51 Cr. (Previous Year - ₹18.30 Cr.) has been recognised in the Statement of Profit and Loss.

(₹ in Crores)

Year Ended	Rent payable within next 12 months	Rent payable between 1 to 5 years	Rent payable beyond 5 years
31-Mar-19	11.59	20.09	37.84
31-Mar-18	12.56	28.58	41.15

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-2019		As at 31-Mar-2018	
	Assets	Liabilities	Assets	Liabilities
Fair Value of Foreign Exchange Forward Contracts	9.28	-	-	0.31

Disclosure of effects of Hedge accounting

As at 31-Mar-2019

Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments (₹ in Crores)		Maturity Date	Hedge Ratio	Weighted Average Rate	Changes in Fair value of Hedging Instrument (₹ in Crores)	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness (₹ in Crores)
	Asset	Liability	Asset	Liability					
Foreign Currency Forward Contracts	37	30	122.10	98.95	02-Apr-2019 to 31-Mar-2021	1:1	1 USD - ₹70.70 1 EUR - ₹82.26	7.37	(7.37)

(₹ 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	6.18	-	1.36	Other Income

As at 31-Mar-2018

Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments (₹ in Crores)		Maturity Date	Hedge Ratio	Weighted Average Rate	Changes in Fair value of Hedging Instrument (₹ in Crores)	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness (₹ in Crores)
	Asset	Liability	Asset	Liability					
Foreign Currency Forward Contracts	16	18	10.18	21.25	05-Apr-2018 to 29-Mar-2019	1:1	1 USD- ₹65.74 1 EUR-₹82.82 1 JPY-₹0.63	(0.17)	0.17

Notes to Financial Statements

(₹ 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	1.15	-	0.96	Other Income

Note 41.1. Fair Values

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities. (₹ in Crores)

Particulars	Carrying Value		Fair Value	
	31-Mar-2019	31-Mar-2018	31-Mar-2019	31-Mar-2018
Financial assets				
Investments	8.60	11.12	8.60	11.12
Other Financial Assets - Non Current	18.24	17.58	18.24	17.58
Loans	1.58	1.45	1.58	1.45
Trade Receivables	561.13	575.44	561.13	575.44
Cash & Bank balances	29.75	19.25	29.75	19.25
Derivative Instruments	9.28	-	9.28	-
Other Financial Assets - Current	24.37	23.55	24.37	23.55
Total	**652.95**	**648.39**	**652.95**	**648.39**
Financial liabilities				
Non-Current Borrowings	100.00	200.00	100.47	207.01
Current Borrowings	313.13	228.86	313.13	228.86
Trade Payables	883.83	887.84	883.83	887.84
Derivative Instruments	-	0.31	-	0.31
Other Financial Liabilities - Current	156.57	296.23	156.57	296.23
Total	**1,453.53**	**1,613.24**	**1,454.00**	**1,620.25**

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 heirarchy for assets as at 31st March 2019: (₹ in Crores)

Particulars	Total	Fair Value Measurement using		
		Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value:				
FVTOCI Equity Investments	8.60	-	-	8.60
Foreign Exchange forward Contracts	9.28	-	9.28	-
Assets for which fair values are disclosed:				
Investment Properties *	6.90	-	-	6.90

There have been no transfers between the level 1 and level 2 during the period.

* Fair value of investment property is calculated based on valuation given by external independent valuer

Quantitative disclosures fair value measurement heirarchy for liabilities as at 31st March 2019: (₹ in Crores)

Particulars	Total	Fair Value Measurement using		
		Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Borrowings:				
Long term Borrowings	100.47	-	100.47	-

There have been no transfers between the level 1 and level 2 during the period.

Quantitative disclosures fair value measurement heirarchy for assets as at 31st March 2018: (₹ in Crores)

Particulars	Total	Fair Value Measurement using		
		Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value:				
FVTOCI Equity Investments	11.12	2.37	-	8.75
Assets for which fair values are disclosed:				
Investment Properties *	6.74	-	-	6.74

There have been no transfers between the level 1 and level 2 during the period.

* Fair value of investment property is calculated based on valuation given by external independent valuer

Notes to Financial Statements

Quantitative disclosures fair value measurement heirarchy for liabilities as at 31st March 2018: (₹ in Crores)

Particulars	Total	Fair Value Measurement using		
		Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:				
Foreign Exchange forward Contracts	0.31	-	0.31	-
Liabilities for which fair values are disclosed:				
Borrowings:				
Long term Borrowings	207.01	-	207.01	-

There have been no transfers between the level 1 and level 2 during the period.

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 2019 and 31st March 2018 are given below:

Particulars	Valuation technique	Significant unobservable inputs	Range (Weighted average)	Sensitivity of the input to fair value
Unquoted FVTOCI equity investments As at 31st March 2019	DCF Model	Discount Rate	15%	5% sensitivity 2018-19- Discount Rate-20%, ₹(1.57) Cr. Discount Rate-10%, ₹3.16 Cr.
Unquoted FVTOCI equity investments As at 31st March 2018	DCF Model	Discount Rate	15%	5% sensitivity 2017-18- Discount Rate-20%, ₹(1.71) Cr. Discount Rate-10%, ₹3.45 Cr.
Investment Property As at 31st March 2019	Professional valuer	Price per Sq. feet	₹4000 - ₹13,000 per Sq. ft.	5% sensitivity 2018-19 - Rate per Sq. ft - 5%, ₹0.34 Cr.
Investment Property As at 31st March 2018	Professional valuer	Price per Sq. feet	₹4000 - ₹13,000 per Sq. ft.	5% sensitivity 2017-18 - Rate per Sq. ft - 5%, ₹0.33 Cr.

Reconciliation of Fair Value Measurement of Unquoted FVTOCI Equity Investments (₹ in Crores)

Unquoted FVTOCI equity investments	As at 31-Mar-2019	As at 31-Mar-2018
As at the beginning of the period	8.75	10.06
Re-measurement recognised in OCI	(0.30)	(1.31)
Purchases	0.15	-
Sales	-	-
As at the end of the period	**8.60**	**8.75**

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

Notes to Financial Statements

management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

A. Market Risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

i Foreign Currency Exchange Rate Risk

The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

The Company, as per its forex policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its forex policy.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 5%.

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to 5% appreciation in USD and EURO exchange rates on foreign currency exposures as at the year end, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

(₹ in Crores)

As at	Nature	Increase/ (Decrease) in PBT for change in USD rates	Increase/ (Decrease) in PBT for change in EURO rates
31-Mar-2019	Receivables	2.59	1.49
	Payables	(2.07)	(0.27)
31-Mar-2018	Receivables	1.18	1.29
	Payables	(2.40)	(0.48)

Derivative Contracts

(₹ in Crores)

As at	Nature	Increase/ (Decrease) in PBT for change in USD rates	Increase/ (Decrease) in PBT for change in EURO rates	Increase/ (Decrease) in OCI for change in USD rates	Increase/ (Decrease) in OCI for change in EURO rates	Increase/ (Decrease) in OCI for change in JPY rates
31-Mar-2019	Derivative Contracts	0.23	(1.17)	5.73	(4.41)	-
31-Mar-2018	Derivative Contracts	(0.54)	(0.79)	(0.04)	(0.66)	0.18

Conversely, 5% depreciation in the USD and Euro rates against the significant foreign currencies as at 31st March 2019 and 31st March 2018 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 ₹8.60 Cr. as at 31st March 2019. (As at 31st March 2018 – ₹11.12 Cr.)

Notes to Financial Statements

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.

Exposure to Credit risk - The carrying amount of financial assets represents the maximum Credit exposure. The maximum exposure to Credit risk was ₹635.02 Cr. as at 31st March 2019 and ₹637.21 Cr. as at 31st March 2018, 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 2019, the company had 141 customers (as at 31st March 2018 - 116 customers) that owed the Company more than ₹1 Crore each and accounted for approximately 94% (as at 31st March 2018 - 86%) of the total trade receivables outstanding. There were 10 customers (as at 31st March 2018 12 Customers) with balances greater than ₹10 Crores accounting for around 27% of the trade receivables (Previous year – 32%).

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, ₹73.02 Cr. (Previous year – ₹48.91 Cr.) is backed by Export Credit Guarantee Cover / Letter of Credit as at 31st March 2019.

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 2019, the Company has undrawn committed lines of ₹211.87 Cr. (As at 31st March 2018 - ₹296.14 Cr.)

The table below provides details regarding the contractual maturities of financial liabilities based on Contractual undiscounted payments:

(₹ in Crores)

	On demand	Less than 3 months	3 to 12 months	> 1 year	Total
Year Ended 31-Mar-2019					
Borrowings	64.56	175.02	189.30	107.59	**536.47**
Other financial liabilities	0.88	52.28	-	-	**53.16**
Trade and other payables	232.59	647.95	3.29	-	**883.83**
Derivatives	-	-	-	-	**-**
	298.03	**875.25**	**192.59**	**107.59**	**1,473.46**
Year Ended 31-Mar-2018					
Borrowings	88.55	0.66	438.94	219.95	**748.10**
Other financial liabilities	0.49	32.05	-	-	**32.54**
Trade and other payables	145.25	732.13	10.46	-	**887.84**
Derivatives	-	0.31	-	-	**0.31**
	234.29	**765.15**	**449.40**	**219.95**	**1,668.79**

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-2019	As at 31-Mar-2018
Borrowings		
- Long term	100.00	200.00
- Short term	313.13	228.86
- Other Current liabilities (Current maturities of Long term Borrowing)	100.00	250.00
Total Debt	**513.13**	**678.86**
Equity Share Capital	18.77	18.75
Other Equity	1,406.25	1,194.39
Equity	**1,425.02**	**1,213.14**
Debt Equity ratio	**0.36**	**0.56**

Note 44. Previous Year's figures

The Company has reclassified / regrouped previous year figures to conform to this year's classification.

Signatures to Notes to Financial Statements

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

per **Subramanian Suresh**
Partner
Membership No : 083673

Chennai
30th April 2019

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

S Vellayan
Managing Director

M M Murugappan
Chairman

K Mahendra Kumar
Chief Financial Officer

S Suresh
Company Secretary

Independent Auditor's Report

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

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of Tube Investments of India Limited (formerly known as TI Financial Holdings Limited) (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and joint ventures comprising of the Consolidated Balance Sheet as at March 31 2019, the Consolidated Statement of Profit and Loss, including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, joint ventures, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs of the Group and its joint venture as at March 31, 2019, their Consolidated profit including Other Comprehensive Income, their Consolidated Cash Flows and the Consolidated Statement of changes in Equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Ind AS Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Ind AS Financial Statements.

Key audit matters	How our audit addressed the key audit matter
Timing of Revenue recognition *(as described in Note 5.12 of the Consolidated Ind AS financial statements)*	
The Company has 3 operating segments, namely, Engineering Segment, Metal Formed Products Segment and Cycles and Accessories 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 contracts / arrangements with various customers across these segments are different and accordingly the timing of revenue recognition in accordance with Ind AS 115 - Revenue from Contracts with Customers also vary across different customers. 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. Accordingly, whether revenue is recognized in respect of sales where the control over goods have not passed to the customer, resulting in improper revenue recognition is considered as key audit matter.	Our audit response in respect of testing the timing of revenue recognition consisted of the following procedures: • We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls that the Group has in relation to revenue recognition. • On a sample basis, we tested contracts with customers, including Incoterms, purchase orders issued by customers, and sales invoices raised by the Group to determine the timing of transfer of control and the timing of revenue recognition in respect of such contracts. • We performed analytical procedures of disaggregated data of revenue transactions during the audit period to identify any unusual trends warranting additional audit procedures. • We also tested journal entries on sample basis focusing on unusual or irregular transactions. • We performed cut off testing for sales made near the reporting date and tested whether the revenue was recognised in the appropriate period by testing shipping records and sales invoices for sample transactions and tested the management assessment involved in this process, wherever applicable.
Existence of Inventories and allowance for slow / non-moving inventory and obsolescence *(as described in Note 5.11 of the Consolidated Ind AS financial statements)*	
Inventory pertaining to the Company represents 19.13% of total assets of the Group as at March 31, 2019. Such Inventory is held across various factories and warehouses as at the reporting date. Considering the number of locations and the level of inventory held across its factories and warehouses, as well as the physical verification of inventory at these locations on different dates, the risk of existence such inventory and the identification of non-moving, obsolete / damaged inventory is a significant area of audit importance. The inventory valuation also requires management estimates towards write-down of inventory items to its net realizable value (wherever applicable) and allowance for slow moving or non-moving inventory. Considering the relative significance of the Inventory to the Consolidated financial statements, we have considered the existence and allowance for inventory obsolescence of inventory as key audit matter.	Our audit response in respect of testing the existence of inventories and allowance for slow / non-moving inventory and obsolescence consisted of following procedures (as applicable in each case): • Procedures to test the existence of inventories consisted of testing the relevant internal controls, including in specific the testing of the inventory physical verification process that is performed annually by management at various locations and the testing of automated recording of sales and purchase transactions in the IT system (three-way-match) by our IT specialists. • We observed the physical verification of Inventory conducted by management at certain locations selected by us. Our procedures in this regard included: - Observing compliance of stock count instructions by management personnel; observing steps taken by management to ascertain the existence inventory on the date of the count (including identification of non-moving, obsolete / damaged inventory); - Performing independent inventory counts on sample basis and reconciling the same to the management counts (wherever applicable); - 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 - 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. • We performed cut off testing for purchase and sales transactions made near the reporting date to assess whether transactions are recorded in the correct period by testing shipping records, sales / purchase invoices (as applicable), for sample transactions. • We tested whether the adjustments to bring down the cost of inventory items to their net realisable value and allowance for slow moving or non-moving inventory and obsolescence at the reporting date is appropriate by assessing the methodology and assumptions adopted by management in this regard including the related adjustments by testing a sample of inventory items as at the reporting date.

Key audit matters	How our audit addressed the key audit matter
Accuracy of valuation of inventory *(as described in Note 5.11 of the Consolidated Ind AS Financial Statements)*	
The auditors of Shanthi Gears Limited, a subsidiary of the Holding Company have reported the accuracy of valuation of inventory as a Key Audit Matter as it involves significant judgements by the management. The valuation of inventory is dependent on establishing appropriate valuation processes. This includes reliance on controls. Management judgement is applied to formulaic calculations for obsolete inventory provisions, and net realisable value testing. If these judgements are not appropriate, this increases the risk that inventory is overstated.	The procedures performed by the auditors of Shanthi Gears Limited, as reported by them, included the following: • Evaluated the design of internal controls relating to valuation of inventories. • Verified on a sample basis, the evidences to support inventory is held at lower of cost and net realizable value by auditing the excess and obsolete provisions held against inventory. • Tested the mathematical accuracy of the provisioning model and verified on a sample basis, the data inputs into the relating to scrap and net realisable value.

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

Other Information

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

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the Companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated 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 ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures of which we are the independent auditors, to express an opinion on the Consolidated Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the Consolidated Ind AS Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS Financial Statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 2 subsidiaries, whose Ind AS Financial Statements include total assets of Rs 601.27 crores as at March 31, 2019, and total revenues of Rs 514.82 crores and net cash outflows of Rs. nil for the year ended on that date. These Ind AS financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The Consolidated Ind AS Financial Statements also include the Group's share of net loss of Rs. 8.85 crores for the year ended March 31, 2019, as considered in the Consolidated Ind AS Financial Statements, in respect of 1 joint venture, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the Consolidated Ind AS Financial Statements, in

so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-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.

(b) The accompanying Consolidated Ind AS Financial Statements include unaudited financial statements and other unaudited financial information in respect of 2 subsidiaries, whose financial statements and other financial information reflect total assets of Rs 38.96 crores as at March 31, 2019, and total revenues of Rs 70.87 crores and net cash outflows of Rs 4.66 crores for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, 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, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;

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

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary Companies and joint ventures, none of the directors of the Group's Companies, its joint ventures incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements of the Holding Company and its subsidiary Companies and joint ventures incorporated in India, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of a subsidiary incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company, its subsidiary incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act. The provisions of Section 197 read with Schedule V of the Act are not applicable to the joint venture incorporated in India for the year ended March 31, 2019;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other matter' paragraph:

i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group and its joint ventures in its Consolidated Ind AS Financial Statements – Refer Note 35a to the Consolidated Ind AS Financial Statements;

ii. The Group and its joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the subsidiary incorporated in India during the year ended March 31, 2019.

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

per Subramanian Suresh
Partner
Membership Number: 083673
Place of Signature: Chennai
Date: April 30, 2019

Annexure to the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of Tube Investments of India Limited (formerly known as TI Financial Holdings Limited)

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

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

In conjunction with our audit of the Consolidated Ind AS Financial Statements of Tube Investments of India Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Tube Investments of India Limited (hereinafter referred to as the "Holding Company") and its subsidiary company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, and its subsidiary company which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to subsidiary company incorporated in India, and audited by other auditors, is based on the corresponding report of the auditor of such subsidiary company incorporated in India.

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

per Subramanian Suresh
Partner
Membership Number: 083673
Place of Signature: Chennai
Date: April 30, 2019

Consolidated Balance Sheet

(₹ in Crores)

Particulars	Notes	As at 31-Mar-2019	As at 31-Mar-2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	6a	1,097.57	1,026.47
Capital Work-in-Progress		68.86	90.10
Intangible Assets	6b	10.11	10.90
Investment Property	7	12.02	12.12
Goodwill on Consolidation	6c	309.13	308.17
Investment in Joint Ventures		-	8.85
Financial Assets			
(a) Investments	8a	22.76	23.29
(b) Other Financial Assets	8b	29.64	24.61
(c) Derivative Instruments	42	2.12	-
Non-Current Tax Assets		21.13	16.06
Other Non-Current Assets	9	52.05	31.61
		1,625.39	**1,552.18**
Current Assets			
Inventories	10	814.79	760.86
Financial Assets			
(a) Loans	11a	1.63	1.64
(b) Trade Receivables	11b	680.63	697.01
(c) Derivative Instruments	42	7.16	-
(d) Investments	11c	109.69	101.40
(e) Cash and Cash Equivalents	11d	52.54	32.46
(f) Bank Balances other than (e) above	11e	3.47	-
(g) Other Financial Assets	11f	24.27	78.85
Other Current Assets	12	62.32	87.21
		1,756.50	**1,759.43**
Total Assets		**3,381.89**	**3,311.61**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	18.77	18.75
Other Equity	14	1,456.63	1,253.56
Equity Attributable to equity holders of the Parent		**1,475.40**	**1,272.31**
Non-Controlling Interests	40	96.20	100.48
Total Equity		**1,571.60**	**1,372.79**
Non-Current Liabilities			
Financial Liabilities			
(a) Long Term Borrowings	15a	120.96	228.56
(b) Long Term Liabilities	15b	1.07	0.88
Other Non Current Liability	15c	9.00	-
Deferred Tax Liabilities	16	38.11	22.62
		169.14	**252.06**
Current Liabilities			
Financial Liabilities			
(a) Short Term Borrowings	17a	386.92	297.80
(b) Trade Payables	17b		
- total outstanding dues of micro enterprises and small enterprises		0.75	0.40
- total outstanding dues of creditors other than micro enterprises and small enterprises		960.64	961.19
(c) Derivative Instruments	42	-	0.31
(d) Other Financial Liabilities	17c	157.45	296.80
Government Grants	20c	3.21	1.08
Short Term Provisions	18	73.51	71.42
Current Tax Liabilities		-	0.30
Other Current Liabilities	19	58.67	57.46
		1,641.15	**1,686.76**
Total Liabilities		**1,810.29**	**1,938.82**
Total Equity and Liabilities		**3,381.89**	**3,311.61**
Summary of Significant Accounting Policies	5		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn. No : 101049W / E300004

per **Subramanian Suresh**
Partner
Membership No : 083673

Chennai
30th April 2019

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

S Vellayan — Managing Director
M M Murugappan — Chairman
S Suresh — Company Secretary
K Mahendra Kumar — Chief Financial Officer

Consolidated Statement of Profit and Loss

(₹ in Crores)

Particulars	Notes	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Revenue from Contracts with Customers	21		
Revenue from Operations		5,463.66	4,839.98
Other Operating Revenues		311.11	248.78
		5,774.77	**5,088.76**
Other Income	22	53.22	58.57
Total Income		**5,827.99**	**5,147.33**
Expenses			
Cost of Materials Consumed	23a	3,328.92	2,806.79
Purchase of Stock-in-Trade - Cycles / Components and Metal Formed Products		243.06	190.51
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23b	(38.60)	0.89
Excise Duty on Sale of Goods and Scraps	21	-	88.81
Employee Benefits Expense	24	577.91	562.68
Depreciation and Amortisation Expense	25	161.58	153.54
Finance Costs	26	52.82	58.49
Other Expenses	27a	1,118.81	1,055.45
Total Expenses		**5,444.50**	**4,917.16**
Profit Before Share of Loss from Joint Ventures, Exceptional items and Tax		**383.49**	**230.17**
Share of Loss from Joint Ventures (net of tax) (Refer Note 41)		(8.85)	(13.08)
Profit Before Exceptional Items and Tax		**374.64**	**217.09**
Exceptional Items	27b	3.00	(3.26)
Profit Before Tax		**377.64**	**213.83**
Income Tax Expense	28		
- Current Year		122.79	82.84
- Current Tax - Earlier Years		(2.66)	(10.56)
- Deferred Tax (Net) (Refer Note 16)		6.68	(13.96)
		126.81	**58.32**
Profit for the year (I)		**250.83**	**155.51**
Other Comprehensive Income:	29		
Other Comprehensive Income to be reclassified to Statement of Profit and Loss in subsequent periods:			
Movement on Cash Flow Hedges		7.54	0.19
Income Tax Effect		(2.63)	(0.07)
		4.91	**0.12**
Exchange Difference on Translation of Foreign Subsidiaries		0.09	6.54
Income Tax Effect		(0.03)	(2.29)
		0.06	**4.25**

Consolidated Statement of Profit and Loss

(₹ in Crores)

Particulars	Notes	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Other Comprehensive Income not to be reclassified to Statement of Profit and Loss in subsequent periods:			
Re-measurement Gains / (Losses) on Defined Benefit Obligations (Net)		(2.16)	1.63
Income Tax Effect		0.77	(0.57)
		(1.39)	**1.06**
Net (Loss) / Gain on FVTOCI Equity Securities		(2.45)	(1.07)
Income Tax Effect		0.11	0.43
		(2.34)	**(0.64)**
Capital Reserve on acquistion of Subsidiaries		-	0.38
Income Tax Effect		-	-
		-	**0.38**
Other Comprehensive Income / (Loss) for the Year, Net of Tax (II)		**1.24**	**5.17**
Total Comprehensive Income for the Year, Net of Tax (I + II)		**252.07**	**160.68**
Profit for the year attributable to :			
- Equity holders of the Parent Company		240.42	147.39
- Non-Controlling Interest		10.41	8.12
Other Comprehensive Income for the year attributable to :			
- Equity holders of the Parent Company		1.19	5.14
- Non-Controlling Interest		0.05	0.03
Total Comprehensive Income for the year attributable to :			
- Equity holders of the Parent Company		241.61	152.53
- Non-Controlling Interest		10.46	8.15
Earnings Per Equity Share of ₹1 each	30		
Basic		12.86	7.86
Diluted		12.85	7.86

The accompanying notes are an integral part of the financial statements

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

per **Subramanian Suresh**
Partner
Membership No : 083673

Chennai
30th April 2019

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

S Vellayan
Managing Director

M M Murugappan
Chairman

S Suresh
Company Secretary

K Mahendra Kumar
Chief Financial Officer

Statement of Changes in Equity

a. Equity Share Capital:

	No. of shares	₹ in Crores
As at 31st March 2017 Equity shares of ₹1 each issued, subscribed and fully paid	**18,74,47,871**	**18.74**
Issue of Share Capital	88,497	0.01
As at 31st March 2018 Equity shares of ₹1 each issued, subscribed and fully paid	**18,75,36,368**	**18.75**
Issue of Share Capital	1,74,913	0.02
As at 31st March 2019	**18,77,11,281**	**18.77**

b. Other Equity

For the year ended 31st March 2019 (₹ in Crores)

Particulars	Reserves & Surplus								Items of OCI			Total Other Equity	Non-Controlling Interest (NCI) (Note 40)	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)	Treasury Shares (Note 14)	Cash flow Hedge Reserve (Note 14)	Foreign Currency Translation Reserve (Note 14)	FVTOCI Reserve (Note 14)			
As at 1st April 2018	0.10	5.43	762.55	112.50	0.01	0.49	361.77	-	(0.12)	4.19	6.64	1,253.56	100.48	1,354.04
Effect of adoption of Ind AS 115	-	-	(0.49)	-	-	-	-	-	-	-	-	(0.49)	-	(0.49)
Profit for the Year	-	-	240.42	-	-	-	-	-	-	-	-	240.42	10.41	250.83
Other comprehensive income for the Year (Note 29)	-	-	(1.44)	-	-	-	-	-	4.91	0.06	(2.34)	1.19	0.05	1.24
Receipt of subsidy	-	-	0.32	-	-	-	-	-	-	-	-	0.32	-	0.32
Exercise of share options	3.50	(2.41)	1.49	-	-	-	-	-	-	-	-	2.58	-	2.58
Share-based payments	-	4.93	-	-	-	-	-	-	-	-	-	4.93	-	4.93
Sale of FVTOCI Investments	-	-	1.47	-	-	-	-	-	-	-	-	1.47	-	1.47
DRR transferred to Retained Earnings (Net)	-	-	62.50	(62.50)	-	-	-	-	-	-	-	-	-	-
Dividend paid during the year	-	-	(42.23)	-	-	-	-	-	-	-	-	(42.23)	-	(42.23)
Dividend Distribution tax paid during the year	-	-	(2.79)	-	-	-	-	-	-	-	-	(2.79)	-	(2.79)
Dividend and Dividend Distribution Tax paid by Subsidiary	-	-	(5.89)	-	-	-	-	-	-	-	-	(5.89)	(14.74)	(20.63)
Adjustment relating to Employee benefit trust	-	-	3.81	-	-	-	-	(0.25)	-	-	-	3.56	-	3.56
As at 31st March 2019	**3.60**	**7.95**	**1,019.72**	**50.00**	**0.01**	**0.49**	**361.77**	**(0.25)**	**4.79**	**4.25**	**4.30**	**1,456.63**	**96.20**	**1,552.83**

Statement of Changes in Equity

For the year ended 31st March 2018

(₹ in Crores)

Particulars	Reserves & Surplus								Items of OCI					
	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)	Treasury Shares (Note 14)	Cash flow Hedge Reserve (Note 14)	Foreign Currency Translation Reserve (Note 14)	FVTOCI Reserve (Note 14)	Total Other Equity	Non-Controlling Interest (NCI) (Note 40)	Total Other Equity and NCI
As at 1st April 2017	-	-	687.62	118.75	0.01	0.11	355.46	-	(0.24)	(0.06)	7.20	1,168.85	91.53	1,260.38
Profit for the Year	-	-	147.39	-	-	-	-	-	-	-	-	147.39	8.12	155.51
Other comprehensive income for the Year (Note 29)	-	-	0.95	-	-	-	-	-	0.12	-	(0.18)	0.89	0.03	0.92
Gain on bargain purchase of Subsidiaries through Business Combination (Refer Note 39)	-	-	-	-	-	0.38	-	-	-	-	(0.38)	-	5.93	5.93
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exercise of share options	0.10	-	-	-	-	-	-	-	-	-	-	0.10	-	0.10
Share-based payments	-	5.43	-	-	-	-	-	-	-	-	-	5.43	-	5.43
DRR transferred to Retained Earnings (Net)	-	-	6.25	(6.25)	-	-	-	-	-	-	-	-	-	-
Dividend paid during the year	-	-	(60.94)	-	-	-	-	-	-	-	-	(60.94)	-	(60.94)
Dividend Distribution tax paid during the year	-	-	(10.36)	-	-	-	-	-	-	-	-	(10.36)	-	(10.36)
Dividend and Dividend Distribution Tax paid by Subsidiary	-	-	(2.05)	-	-	-	-	-	-	-	-	(2.05)	(5.13)	(7.18)
Transfer to General Reserve	-	-	(6.31)	-	-	-	6.31	-	-	-	-	-	-	-
Foreign Currency Translation Reserve (FCTR)	-	-	-	-	-	-	-	-	-	4.25	-	4.25	-	4.25
As at 31st March 2018	**0.10**	**5.43**	**762.55**	**112.50**	**0.01**	**0.49**	**361.77**	**-**	**(0.12)**	**4.19**	**6.64**	**1,253.56**	**100.48**	**1,354.04**

The accompanying notes are an integral part of the financial statements

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

per **Subramanian Suresh**
Partner
Membership No : 083673

Chennai
30th April 2019

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

S Vellayan
Managing Director

M M Murugappan
Chairman

S Suresh
Company Secretary

K Mahendra Kumar
Chief Financial Officer

Consolidated Cash Flow Statement

(₹ in Crores)

	Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
A.	**Cash Flow from Operating Activities:**		
	Profit Before Tax	**377.64**	**213.83**
	Less : Share of Loss from Joint Ventures (net of tax)	(8.85)	(13.08)
	Profit Before Tax	**386.49**	**226.91**
	Adjustments to reconcile Profit Before Tax to Net Cash Flows:		
	Depreciation on Property, Plant and Equipment	160.62	153.20
	Depreciation on Investment Properties	0.19	0.17
	Amortisation of Intangible assets	0.77	0.17
	Share based payment expenses	4.93	5.43
	Profit on Property Plant & Equipment sold / discarded (Net)	(7.62)	(1.35)
	Profit on Sale of Investments carried at FVTPL	(3.94)	(2.84)
	Impairment allowance for receivables and advances (Net) (includes bad debts written off) (Refer Note 27a)	2.18	2.48
	Net Foreign Exchange differences	4.47	0.30
	Finance Income (including Fair Value changes in Financial Instruments)	(5.69)	(6.44)
	Finance Costs	52.82	58.49
	Liabilities / Provisions no longer payable written back	(1.75)	(1.47)
	Provision for Impairment of Investments	(3.26)	3.26
	Impact of Foreign Currency Translation	3.35	4.62
	Loss on sale of Joint Venture	0.26	-
	Dividend Income	(7.56)	(5.17)
	Operating Profit before Working Capital / Other Changes	**586.26**	**437.76**
	Adjustments for :		
	Increase in Long Term Liabilities	9.00	-
	Increase in Provisions and Government Grants	0.76	23.42
	Increase in Trade and Other Payables	16.30	166.26
	Increase / (Decrease) in Other Financial Liabilities	1.70	(55.71)
	(Decrease) in Other Current Liabilities	(2.74)	(2.47)
	(Increase) in Other Non-Current Assets	(24.72)	(5.88)
	Decrease / (Increase) in Other Financial and Current Assets	76.03	(3.95)
	(Increase) in Trade and Other Receivables	(0.80)	(62.56)
	(Increase) in Inventories	(50.56)	(18.61)
	Cash Generated From Operations	**611.23**	**478.26**
	Income Tax paid	(118.24)	(69.19)
	Net Cash Flow from Operating Activities	**492.99**	**409.07**
B.	**Cash Flow from Investing Activities:**		
	Capital Expenditure (Including Capital Work In Progress and Capital Advances)	(194.19)	(234.79)
	Proceeds from Sale of Property, Plant and Equipment	10.70	8.05
	Sale / (Purchase) of Current Investments (Net) (Refer Note 11c)	(9.25)	56.50
	Sale / (Purchase) of Non Current Investments	2.56	(31.20)
	Amount invested in deposits having a original maturity of more than 3 months (Net)	(21.17)	-
	Receipt of Subsidy	0.32	-
	Interest Income received	8.22	5.87
	Dividend received	7.56	5.17
	Net Cash Used in Investing Activities	**(195.25)**	**(190.40)**

Consolidated Cash Flow Statement

(₹ in Crores)

	Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
C.	**Cash Flow from Financing Activities: (Refer Note 11d)**		
	Proceeds from issue of shares	2.61	0.11
	Proceeds from Long Term Borrowings	-	100.00
	Repayment of Long Term Borrowings	(258.75)	(126.71)
	Proceeds / (Repayment) from Short Term Borrowings (Net) (Refer Note 17a)	104.50	(123.55)
	Finance Costs Paid	(63.08)	(62.18)
	Dividends Paid (Including Net Dividend Distribution Tax)	(65.65)	(78.48)
	Net Cash Used in Financing Activities	**(280.37)**	**(290.81)**
	Net Decrease in Cash and Cash Equivalents [A+B+C]	17.38	(72.14)
	Cash and Cash Equivalents at the Beginning of the Year	**(48.47)**	**14.36**
	Additions on acquisition of Subsidiaries	**-**	**9.31**
	Cash and Cash Equivalents as at End of the Year (Refer Note below)	**(31.09)**	**(48.47)**

(₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Cash and Cash Equivalents as per Note 11d	**52.54**	**32.46**
Cash Credit facility (Secured)	(64.56)	(79.94)
Balances in Unpaid Dividend Accounts	(1.57)	(0.99)
Deposit in Buyback Escrow account	(17.50)	-
Total Cash and Cash Equivalents as per Statement of Cash Flow	**(31.09)**	**(48.47)**

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

per **Subramanian Suresh**
Partner
Membership No : 083673

Chennai
30th April 2019

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

S Vellayan
Managing Director

M M Murugappan
Chairman

S Suresh
Company Secretary

K Mahendra Kumar
Chief Financial Officer

Notes to Consolidated Financial Statements

1. Corporate Information

General Information

Tube Investments of India Limited ("the Company") with CIN No: L35100TN2008PLC069496, was formerly known as TI Financial Holdings Limited and is a Public Limited Company domiciled in India. The Company is listed on BSE and National Stock Exchange. The Registered Office of the Company is located at 234, NSC Bose Road, Chennai, Tamilnadu. The Company was originally incorporated as TI Financial Holdings Limited on 6th October 2008 under the Companies Act, 1956, as a wholly-owned Subsidiary of erstwhile Tube Investments of India Limited ("Demerged Company").

Pursuant to the Scheme of Arrangement ("the Scheme") 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 manufacturing locations across the Country and has four product segments namely, Cycles and Accessories, Engineering and Metal Formed Products. The Company also has Subsidiaries and Joint Venture Companies, Viz., Shanthi Gears Limited, Financiere C10 SAS, Sedis SAS, Sedis Gmbh, Sedis Co Limited, Great Cycles (Private) Limited, Creative Cycles (Private) Limited and TI Tsubamex Private Limited.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on 30th April 2019.

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 give it the current ability to direct the relevant activities of the investee)

b. Exposure, or rights, to variable returns from its involvement with the investee, and

c. The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

Notes to Consolidated Financial Statements

a. The contractual arrangement with the other vote holders of the investee

b. Rights arising from other contractual arrangements

c. The Group's voting rights and potential voting rights

d. The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a Subsidiary begins when the Group obtains control over the Subsidiary and ceases when the Group loses control of the Subsidiary. Assets, liabilities, income and expenses of a Subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the Subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Consolidation procedures:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its Subsidiaries. For this purpose, income and expenses of the Subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each Subsidiary and the parent's portion of equity of each Subsidiary.

c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and Property, Plant and Equipment, are eliminated in full). 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 intra-group transactions.

d) The carrying value of Goodwill arising on consolidation is tested for impairment, if there are any indicators for impairment and also tested at the end of each reporting period.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

a) Subsidiary

The Financial Statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the amounts of like items of assets, liabilities, income and expenses, after fully eliminating material intra-group balances, intra-group transactions and the resulting unrealised profits or losses, unless cost cannot be recovered, as per Indian Accounting Standard 110 - Consolidated Financial Statements (Ind AS 110).

Non-Controlling Interest in the Net Assets of the Consolidated Subsidiaries consists of:

i. The amount of Equity attributable to holders of non-controlling interest at the date on which the investment in the Subsidiary is made; and

ii. The Non-Controlling Interests' share of movements in Equity since the date the Parent Subsidiary relationship came into existence.

Non-Controlling Interest (NCI) share in the Net Profit / (Loss) for the year of the Consolidated Subsidiaries is identified and adjusted against the Profit After Tax of the Group even if this results in the NCI having a deficit balance.

b) Joint Venture

A Joint Venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the Joint Venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Notes to Consolidated Financial Statements

The considerations made in determining whether joint control are similar to those necessary to determine control over the Subsidiaries.

The Group's investments in its Joint Venture are accounted for using the equity method. Under the equity method, the investment in a Joint Venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the Joint Venture since the acquisition date. Goodwill relating to the Joint Venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the Joint Venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the Joint Venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the Joint Venture are eliminated to the extent of the interest in the Joint Venture.

If an entity's share of losses of a Joint Venture equals or exceeds its interest in the Joint Venture (which includes any long term interest that, in substance, form part of the Group's net investment in the Joint Venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the Joint Venture. If the Joint Venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a Joint Venture is shown on the face of the statement of profit and loss.

The financial statements of the Joint Venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its Joint Venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the Joint Venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the Joint Venture and its carrying value, and then recognises the loss as 'Share of profit of a Joint Venture' in the statement of profit or loss.

Upon loss of joint control over the Joint Venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the Joint Venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

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 2019	Proportion of ownership As at 31st March 2018
Financiere C10 SAS (FC 10)	Subsidiary	31st December	France	100.00%	100.00%
Subsidiaries of FC 10					
- Sedis SAS			France		
- Sedis GmbH			Germany		
- Sedis Co. Ltd			United Kingdom		
Shanthi Gears Limited (SGL)	Subsidiary	31st March	India	70.12%	70.12%
Great Cycles (Private) Limited	Subsidiary	31st March	Sri Lanka	80.00%	80.00%
Creative Cycles (Private) Limited	Subsidiary	31st March	Sri Lanka	80.00%	80.00%
TI Tsubamex Private Limited (TTPL)	Joint Venture	31st March	India	78.33%	78.33%
TI Absolute Concepts Private Limited (TIACPL)	Joint Venture	31st March	India	-	50.00%

Notes to Consolidated Financial Statements

4. Basis of Preparation

The CFS are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The CFS have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments)

The CFS have been prepared using uniform accounting policies for like transactions and other events in similar circumstances with certain exceptions as mentioned in the paragraphs below and are presented to the extent possible, in the same manner as the Company's separate financial statements.

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.

5. Summary of Significant Accounting Policies

5.1 Presentation and disclosure of financial statements

An asset has been classified as current when it satisfies any of the following criteria;

a) It is expected to be realised in, or is interned for sale or consumption in, the normal operating cycle relevant for each of the entities in the Group;

b) It is held primarily for the purpose of being traded;

c) It is expected to be realised within twelve months after the reporting date; or

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

A liability has been classified as current when it satisfies any of the following criteria:

a) It is expected to be settled within the normal operating cycle relevant for each of the entities in the Group;

b) It is held primarily for the purpose of being traded;

c) It is due to be settled within twelve months after the reporting date; or

d) The entities in the Group do not have an unconditional right to defer settlements of the liability for at least twelve months after the reporting date.

All other assets and liabilities have been classified as non-current.

5.2 Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

Notes to Consolidated Financial Statements

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

5.3 Fair Value Measurement

The financial instruments, such as, derivatives are measured at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

The valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs are used.

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

a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

b) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Notes to Consolidated Financial Statements

c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement.

External valuers are involved for valuation of assets such as investment properties. Involvement of external valuers is decided upon annually by the Group. At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. Other fair value related disclosures are given in the relevant notes (Refer Note 43).

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 43).

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

5.7 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is measured at cost and not depreciated. Cost includes related taxes, duties, freight, insurance, etc. attributable to the acquisition and installation of the Property, Plant and Equipment but excludes duties and taxes that are recoverable from tax authorities. When significant parts of plant and equipment are required to be replaced at intervals, it is depreciated separately based on their specific useful life.

Machinery Spares including spare parts, stand-by and servicing equipment are capitalised as property, plant and equipment if they meet the definition of property, plant and equipment i.e. if the intention is to use these for more than a period of 12 months. These spare parts capitalized are depreciated as per Ind AS 16.

Subsequent expenditure relating to Property, Plant and Equipment is capitalised only if it is probable that future economic benefits associated with the item will flow and the cost of the item can be measured reliably.

Material replacement cost is capitalized provided it is probable that future economic benefits associated with the item will flow and the cost of the item can be measured reliably. When replacement cost is eligible for capitalization, the carrying amount of those parts that are

Notes to Consolidated Financial Statements

replaced in derecognized. When significant parts of plant and equipment are required to be replaced at intervals, it is depreciated separately based on their specific useful life.

The Group identifies and determines cost of each component / part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on 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 has becomes available for use, their cost is re-classified to appropriate caption and subjected to depreciation.

5.8 Intangible Assets

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

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

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

5.9 Investment Properties

Investment property represents property held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, it is depreciated separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation on building classified as investment property has been provided on the straight-line method over a period of 60 years as prescribed in Schedule II to the Companies Act, 2013. These are based on the estimate of their useful lives taking into consideration technical factors.

Though the investment property is measured using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying valuation models.

Pursuant to transition to Ind AS, the 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.

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Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of de-recognition.

5.10 Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The impairment calculations are based on detailed budgets and forecast calculations which are prepared separately for each of the cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of three years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the third year. To estimate cash flow projections beyond periods covered by the most recent budgets / forecasts cash flow projections in the budget are extrapolated using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

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. Cost of finished goods includes excise duty.

Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

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

5.12 Revenue from Contracts with Customers

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The Group is

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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 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.

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

Cost to obtain a contract:

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

Warranty obligations

The Group provides warranties for certain products and these warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in Note 5.22 - Provisions and Contingencies.

5.13 Other Income

Dividends:

Dividend income is accounted for when the right to receive it is established.

Interest Income:

For all debt instruments measured at amortised cost, interest income is recognised on time proportion basis, taking into account the amount outstanding and effective interest rate.

Rental Income:

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

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Royalty Income:

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

5.14 Government Grants, Subsidies and Export Incentives

Government grants and subsidies are recognised when there is reasonable assurance that the conditions attached to them are complied with and the grants / subsidy will be received.

When the grant or subsidy from the Government relates to an expense item, it is recognised as income on a systematic basis in the statement of profit and loss over the period necessary to match them with the related costs, which they are intended to compensate. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

On receipt of grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset, i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value of the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

5.15 Employee Benefits

I. Defined Contribution Plans

a. Superannuation

Contributions at a sum equivalent to 15% of eligible employees salary are made to Superannuation Funds administered by trustees and managed by Life Insurance Corporation of India (LIC). There is no liability for future Superannuation Fund benefits other than the annual contribution and such contributions are recognised as an expense in the year in which the services are rendered.

b. Provident Fund

Contributions towards Employees Provident Fund made to the Regional / Employee Provident Fund are recognised as expense in the year in which in which the services are rendered.

c. Employee State Insurance

Contributions to Employees State Insurance Scheme are recognised as expense in the year in which the services are rendered.

II. Defined Benefit Plan

a. Gratuity

Annual contributions are made to Gratuity Funds administered by trustees and the Contributions are invested in a Scheme with Life Insurance Corporation of India, as permitted by Indian Law. The liability for future gratuity benefits is accounted for based on actuarial valuation, as at the Balance Sheet date, determined every year using the Projected Unit Credit method.

Re-measurements comprising of Actuarial gains / losses the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are immediately recognised in the balance sheet with a corresponding debit or Credit in to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to profit or loss in subsequent periods.

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.

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b. Provident Fund

In respect of employees not covered under Point Ib above, contributions to the Group's Employees Provident Fund Trust are made in accordance with the fund rules. The interest rate payable to the beneficiaries every year is being notified by the Government.

In the case of contribution to the Trust, the Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and recognizes such obligation, determined based on an actuarial valuation, as an expense.

III. Long Term Compensated Absences

The accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

IV. Short Term Employee Benefits

Short term employee benefits include short term compensated absences which is recognized based on the eligible leave at credit on the Balance Sheet date, and the estimated cost is based on the terms of the employment contract.

V. Voluntary Retirement Scheme

Compensation to employees under Voluntary Retirement Schemes is expensed in the period in which the liability arises. The Group recognizes termination benefit as a liability and an expense when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Employee benefits relating to employees of overseas Subsidiaries are covered based on the labour laws prevailing in the country of incorporation of the Subsidiaries.

5.16 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Operating Lease as a lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of profit and loss on a straight line basis over the lease term.

Operating Lease as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

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.

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Consolidation of Subsidiaries situated in foreign countries

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

5.18 Derivative Instruments and Hedge Accounting

Cash flow Hedge

The Group uses cash flow hedges (forward contracts and currency swaps) to hedge its risks associated with foreign currency fluctuations relating to firm commitment or highly probable forecast transactions.

The use of Derivative Contracts is governed by the Group's policies on the use of such financial derivatives consistent with the Group's risk management strategy. The Group does not use derivative financial instruments for speculative purposes.

Derivative Contracts are measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in the fair value of these Derivative Contracts that are designated and effective as hedges of future cash flows are recognised directly in "Other Comprehensive Income" and the ineffective portion is recognized immediately in the statement of profit and loss.

Changes in the fair value of Derivative Contracts that do not qualify for hedge accounting are recognized in the statement of profit and loss as they arise.

The amounts recognised in the Other Comprehensive Income are transferred to the statement of profit and loss when the hedged transactions crystalizes.

If the forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognised in Other Comprehensive Income is transferred to statement of profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised. If any of these events occur or if a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised under Other Comprehensive Income is transferred to the statement of profit and loss for the year.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge by applying the hedge accounting principles set out in Ind AS 109 – "Financial Instruments". The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

5.19 Depreciation and Amortisation

The Group depreciates Property, Plant and Equipment over their estimated useful lives using the Straight-line method, as per Schedule II of Companies Act, 2013. The estimated useful lives are as follows:

Description of Assets	Useful life
Plant & 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

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The following category of Property, Plant and Equipment are not depreciated as per Schedule II of Companies Act, 2013. These category of Property, Plant and Equipment are depreciated based on the Group's estimate of their useful lives taking into consideration technical advise:

Description of Assets	Useful life
Buildings - Roof structure on certain factory areas, where useful life is less	10 Years - 15 Years
Plant and Machinery - Special tools and special purpose machines used in door frame products	4 Years
Plant and Machinery - Electrical Appliances such as Air Conditioner, Fridge, Water Cooler, Camera, TV, Grinder etc.,	5 Years
Plant and Machinery - used in die making process	10 Years
Plant and Machinery - used in cycle / gear and gear products segments	1 Year - 15 Years
Office Equipment - Data Processing Equipment	3 Years
Vehicles - Motor Vehicles	2 Years - 4 Years
Furniture & Fixtures	1 Year - 5 Years
Software	3 Years - 15 Years
Lease Hold Rights	19 Years - 71 Years

Finance lease assets are depreciated over the primary lease period of up to 95 years, as the right to use these assets ceases on expiry of the lease period.

Depreciation is provided pro-rata from the month of capitalisation.

Certain Property, Plant and Equipment are treated as Continuous Process Plants based on technical evaluation done by the Management and are depreciated on the straight-line method based on the useful life as prescribed in Schedule II to the Companies Act, 2013.

5.20 Research and Development

Revenue expenditure on research and development is expensed when incurred. Capital expenditure on research and development is capitalised under Property, Plant and Equipment and depreciated in accordance with Note 5.19 above.

5.21 Taxes on Income

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961.

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The DTA is recognised for MAT credit available only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is probable that it will pay normal tax during the specified period.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred Tax Liability is not recognised in respect of taxable temporary differences associated with investments in Subsidiaries and investments in Joint Ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Notes to Consolidated Financial Statements

ii. In respect of taxable temporary differences associated with investments in Subsidiaries, and interests in Joint Ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax Credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax Credits and unused tax losses can be utilised except

i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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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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 by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

5.25 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 has 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 are 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.

5.28 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial Assets

i. Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

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ii. Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

a. Debt instruments at amortised cost

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

c. Equity instruments measured at fair value through other comprehensive income FVTOCI

Debt Instruments at Amortised Cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt Instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

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

b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt Instrument at FVTPL

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

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

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

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:

Notes to Consolidated Financial Statements

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in Credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets, the Group determines that whether there has been a significant increase in the Credit risk since initial recognition. If Credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if Credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, Credit quality of the instrument improves such that there is no longer a significant increase in Credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected Credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original EIR. When estimating the cash flows, the Group is required to consider:

a. All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Group is required to use the remaining contractual term of the financial instrument

b. Cash flows from the sale of collateral held or other Credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the statement of profit and loss (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

Notes to Consolidated Financial Statements

at fair value through profit or loss are designated as such at the initial date of recognition, and only if the Criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own Credit risks are recognized in OCI. These gains / loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

5.29 Changes in accounting policies and disclosures

New and amended standards and interpretations

The Group applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Other amendments and interpretations also applied for the first time in 2018-19, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1st April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group elected to apply the standard to all contracts as at 1st April 2018. The sale of tools to the customers requires the Group to manufacture the tool and also supply the components produced from the tools over the life of the asset. Considering that the control is transferred over a period, the Group has amortised the tooling revenue and cost as against accounting the entire revenue and cost upfront. Since the Group has elected to apply modified retrospective approach, previous year numbers are not comparable with current year. The impact on revenue and cost (amortised) as at 1st April 2018 is ₹ 7.88 Cr. and ₹ 7.39 Cr. respectively.

The impact on revenue from operations and cost of material consumed in the current year had the impact of Ind AS 115 not been considered is ₹9.52 Cr. The impact on the balance sheet has resulted in Group accounting for deferred Revenue and Deferred Cost of ₹13.87 Cr. and ₹13.63 Cr. as at 31st March 2019.

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Note 6a - Property Plant & Equipment

(₹ in Crores)

Particulars	Gross Block at Cost						Depreciation					Net Block	
	As at 31-Mar-2018	Acquisition through Business Combination	Exchange Fluctuation pertaining to Foreign Subsidiaries	Additions	Deletions	As at 31-Mar-2019	As at 31-Mar-2018	Exchange Fluctuation pertaining to Foreign Subsidiaries	For the Year	On Deletions	As at 31-Mar-2019	As at 31-Mar-2019	As at 31-Mar-2018
Land (Freehold)	**129.16**	**-**	**0.19**	**5.96**	**-**	**135.31**	**-**	**-**	**-**	**-**	**-**	**135.31**	**129.16**
	(127.47)	(-)	(0.31)	(1.38)	(-)	(129.16)	(-)	(-)	(-)	(-)	(-)	(129.16)	(127.47)
Land (Leasehold)	**14.94**	**-**	**0.58**	**2.01**	**-**	**17.53**	**11.95**	**0.49**	**1.00**	**-**	**13.44**	**4.09**	**2.99**
	(12.92)	(-)	(0.88)	(1.14)	(-)	(14.94)	(9.49)	(0.75)	(1.71)	(-)	(11.95)	(2.99)	(3.43)
Buildings	**334.41**	**-**	**0.82**	**37.64**	**0.37**	**372.50**	**53.11**	**1.12**	**15.14**	**0.19**	**69.18**	**303.32**	**281.30**
	(281.40)	(6.21)	(1.98)	(46.44)	(1.62)	(334.41)	(38.70)	(1.90)	(12.71)	(0.20)	(53.11)	(281.30)	(242.70)
Plant & Machinery	**951.36**	**-**	**6.43**	**181.31**	**14.11**	**1,124.99**	**363.24**	**4.87**	**135.05**	**12.03**	**491.13**	**633.86**	**588.12**
	(826.01)	(3.24)	(10.40)	(126.48)	(14.77)	(951.36)	(236.66)	(8.16)	(128.81)	(10.39)	(363.24)	(588.12)	(589.35)
Railway Siding	**0.01**	**-**	**-**	**-**	**-**	**0.01**	**-**	**-**	**-**	**-**	**-**	**0.01**	**0.01**
	(0.01)	(-)	(-)	(-)	(-)	(0.01)	(-)	(-)	(-)	(-)	(-)	(0.01)	(0.01)
Office Equipment	**22.24**	**-**	**0.30**	**3.68**	**0.98**	**25.24**	**13.93**	**0.24**	**4.66**	**0.97**	**17.86**	**7.38**	**8.31**
	(17.75)	(0.03)	(0.50)	(4.15)	(0.19)	(22.24)	(8.66)	(0.36)	(5.06)	(0.15)	(13.93)	(8.31)	(9.09)
Furniture & Fixtures	**11.92**	**-**	**-**	**0.99**	**0.05**	**12.86**	**3.59**	**-**	**1.50**	**0.05**	**5.04**	**7.82**	**8.33**
	(10.08)	(0.03)	(-)	(1.93)	(0.12)	(11.92)	(2.05)	(-)	(1.65)	(0.11)	(3.59)	(8.33)	(8.03)
Vehicles	**13.27**	**-**	**(0.03)**	**1.64**	**2.67**	**12.21**	**5.02**	**-**	**3.27**	**1.86**	**6.43**	**5.78**	**8.25**
	(10.33)	(-)	(-)	(4.53)	(1.59)	(13.27)	(2.50)	(-)	(3.26)	(0.74)	(5.02)	(8.25)	(7.83)
Total	**1,477.31**	**-**	**8.29**	**233.23**	**18.18**	**1,700.65**	**450.84**	**6.72**	**160.62**	**15.10**	**603.07**	**1,097.57**	**1,026.47**
	(1,285.97)	(9.51)	(14.07)	(186.05)	(18.29)	(1,477.31)	(298.06)	(11.17)	(153.20)	(11.59)	(450.84)	(1,026.47)	(987.91)

Notes:

a. All the above assets are owned unless otherwise stated as leased asset.

b. Non-Convertible Debentures of the Group are secured by first pari-passu charge on certain Land and Buildings.

c. Previous Year Figures are given in brackets.

Notes to Consolidated Financial Statements

Note 6b - Intangible Assets

(₹ in Crores)

Particulars	Gross Block at Cost						Depreciation					Net Block	
	As at 31-Mar-2018	Acquisition through Business Combination	Exchange Fluctuation pertaining to Foreign Subsidiaries	Additions	Deletions	As at 31-Mar-2019	As at 31-Mar-2018	Exchange Fluctuation pertaining to Foreign Subsidiaries	For the Year	On Deletions	As at 31-Mar-2019	As at 31-Mar-2019	As at 31-Mar-2018
Software	**1.28**	**-**	**-**	**0.39**	**-**	**1.67**	**1.02**	**-**	**0.20**	**-**	**1.22**	**0.45**	**0.26**
	(1.10)	(-)	(-)	(0.18)	(-)	(1.28)	(0.89)	(-)	(0.13)	(-)	(1.02)	(0.26)	(0.21)
Fair Value of Lease Contracts	**10.68**	**-**	**(0.65)**	**0.24**	**-**	**10.27**	**0.04**	**-**	**0.57**	**-**	**0.61**	**9.66**	**10.64**
	(-)	(10.71)	(0.03)	(-)	(-)	(10.68)	(-)	(-)	(0.04)	(-)	(0.04)	(10.64)	(-)
Total	**11.96**	**-**	**(0.65)**	**0.63**	**-**	**11.94**	**1.06**	**-**	**0.77**	**-**	**1.83**	**10.11**	**10.90**
	(1.10)	(10.71)	(0.03)	(0.18)	(-)	(11.96)	(0.89)	(-)	(0.17)	(-)	(1.06)	(10.90)	(0.21)

Notes to Consolidated Financial Statements

Note 6c. Goodwill on Consolidation

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Opening Balance as at beginning of the period	308.17	305.79
Effect of Foreign Currency Translation	0.96	2.38
Closing Balance as at end of the period	**309.13**	**308.17**
Impairment		
Opening Balance as at beginning of the period	-	-
Impairment during the year	-	-
Closing Balance as at end of the period	**-**	**-**
Goodwill as at end of the period	**309.13**	**308.17**

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 2019 is ₹740.27 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

This represents the goodwill recognised on the acquisition of other Subsidiaries viz., Financiere C10 SAS. The aggregate values of the same are not significant. The Group believes that the carrying amount of the Goodwill is recoverable.

Note 7. Investment Property

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Gross Block		
Opening Balance as at beginning of the period	12.54	12.54
Additions during the year	0.09	-
Closing Balance as at end of the period	**12.63**	**12.54**
Depreciation		
Opening Balance as at beginning of the period	0.42	0.25
Depreciation during the year	0.19	0.17
Closing Balance as at end of the period	**0.61**	**0.42**
Net Block as at the end of the period	**12.02**	**12.12**

Information regarding income and expenditure of Investment property

(₹ in Crores)

Particulars	31-Mar-2019	31-Mar-2018
Rental Income derived from Investment Properties	0.95	0.79
Direct Operating Expenses (including repairs and maintenance)	-	-
Profit arising from Investment Properties before Depreciation and Indirect Expenses	**0.95**	**0.79**
Depreciation	(0.19)	(0.17)
Profit arising from Investment Properties before Indirect Expenses	**0.76**	**0.62**

The Group's Investment Property consists of properties in Chennai, Mumbai and Coimbatore.

As at 31st March 2019, the Fair Value of the Properties is ₹16.77 Cr. (31st March 2018 - ₹14.91 Cr.)

The Fair Value of the Investment Properties is determined by professional valuer based on current prices in the market. The resulting Fair Value Estimates are classified under level 3 of the Fair Value Hierarchy. (Refer Note 43.2)

The Group has no restrictions on the disposal of its Investment Property and no contractual obligations to purchase, construct or develop Investment Property or for repairs, maintenance and enhancements.

Notes to Consolidated Financial Statements

Reconciliation of fair value: (₹ in Crores)

Particulars	31-Mar-2019	31-Mar-2018
Opening Balance as at beginning of the period	14.91	14.61
Fair value difference	1.86	0.30
Closing Balance as at end of the period	**16.77**	**14.91**

Note 8a. Financial assets - Investments

Particulars	Nominal Value ₹ per unit	Number of shares As at 31-Mar-2019	Number of shares As at 31-Mar-2018	₹ in Crores As at 31-Mar-2019	₹ in Crores As at 31-Mar-2018
Investments					
Investments at Fair Value Through Other Comprehensive Income (FVTOCI):					
Investment in non-group companies					
Equity Shares (Fully Paid) - Quoted					
LG Balakrishnan & Bros. Limited	10	-	5,192	-	0.55
LGB Forge Limited	1	-	25,960	-	0.01
GIC Housing Finance Limited	10	-	48,700	-	1.81
Equity Shares (Fully Paid) - Unquoted					
Bombay Mercantile Co-op. Limited (Fair value ₹5,000 only)	10	500	500	-	-
Southern Energy Development Corporation Limited	10	70,000	70,000	6.04	6.34
TI Cycles of India Co-operative Canteen Limited (Fair value - ₹250 only)	5	50	50	-	-
TI Diamond-Miller Co-operative Canteen Limited (Fair value - ₹100 only)	5	20	20	-	-
Cauvery Power Generation Chennai Private Limited	10	24,00,000	24,00,000	2.41	2.41
Watsun Infrabuild Private Limited (Refer Note below)	10	1,50,663	-	0.15	-
				8.60	**11.12**

Investments at FVTOCI (fully paid) reflect investment in quoted and unquoted equity investments. Refer Note 43.1 for determination of their fair value.

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Quoted		
Cost	-	0.24
Market value	-	2.37
Unquoted		
Cost	2.63	2.48

Notes:

a. Investments at FVTOCI (fully paid) reflect investment in quoted and unquoted equity investments. Refer Note 43.1 for determination of their fair value

b. During the year, the Group has sold the entire investments held in LG Balakrishnan & Bros. Limited, LGB Forge Limited and GIC Housing Finance Limited. These investments are classified as FVTOCI and consequently the gain on sale has been transferred to retained earnings. The fair value of the investments on the date of derecognition is ₹1.71 Cr. and cumulative gain is ₹1.47 Cr.

c. During the year, the Group subscribed to 1,50,663 Equity Shares of face value of ₹10 each of Watsun Infrabuild Private Limited at face value, amounting to ₹0.15 Cr.

Notes to Consolidated Financial Statements

Particulars	Nominal Value ₹ per unit	Number of shares As at 31-Mar-2019	Number of shares As at 31-Mar-2018	₹ in Crores As at 31-Mar-2019	₹ in Crores As at 31-Mar-2018
Investments at Amortised Cost:					
Investments in Tax Free Bonds - Quoted					
PFC Tax Free Bonds	1,000	2,567	2,567	0.26	0.26
IRFC Tax Free Bonds	1,000	26,783	26,783	2.75	2.75
NHAI Tax Free Bonds	1,000	11,428	11,428	1.14	1.14
IREDA Tax Free Bonds	1,000	23,624	23,624	2.41	2.41
HUDCO Tax Free Bonds	1,000	21,442	21,442	2.19	2.19
NABARD Tax Free Bonds	1,000	4,008	4,008	0.40	0.40
RECL Tax Free Bonds	1,000	8,000	8,000	0.94	0.94
NTPC Tax Free Bonds	1,000	17,735	17,735	1.99	1.99
NHPC Limited Tax Free Bonds	1,000	800	800	0.09	0.09
SBI - PERPETUAL BONDS	20,00,000	20	-	1.99	-
				14.16	**12.17**
Total				**22.76**	**23.29**

Notes

Investments at amortised cost reflect investments in quoted tax free bonds. Refer Note 43.1 for determination of their fair value.

Note 8b. Other Financial assets

(At Amortised Cost, considered good, unsecured unless stated otherwise) (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Electricity & Other deposits	21.21	20.04
Others	8.43	4.57
Total	**29.64**	**24.61**

Note 9. Other non-current assets

(Considered Good, Unsecured unless stated otherwise) (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Capital Advances		
- Secured	4.66	3.83
- Unsecured		
Considered Good	8.88	9.30
Considered Doubtful	0.18	0.18
	13.72	13.31
Less: Provision for Doubtful Advance	(0.18)	(0.18)
	13.54	13.13
Balance with Customs, Excise and Sales Tax Authorities	29.39	18.26
Contract Assets	8.91	-
Rental Advance	0.13	0.22
Prepaid Expense	0.08	-
Total	**52.05**	**31.61**

Notes to Consolidated Financial Statements

Note 10. Inventories

(Lower of Cost and Net Realisable Value) (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Raw Materials	234.64	252.90
Work-in-Progress	192.23	191.34
Finished Goods	237.50	216.91
Stock-in-Trade	77.80	62.00
Stores and Spare Parts	6.49	7.04
Goods-in-Transit		
- Raw Materials	55.86	21.74
- Stock-in-Trade	10.27	8.93
Total	**814.79**	**760.86**

During the year ended 31st March 2019, ₹11.13 Cr. was recognised as an expense to bring the inventories to record them at Net Realisable Value. (31st March 2018 - ₹12.56 Cr.)

Note 11a. Financial assets - Loans

(Considered Good, Unsecured unless stated otherwise) (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Loan to Employees	1.63	1.64
Total	**1.63**	**1.64**

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-2019	As at 31-Mar-2018
Considered Good	679.34	684.84
Provision for Receivables	(1.52)	(1.31)
	677.82	**683.53**
Trade Receivables which have significant increase in credit risk	3.69	15.99
Provision for Receivables	(0.88)	(2.51)
	2.81	**13.48**
Trade Receivables - credit impaired	6.68	7.98
Provision for Impairment on Receivables	(6.68)	(7.98)
	-	**-**
Total		
Considered Good	679.34	684.84
Trade Receivables which have significant increase in credit risk	3.69	15.99
Trade Receivables - credit impaired	6.68	7.98
	689.71	**708.81**
Provision for Doubtful / Impairment on Receivables	(9.08)	(11.80)
Total	**680.63**	**697.01**

Trade Receivables are non-interest bearing and are 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.

Notes to Consolidated Financial Statements

Reconciliation of Provision / Impairment for Receivables (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Opening Balance as at beginning of the period	11.80	10.26
Created / (Reversed) during the year	(2.72)	1.54
Closing Balance as at end of the period	**9.08**	**11.80**

Note 11c. Financial assets - Investments (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Quoted Investments - FVTPL		
Investments in Mutual Funds	109.69	101.40
Total	**109.69**	**101.40**

During the year, the Company has invested an aggregate amount of ₹735.67 Cr. (Previous Year - ₹1,245.85 Cr) in the units of various Cash Management Schemes of Mutual funds, for the purpose of deployment of temporary cash surplus and has ₹109.69 Cr. (Previous Year - ₹101.40 Cr.) in various schemes of mutual funds as at year end. The total consideration received on the sale of units during the year was ₹726.42 Cr. (Previous Year - ₹1,302.35 Cr.).

Note 11d. Cash and Cash Equivalents (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balances with Banks in Current Account	27.66	25.37
Fixed Deposits	3.51	3.23
Cash on Hand	2.30	2.87
	33.47	**31.47**
Other bank balances:		
– Unpaid Dividend accounts	1.57	0.99
– Deposit in Buyback Escrow account	17.50	-
	52.54	**32.46**
Cash Credit facility (Secured)	(64.56)	(79.94)
Balances in Unpaid Dividend Accounts	(1.57)	(0.99)
Deposit in Buyback Escrow account	(17.50)	-
Total Cash and Cash Equivalents as per Statement of Cash Flow	**(31.09)**	**(48.47)**

As at 31st March 2019, the Group has undrawn committed lines of ₹211.87 Cr. (As at 31st March 2018 - ₹296.14 Cr).

There are restrictions in the balances in Unpaid Dividend accounts and Deposit in Buyback Escrow account. Pursuant to Rule 9(xi) of Securities and Exchange Board of India (Buyback of Securities) regulations, 2018, 25% of the consideration payable on Buyback of shares by Shanthi Gears Limited has been deposited in the Escrow Account

The Group has applied amendments to Indian Accounting Standard 7 "Statement of Cash Flows", which is effective for annual periods beginning on or after 1st April 2017. The amendments require the Group to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from Cash Flows and non-cash changes (such as fair value changes). The changes in liabilities arising from financial activities are only on account of changes in the Cash Flows.

Note 11e. Bank Balances other than 11d above (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Deposits with original maturity of more than 3 months but less than 12 months	0.20	-
Bank Deposits with original maturity of more than 12 months	3.27	-
Total	**3.47**	**-**

Notes to Consolidated Financial Statements

Note 11f. Other Financial assets

(At Amortised Cost, considered good, unsecured unless stated otherwise) (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Interest Accrued	0.66	5.24
Claims Recoverable		
- Goods and Services	3.18	4.01
- Employee Related	0.65	0.44
Balance in Fixed Deposit Accounts	3.00	47.61
Other Deposits	4.02	3.58
Government Grants	11.54	15.48
Others	1.22	2.49
Total	**24.27**	**78.85**

Note 12. Other current assets

(Considered Good, Unsecured unless stated otherwise) (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Advances Recoverable		
- Goods and Services	22.80	15.36
- Employee Related	10.74	15.71
- Prepaid Expenses	7.84	7.54
- Gratuity Fund (Net of Provision)	0.36	1.30
- Others	0.01	0.02
	41.75	**39.93**
Balances with Customs, Excise, Sales Tax and GST Authorities	15.85	47.28
Contract Assets	4.72	-
Total	**62.32**	**87.21**

Note 13. Equity Share Capital

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Authorised Capital		
25,00,00,000 Equity Shares of ₹1 each	25.00	25.00
Issued, Subscribed and Paid-up Capital		
18,77,11,281 Equity Shares of ₹1 each fully paid up (31-Mar-2018: 18,75,36,368 Equity Shares of ₹1 each fully paid up)	18.77	18.75
	18.77	**18.75**

a) The Reconciliation of shares capital is given below:

Particulars	As at 31-Mar-2019		As at 31-Mar-2018	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	18,75,36,368	18.75	18,74,47,871	18.74
Issue of Share Capital	1,74,913	0.02	88,497	0.01
At the end of the year	**18,77,11,281**	**18.77**	**18,75,36,368**	**18.75**

Notes to Consolidated Financial Statements

The Breakup of shares issued during the previous year was as follows:

Particulars	No of Shares
Shares issued upon exercise of Employee Stock Options of the Demerged Company prior to the record date i.e 28th August 2017	42,720
Shares issued upon exercise of Employee Stock Options of the Resulting Company	45,777
Total	**88,497**

b) Terms / Rights attached to class of shares

The Company has only one class of shares referred to as Equity Shares having a par value of ₹ 1 each. The holders of Equity Shares are entitled to one vote per share. Dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. Repayment of capital will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at 31-Mar-2019		As at 31-Mar-2018	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Ambadi Investments Limited (Face Value ₹1 each)	6,82,66,595	36.37%	7,00,66,595	37.36%

d) Status on Global Depository Receipts (GDRs):

Pursuant to the Scheme of Arrangement, during the year, the Company issued shares in the ratio of GDRs held by them in the Demerged Company, to a appointed depository. The appointed depository shall hold such shares on behalf of the holders of the Demerged Company GDRs. Consequently, the aggregate number of GDRs deemed to be outstanding as at 31st March 2019 is 22,30,630 (As at 31st March 2018 – 42,30,630) each representing one Equity Share of ₹1/- face value. GDR % against total number of shares is 1.19%. The GDRs carry the same terms / rights attached to Equity Shares of the Company.

Note 14. Other equity

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
General Reserve	361.77	361.77
Securities Premium	3.60	0.10
Retained Earnings	1,019.72	762.55
Other Reserves		
Share Options Outstanding Account	7.95	5.43
Cash Flow Hedge Reserve	4.79	(0.12)
Foreign Currency Translation Reserve	4.25	4.19
FVTOCI Reserve	4.30	6.64
Capital Reserve	0.49	0.49
Treasury Shares	(0.25)	-
Capital Redemption Reserve	0.01	0.01
Debenture Redemption Reserve	50.00	112.50
Total	**1,456.63**	**1,253.56**

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.

Notes to Consolidated Financial Statements

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	361.77	355.46
Transfer to General Reserve from Retained earnings	-	6.31
Balance at the end of the year	**361.77**	**361.77**

b. **Securities Premium** - The Securities premium received during the year represents the premium received towards allotment of shares. This balance will be utilised in accordance with the provisions of Section 52 of the Companies Act towards issuance of fully paid bonus shares, write-off of preliminary expenses, commission / discount expenses on issue of shares / debentures, premium payable on redemption of redeemable preference shares / debentures and buy back of its own shares / securities under Section 68 of the Companies Act, 2013.

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	0.10	-
Additions during the year	3.50	0.10
Balance at the end of the year	**3.60**	**0.10**

c. **Retained earnings -** The amount that can be distributed by the Group as dividends to its equity shareholders is determined based on the financial statements of the Group and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported below may not be distributable in entirety.

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	762.55	687.62
Profit for the Year	240.42	147.39
Effect of adoption of Ind AS 115	(0.49)	-
Other comprehensive income for the Year (Note 29)	(1.44)	-
DRR transferred to Retained Earnings	62.50	6.25
Receipt of subsidy	0.32	-
Exercise of share options	1.49	-
Sale of FVTOCI Investments	1.47	-
Transfer to General Reserve	-	(6.31)
Dividend paid during the year	(42.23)	(60.94)
Dividend Distribution tax paid during the year	(2.79)	(10.36)
Dividend and Dividend Distribution Tax paid by Subsidiary	(5.89)	(2.05)
Adjustment relating to Employee benefit trust	3.81	-
Other Comprehensive Income - Re-measurement Gain / (Loss) on Defined Benefit Obligations (Net)	-	0.95
Balance at the end of the year	**1,019.72**	**762.55**

d. **Share Option Outstanding Account -** Under Ind AS 102, fair value of the options granted is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service. Stock options granted but not vested as on the transition date were valued for expired period, calculated from the grant date till date of transition were credited to Share options outstanding account.

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	5.43	-
Exercise of share options	(2.41)	-
Additions during the year	4.93	5.43
Balance at the end of the year	**7.95**	**5.43**

Notes to Consolidated Financial Statements

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-2019	As at 31-Mar-2018
Balance at the beginning of the year	(0.12)	(0.24)
Other comprehensive income for the year (Note 29)	4.91	0.12
Balance at the end of the year	**4.79**	**(0.12)**

f. Foreign Currency Translation Reserve - Exchange differences relating to the translation of the Results and Net Assets of the Foreign Subsidiaries from their functional currencies to the Group's presentation currency (ie., Indian Rupees) are recognised directly in Other Comprehensive Income and accumulated in the Foreign Currency Translation Reserve. At the time of disposal of the foreign operation, it is reclassified to the Statement of Profit and Loss.

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	4.19	(0.06)
Movement during the year (Net of tax)	0.06	4.25
Balance at the end of the year	**4.25**	**4.19**

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-2019	As at 31-Mar-2018
Balance at the beginning of the year	6.64	7.20
Other comprehensive income for the year (Note 29)	(2.34)	0.77
Gain on bargain purchase of Subsidiaries through Business Combination (Refer Note 39)	-	(0.38)
Re-measurement (Loss) / Gain on Defined Benefit Obligations (Net) transferred to Retained Earnings	-	(0.95)
Balance at the end of the year	**4.30**	**6.64**

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-2019	As at 31-Mar-2018
Balance at the beginning of the year	0.49	0.11
Gain on bargain purchase of Subsidiaries through Business Combination (Refer note 39)	-	0.38
Balance at the end of the year	**0.49**	**0.49**

i. Treasury Shares - Pursuant to the scheme of arrangement (Refer Note 1), the trust currently holds 7,03,680 shares each of both the Company and the Demerged Company (Cholamandalam Financial Holdings Limited, earlier known as TI Financial Holdings Limited) at a cost of ₹0.25 Cr as at 31st March 2019. These shares are treated as treasury shares in the financial statements. The market value of these shares as on 31st March 2019 was approximately ₹61 Cr. In view of the requirements of SEBI (Share Based Employee Benefits) Regulations, 2014, these shares have to be disposed within 5 years from the date of these regulations (i.e. before 28th October 2019). The gain/loss on sale of these treasury shares will be recognised in equity by the Company in accordance with Ind AS 32.

Notes to Consolidated Financial Statements

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	-	-
Adjustment relating to Employee Benefits Trust	(0.25)	-
Balance at the end of the year	**(0.25)**	**-**

j. Capital Redemption Reserve

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	0.01	0.01
Additions during the year	-	-
Balance at the end of the year	**0.01**	**0.01**

k. Debenture Redemption Reserve (DRR) - The Group has been vested with redeemable non-convertible debentures, pursuant to the Scheme of Arrangement. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the Group to create DRR out of profits of the Group available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures outstanding. According the Group has created DRR equal to 25% of the outstanding debentures.

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	112.50	118.75
Additions during the year	-	25.00
Deletions during the year	(62.50)	(31.25)
Balance at the end of the year	**50.00**	**112.50**

Note 15a. Long term Borrowings

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Secured		
Secured, Listed and Rated Non-Convertible Debentures (NCD)		
7.56% Privately Placed NCD	100.00	100.00
7.55% Privately Placed NCD	-	100.00
Term Loan from Banks	20.96	28.56
Total	**120.96**	**228.56**

a. All NCDs are secured by a pari passu first charge on certain immovable properties of the Group. (Refer Note 6a)

Repayment Schedule:

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

Coupon Rate	Effective Interest Rate	Oustanding Amount in ₹ Cr.	Maturity date and Redemption particulars
7.56%	7.55%	100	28-Dec-20
* 7.55%	7.55%	100	20-Feb-20

* Classified as "Other Financial Liabilities" (Refer Note 17c)

b. Term Loans from banks are secured by way of immovable properties of the respective Subsidiary and payable over a period of 3 years.

Notes to Consolidated Financial Statements

Note 15b. Long Term Liabilities (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Rental Deposits	1.07	0.88
Total	**1.07**	**0.88**

Note 15c. Other Non Current Liability (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Contract Liability	9.00	-
Total	**9.00**	**-**

Note 16. Deferred Tax Assets & Liabilities (₹ in Crores)

Particulars	Balance Sheet		Statement of Profit and Loss	
	31-Mar-2019	31-Mar-2018	31-Mar-2019	31-Mar-2018
Nature - (Liability) / Asset				
Deferred Tax Liabilities				
Difference between depreciation as per books of accounts and the Income Tax Act, 1961	(60.40)	(57.95)	2.45	(5.42)
Deferred Tax on proportionate share in proposed dividend of a Subsidiary	(1.10)	-	1.10	(0.87)
Deferred Tax on fair valuation of assets on acqusition of Subsidiaries	-	(2.18)	(2.18)	2.18
Deferred Tax on Foreign Currency Translation Reserve	(2.32)	(2.29)	0.03	2.29
Others	(2.24)	(2.65)	(0.41)	0.39
Deferred Tax Liabilities - A	**(66.06)**	**(65.07)**	**0.99**	**(1.43)**
Deferred Tax Assets				
Provision for Doubtful Trade Receivables	3.03	4.01	0.98	(0.46)
Provision for Employee Benefits	6.74	9.04	2.30	(2.70)
On expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	16.48	20.67	4.19	(6.12)
Effect of Cash Flow Hedge and Fair Value of Equity Investments through OCI	(4.99)	(2.47)	2.52	(0.30)
MAT Credit Entitlement	-	6.25	6.25	12.55
Others	6.69	4.95	(1.74)	(0.96)
Deferred Tax Assets - B	**27.95**	**42.45**	**14.50**	**2.01**
Deferred Tax (Income) / Expense (A+B)			**15.49**	**0.58**
Net Deferred Tax Liabilities (A+B)	**(38.11)**	**(22.62)**		

Reconciliation of Deferred Tax Liabilities (Net) (₹ in Crores)

Particulars	31-Mar-19	31-Mar-18
Opening balance	(22.62)	(22.11)
Tax Expense during the period recognised in Statement of Profit and Loss	(9.92)	15.27
MAT Credit Utilised	(6.25)	(12.55)
Tax (income) / expense during the period recognised in OCI	(2.52)	0.30
Tax on proportionate share in proposed dividend of a Subsidiary	(1.10)	0.87
Tax on Foreign Currency Translation Reserve	(0.03)	(2.29)
Tax on fair valuation of assets on acqusition of Subsidiaries	2.18	(2.18)
Others	2.15	0.07
Closing balance	**(38.11)**	**(22.62)**

At 31st March 2019, there was no recognised deferred tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's Subsidiaries or Joint Venture except for an amount of ₹1.10 Cr. The Group has determined that undistributed profits of its Subsidiaries and Joint Venture will not be distributed in the foreseeable future. Furthermore, the Group's Joint Venture will not distribute its profits until it obtains the consent from all venture partners.

Notes to Consolidated Financial Statements

During the year ended 31st March 2019 and 31st March 2018, the Parent Company has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The Group believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

Note 17a. Short term Borrowings (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Secured Borrowings		
(secured by *pari passu* first charge on Inventories and Trade Receivables)		
From Banks		
Packing Credit Rupee Loans	119.07	148.92
Other Borrowings	73.79	68.94
Cash Credit	64.56	79.94
	257.42	**297.80**
Unsecured Borrowings		
From Banks		
Packing Credit Rupee Loans	129.50	-
	129.50	**-**
Total	**386.92**	**297.80**

Note – Short term Borrowings have a maturity of up to 6 months with an interest rate range of 8% - 10%.

During the current year, the Company has borrowed fresh short term loans amounting to ₹1,699.35 Cr. (Previous year - ₹1,381.86 Cr.) and repaid loans to the tune of ₹1,594.85 Cr. (Previous year - ₹1,501.12 Cr.) relating to Packing Credit, Commercial Paper and other Short Term Working Capital Loans.

Note 17b. Trade Payables (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Trade Payables		
- Dues to Micro, Small & Medium Enterprises	0.75	0.40
- Others	960.64	961.19
Total	**961.39**	**961.59**
Includes Dues to		
Key Managerial Personnel	2.35	2.29

Note 17c. Other Financial Liabilities

(At Amortised Cost) (₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Current maturities of Long Term Borrowings		
Secured, Listed and rated Non-Convertible Debentures (NCD)		
7.55% Privately Placed NCD*	100.00	-
8.79% Privately Placed NCD*	-	150.00
8.90% Privately Placed NCD*	-	100.00
Interest Accrued but Not Due	3.41	13.69
Unpaid Dividends#	1.57	0.99
Advances and Deposits from Customers / Others	9.57	8.65
Dues to Directors	1.50	1.35
Other liabilities		
Recoveries from Employees	3.77	3.54
Capital Creditors	36.81	18.00
Others	0.82	0.58
Total	**157.45**	**296.80**

* Refer Note 15a for security and repayment terms

Amount to be credited to Investor Education and Protection Fund towards Unpaid Dividends ₹0.06 Cr. (Previous Year - ₹0.05 Cr)

Notes to Consolidated Financial Statements

Note 18. Short Term Provisions

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Provision for Compensated Absences (Refer Note a below)	18.86	19.01
Provision for Warranties (Refer Note b below)	2.59	1.67
Provision for Contingency / Others (Refer Note c below)	38.96	38.57
Others	13.10	12.17
Total	**73.51**	**71.42**

(a) Provision for Compensated absences

This refers to the amount provided for accumulated Earned Leave and Sick Leave, which can be encashed at the time of resignation / retirement of employee. The assumptions used to compute the provision are provided in Note 34.

(b) Provision for Warranties

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
At the Beginning of the Year	1.67	1.82
Created during the Year	2.12	1.20
Utilized during the Year	(1.20)	(1.35)
At the End of the Year	**2.59**	**1.67**

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-2019	As at 31-Mar-2018
At the Beginning of the Year	38.57	31.24
Created during the Year	0.39	7.33
At the End of the Year	**38.96**	**38.57**

The above Provision represents expected future outflows relating to various tax related matters, timing of which cannot be ascertained. The assumptions used to calculate the provisions are based on past experience of similar matters and professional consultations.

Note 19. Other current liabilities

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Statutory Liabilities	33.95	34.92
Contract Liability	4.87	-
Advances from Customers	19.85	22.54
Total	**58.67**	**57.46**

Notes to Consolidated Financial Statements

Note 20a. Financial Assets

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Financial Assets - Non Current		
At Fair Value		
Investments at FVTOCI	22.76	23.29
Derivative Instruments	2.12	-
At Amortised Cost		
Other Financial Assets	29.64	24.61
Total Non Current Financial Assets (A)	54.52	47.90
Financial Assets - Current		
At Fair Value		
Investments at FVTPL	109.69	101.40
At Amortised Cost		
(a) Loans	1.63	1.64
(b) Trade receivables	680.63	697.01
(c) Cash and Cash Equivalents	52.54	32.46
(d) Bank Balances other than (c) above	3.47	-
(e) Other financial assets	24.27	78.85
(f) Derivative Instruments	7.16	-
Total Current Financial Assets (B)	879.39	911.36
Total Financial Assets (A + B)	**933.91**	**959.26**

Note 20b. Financial Liabilities

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Financial Liabilities - Non Current		
At Amortised Cost		
Long Term Borrowings	120.96	228.56
At Fair Value through Profit and Loss		
Other Long Term Liabilities	1.07	0.88
Total Non Current Financial Liabilities (A)	122.03	229.44
Financial Liabilities - Current		
At Fair Value		
Derivative Instruments	-	0.31
At Amortised Cost		
(a) Short Term Borrowings	386.92	297.80
(b) Trade Payables	961.39	961.59
(c) Other Financial Liabilities	157.45	296.80
Total Current Financial Liabilities (B)	1,505.76	1,556.50
Total Financial Liabilities (A + B)	**1,627.79**	**1,785.94**

Notes to Consolidated Financial Statements

Note 20c. Government Grants

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Opening balance at the beginning of the period	1.08	1.38
Received during the Year	8.04	4.41
Released to the Statement of Profit and Loss	(5.91)	(4.71)
Closing balance at the end of the period	**3.21**	**1.08**
Current	3.21	1.08
Non Current	-	-
	3.21	**1.08**

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. There are no unfulfilled conditions or contingencies attached to these grants.

Note 20d. Proposed Dividend

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Proposed Dividends on Equity shares:		
Dividend for FY 2018-19 - ₹0.75 per share (Dividend for FY 2017-18 - ₹0.50 per share)	14.08	9.38
Dividend Distribution Tax (DDT) on Proposed Dividend	2.87	1.93
	16.95	**11.31**

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at year end.

Note 21. Revenue from Contract with Customers

(₹ in Crores)

Particulars	Year Ended 31-Mar-2019					
	Cycles and Accessories	Engineering	Metal Formed Products	Gears and Gear Products	Others	Total
Revenue from Contract with Customers						
Finished Goods	1,018.60	2,465.18	1,516.94	232.87	-	**5,233.59**
Traded Goods	214.57	-	15.50	-	-	**230.07**
Sale of Products (A)	**1,233.17**	**2,465.18**	**1,532.44**	**232.87**	**-**	**5,463.66**
Other Operating Revenue						
Scrap Sales	2.93	220.09	74.90	4.86	-	**302.78**
Service Income	-	-	-	4.21	-	**4.21**
Conversion Income	-	0.07	-	-	-	**0.07**
Others	3.38	0.07	0.46	-	0.14	**4.05**
Other Operating Revenue (B)	**6.31**	**220.23**	**75.36**	**9.07**	**0.14**	**311.11**
Total (A+B)	**1,239.48**	**2,685.41**	**1,607.80**	**241.94**	**0.14**	**5,774.77**

Notes to Consolidated Financial Statements

(₹ in Crores)

Particulars	Year Ended 31-Mar-2018					
	Cycles and Accessories	Engineering	Metal Formed Products	Gears and Gear Products	Others	Total
Revenue from Contract with Customers						
Finished Goods	1,116.73	1,993.15	1,327.90	205.22	-	**4,643.00**
Traded Goods	185.92	-	11.06	-	-	**196.98**
Sale of Products (A)	**1,302.65**	**1,993.15**	**1,338.96**	**205.22**	**-**	**4,839.98**
Other Operating Revenue						
Scrap Sales	1.86	175.34	57.10	4.26	-	**238.56**
Service Income from Subsidiaries	-	-	-	4.61	-	**4.61**
Conversion Income	-	0.08	-	-	-	**0.08**
Others	3.99	0.13	1.41	-	-	**5.53**
Other Operating Revenue (B)	**5.85**	**175.55**	**58.51**	**8.87**	**-**	**248.78**
Total (A+B)	**1,308.50**	**2,168.70**	**1,397.47**	**214.09**	**-**	**5,088.76**

In Previous year, sale of Products includes Excise Duty collected from customers of ₹79.88 Cr. Sale of Products net of Excise Duty is ₹4,760.10 Cr.

In Previous year, Sale of Scrap includes Excise Duty collected from customers of ₹8.93 Cr. Sale of Scrap net of Excise Duty is ₹229.63 Cr.

Revenue from operations for periods up to 30th June 2017 includes excise duty. From 1st July 2017 onwards the excise duty and most indirect taxes in India have been subsumed by Goods and Service Tax (GST). The Group collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year ended 31st March 2019 and 31st March 2018 are not comparable.

Reconciliation of the revenue from contract with customers with the amounts disclosed in the segment information (Note 37):

(₹ in Crores)

Particulars	Year Ended 31-Mar-2019					Year Ended 31-Mar-2018			
Revenue	Cycles and Accessories	Engineering	Metal Formed Products	Gears and Gear Products	Others	Engineering	Metal Formed Products	Gears and Gear Products	Others
External Customers	1,239.48	2,685.41	1,607.80	241.94	0.14	2,168.70	1,397.47	214.09	-
Inter-Segment	-	210.56	0.33	0.60	-	189.85	1.14	4.74	-
	1,239.48	**2,895.97**	**1,608.13**	**242.54**	**0.14**	**2,358.55**	**1,398.61**	**218.83**	**-**
Inter Segment Elimination and Adjustment	-	(210.56)	(0.33)	(0.60)	-	(189.85)	(1.14)	(4.74)	-
Total revenue from contracts with customers	**1,239.48**	**2,685.41**	**1,607.80**	**241.94**	**0.14**	**2,168.70**	**1,397.47**	**214.09**	**-**

Timing of Revenue Recognition

(₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Revenue recognised at a point in time	5,768.28	5,078.22
Revenue recognised over a period of time	6.49	10.54
Total	**5,774.77**	**5,088.76**

Notes to Consolidated Financial Statements

Summary of Contract Balances (₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Trade Receivables	680.63	697.01
Contract liability (Refer Note below)	13.87	7.88
Contract asset (Refer Note below)	13.63	7.39
Advances from Customers	19.85	22.54

Contract assets and Contract liabilities are deferred revenue and deferred cost on amortisation of tooling revenue and tooling cost, amortised over the life of the tool.

Note - The Company has adopted modified retrospective approach with respect to Ind AS 115 and effect of Ind AS 115 is given by adjusting the opening retained earnings. The Contract liability and Contract Asset balances amounting to ₹7.88 Cr. and ₹7.39 Cr. has been accounted as at 1st April 2018.

Of the total contract liabilities at the beginning of the year, the Company has recognised revenue in the current year amounting to ₹3.53 Cr.

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price: (₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Revenue as per Contracted Price	5,850.75	5,163.57
Adjustments		
- Discounts	(75.98)	(74.81)
Revenue as per Statement of Profit and loss	**5,774.77**	**5,088.76**

Note 22. Other Income (₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Dividend Income from Investments at FVTOCI	0.87	1.35
Dividend income from Investments at FVTPL	6.69	3.82
Rental Income	1.44	0.99
Royalty Income	0.61	0.23
Gain on Exchange Fluctuation (Net)	4.39	6.28
Profit on Property, Plant and Equipment sold / discarded (Net)	7.62	1.35
Profit on sale of Investments at FVTPL	2.42	2.17
Fair Value Gain on Financial Instruments at FVTPL	1.52	0.67
Liabilities no longer payable written back	1.75	1.47
Claims recovered	0.52	6.24
Export Benefits	20.70	27.21
Interest Income from Financial Assets		
- Fixed Deposits with Banks	3.27	5.47
- Others	0.52	1.32
Others	0.90	-
Total	**53.22**	**58.57**

Note 23a. Cost of material consumed (₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Opening Raw Materials	274.64	246.26
Addition on acquisition of Subsidiaries	-	3.05
Purchases	3,344.78	2,832.12
Closing Raw Materials	(290.50)	(274.64)
Cost of Raw Material and Components Consumed	**3,328.92**	**2,806.79**

Notes to Consolidated Financial Statements

Note 23b. Changes in inventories of Work-in-Progress, Finished Goods and Stock-in-Trade (₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Closing Stock		
Work-in-Progress	192.23	191.34
Finished Goods	237.49	217.75
Stock-in-Trade	88.07	70.10
	517.79	**479.19**
Opening Stock		
Work-in-Progress	191.34	151.75
Finished Goods	217.75	257.45
Stock-in-Trade	70.10	68.31
	479.19	**477.51**
Addition on acquisition of Subsidiaries		
Work-in-Progress	-	0.33
Finished Goods	-	2.24
Stock-in-Trade	-	-
	-	**2.57**
Changes in Inventories		
Work-in-Progress	(0.89)	(39.26)
Finished Goods	(19.74)	41.94
Stock-in-Trade	(17.97)	(1.79)
Total	**(38.60)**	**0.89**

Note 24. Employee Benefit Expense (₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Salaries, Wages and Bonus (Refer Note 33)	475.98	462.32
Gratuity Expenses (Refer Note 34)	3.34	3.38
Contribution to Provident and Other Funds	44.46	38.14
Staff Welfare Expenses	54.13	58.84
Total	**577.91**	**562.68**

Note 25.Depreciation and amortization expense (₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Depreciation of Property, Plant and Equipment (Refer Note 6a)	160.62	153.20
Depreciation of Intangible Assets (Refer Note 6b)	0.77	0.17
Depreciation on Investment Properties (Refer Note 7)	0.19	0.17
Total	**161.58**	**153.54**

Note 26. Finance Costs (₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Interest Expense on Borrowings	52.74	57.65
Exchange Differences on Foreign Currency Loans	-	0.77
Other Borrowing Costs	0.08	0.07
Total	**52.82**	**58.49**

Note – The Interest Expense on Borrowings includes the interest subvention received, amounting to ₹5.91 Cr. (Previous year - ₹4.71 Cr.) on Packing Credit loans.

Notes to Consolidated Financial Statements

Note 27a. Other Expense

(₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Consumption of Stores and Spares	240.20	221.06
Conversion Charges	141.29	121.58
Power and Fuel	194.37	176.39
Rent (Net of recoveries)	24.56	22.82
Repairs and Maintenance - Building	1.87	1.65
Repairs and Maintenance - Machinery	86.95	88.19
Insurance	5.41	5.91
Rates and Taxes	8.85	6.41
Travelling and Conveyance	27.67	30.27
Printing, Stationery and Communication	7.20	7.51
Freight, Delivery and Shipping Charges	229.93	214.89
Commission on Sales	14.98	11.86
Advertisement and Publicity	29.15	39.51
Impairment allowance for receivables and advances (Net) (Includes bad debts written off of ₹4.90 Cr.)	2.18	2.48
Auditor's Remuneration	1.89	1.96
Commission to Non Whole Time Directors	1.71	1.70
Directors' Sitting Fees	0.20	0.17
Bank Charges	3.18	3.25
Information Technology Expenses	12.74	10.81
Donations to Charitable and Other Institutions	0.44	0.73
Expenditure on Corporate Social Responsibility	3.65	2.15
Other Expenses	80.39	84.15
	1,118.81	**1,055.45**

Note 27b. Exceptional Items

(₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Provision for Impairment of Investment in Joint Ventures (Refer Note a)	-	(3.26)
Loss on sale of investment in Joint Venture (Refer Note a)	(0.26)	-
Reversal of impairment provision in Joint venture (Refer Note a)	3.26	-
	3.00	**(3.26)**

Note:

a. During the year, the Company has divested its entire shareholding of 1,37,50,000 shares of ₹10/- each in the Joint Venture Company, TI Absolute Concepts Private Ltd. (TIACPL) in favour of the Joint Venture partner, Absolute Speciality Foods Chennai Private Ltd., for an aggregate consideration of ₹3.00 Cr., against the cost of ₹3.26 Cr. and has exited the Joint Venture. In the previous year, the Company has provided impairment for ₹3.26 Cr. Accordingly there is a reversal of impairment provision aggregating ₹3.26 Cr. and a loss on sale of investment aggregating to ₹0.26 Cr.

Notes to Consolidated Financial Statements

Note 28. Income Tax Expense

The major components of income tax expense for the years ended 31st March 2019 and 31st March 2018 are:

Statement of Profit or loss section (₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Current Tax:		
Current Income Tax charge	122.79	82.84
Adjustments in respect of Current Income Tax of Prior Years	(2.66)	(10.56)
Deferred Tax:		
Relating to the origination and reversal of Temporary Differences	6.68	(13.96)
Income Tax Expense reported in the Statement of Profit and Loss	**126.81**	**58.32**

Other Comprehensive Income (OCI) section (₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
(Loss) / Gain on FVTOCI Equity Investments	(0.11)	(0.43)
Re-measurement Gain / (Loss) on Defined Benefit Obligations	(0.77)	0.57
Foreign Currency Translation Reserve	0.03	2.29
Movement on cash flow hedges	2.63	0.07
Income Tax charged to OCI	**1.78**	**2.50**

Reconciliation of tax expense and the accounting profit multiplied by corporate income tax rate for 31st March 2019 and 31st March 2018:

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in India (34.608%) as follows:

(₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Accounting Profit Before Tax	**377.64**	**213.83**
Profit before income tax multiplied by standard rate of corporate tax in India of 34.944% (Previous year: 34.608%)	131.96	74.00
Effects of:		
Benefit u/s 35(2AB) of Income Tax Act, 1961	(3.62)	(7.57)
Income - Exempt from tax	(13.94)	(5.26)
Benefit u/s 80IC of Income Tax Act, 1961	-	(1.97)
Dividend income taxed at Special Rate	0.84	-
Benefit u/s 80IA of Income Tax Act, 1961	(1.45)	(1.43)
Dividend Distribution Tax on proposed dividend of Subsidiary	1.10	(0.87)
Tax on fair valuation of assets on acquisition of Subsidiaries	-	(1.23)
Reversal of provision with respect to prior years	(2.66)	(10.56)
Others	14.58	13.21
Net effective Income Tax	**126.81**	**58.32**

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 2019 (₹ in Crores)

Particulars	Cash flow hedge reserve	FVTOCI reserve	Retained Earnings	Foreign Currency Transalation Reserve	Total
Currency forward contracts	4.91	-	-	-	4.91
Loss on FVTOCI financial assets	-	(2.34)	-	-	(2.34)
Re-measurement gains on defined benefit plans	-	-	(1.39)	-	(1.39)
Exchange Difference on Translation of Foreign Subsidiaries	-	-	-	0.06	0.06
	4.91	**(2.34)**	**(1.39)**	**0.06**	**1.24**

During the year ended 31st March 2018 (₹ in Crores)

Particulars	Cash flow hedge reserve	FVTOCI reserve	Retained Earnings	Foreign Currency Transalation Reserve	Total
Currency forward contracts	0.12	-	-	-	0.12
Gain on FVTOCI financial assets	-	(0.26)	-	-	(0.26)
Re-measurement loss on defined benefit plans	-	-	1.06	-	1.06
Exchange Difference on Translation of Foreign Subsidiary	-	-	-	4.25	4.25
	0.12	**(0.26)**	**1.06**	**4.25**	**5.17**

Note 30. Earnings Per Share

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Profit After Tax - attributable to equity holders of the Parent (₹ in crores)	240.42	147.39
Weighted average number of Equity Shares		
- Basic	18,69,56,619	18,74,91,054
- Diluted	18,71,60,005	18,76,29,895
Earnings Per Share of ₹1/- each		
- Basic	12.86	7.86
- Diluted	12.85	7.86

The weighted average number of shares for the year ended 31st March 2019 takes into account the effect of Treasury shares held through Employee welfare trust in the current year.

Notes to Consolidated Financial Statements

Note 31. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a. Judgements

In the process of applying the Group's accounting policies, management has not made 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

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 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. 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.

Notes to Consolidated Financial Statements

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 43 for further disclosures.

Note 32. Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 116 - Leases

Ind AS 116 Leases was notified by MCA on 30th March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1st April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group intends to adopt these standards from 1st April 2019. The Group has established an implementation team to implement Ind AS 116 and it continues to evaluate the changes to accounting systems and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 116 on financial statements will only be possible once the implementation project has been completed.

Ind AS 12 - Uncertain Tax Positions

Appendix C in Ind AS 12 is effective from 1st April 2019 and it set out the principles on recognition and measurement principle when there is uncertainty over income tax treatments. An entity shall evaluate whether it is probable that the tax authority shall accept an uncertain tax treatment. If it is probable, the tax base shall be consistent with that of the items used in its income tax filings. If not probable, the Company shall reflect the effect of uncertainty by using either the most likely amount method or expected value method. If the uncertain tax treatment affects current and deferred tax, the Group shall make consistent judgement and estimates for current and deferred tax.

The interpretation is effective for annual reporting periods beginning on or after 1st April 2019, but certain transition reliefs are available. The Group will apply the interpretation from its effective date. The Group is in the process of evaluating the changes and reliable estimate of the quantitative impact will be possible on completion of the study.

Ind AS 19 - Employee Benefits

Ind AS 19 has been amended to factor the impact relating to benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement in determining the past service cost, current service cost and net interest cost or income. The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1st April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

Notes to Consolidated Financial Statements

Ind AS 28 - Investments in Associates and Joint Ventures

The amendment states that Ind AS 109 applies to other financial instruments in an Associate or Joint Venture to which the equity method is not applied for long term interest that form part of entity's net investment in an Associate or Joint Venture.

These amendments shall be made retrospectively in accordance with Ind AS 8 for annual periods beginning from 1st April 2019. These amendments are not applicable to the Group.

Ind AS 109 - Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1st April 2019. These amendments have no impact on the Standalone financial statements of the Group.

Ind AS 103 - Party to a Joint Arrangements obtains control of a business that is a Joint Operation

The amendments clarify that, when an party to a joint arrangement obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st April 2019. These amendments are currently not applicable to the Group but may apply to future transactions.

Ind AS 111 - Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1st April 2019. These amendments are currently not applicable to the Group but may apply to future transactions.

Ind AS 12 - Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. An entity applies those amendments for annual reporting periods beginning on or after 1st April 2019. Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its consolidated financial statements.

Note 33. Stock Options

During the year, the Nomination and Remuneration Committee of the Board of Directors of the Company, at its meeting held on 27th March 2019, approved the grant of 10,122 Stock Options and 52,440 Stock Options to eligible employees of the Company.

In this regard, the Group has recognised expense amounting to ₹4.93 Cr. (Previous Year ₹5.43 Cr) for employees services received during the year, shown under Salaries, Wages and Bonus (Refer Note 24)

Notes to Consolidated Financial Statements

The movement in Stock Options during 2018-19 and 2017-18 are given below:

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

Particulars	Date of Grant	Options outstanding	During the Year 2017-18			Options outstanding	Options vested but not exercised
		As at 31-Mar-2017	Options Granted	Options Cancelled / lapsed	Options Excercised and allotted	As at 31-Mar-2018	As at 31-Mar-2018
Grant 1	21-Nov-17	-	51,516	-	4,672	46,844	46,844
Grant 2	21-Nov-17	-	34,241	-	34,241	-	-
Grant 3	21-Nov-17	-	21,280	-	4,864	16,416	16,416
Grant 4	21-Nov-17	-	15,112	-	-	15,112	15,112
Grant 5	21-Nov-17	-	9,344	-	2,000	7,344	7,344
Grant 6	21-Nov-17	-	2,32,270	9,660	-	2,22,610	2,22,610
Grant 7	12-Feb-18	-	10,86,480	-	-	10,86,480	-
Grant 8	12-Feb-18	-	2,62,200	-	-	2,62,200	-
Total		**-**	**17,12,443**	**9,660**	**45,777**	**16,57,006**	**3,08,326**

The details of Stock Options granted to certain employees during the current year and previous year are given below:

Particulars	Date of Grant	Weighted Average Exercise Price (₹)	Options Granted	Options Cancelled / lapsed	Options Exercised and allotted	Options vested and Outstanding at the End of the Year	Options unvested and Outstanding at the End of the Year	Vested Date	Weighted Average Remaining Contractual Life (In Years)
Grant 1	21-Nov-17	44.36	-	-	17,302	29,542	-	21-Nov-17	1.72
Grant 2	21-Nov-17	17.61	-	-	-	-	-	21-Nov-17	-
Grant 3	21-Nov-17	43.42	-	-	-	16,416	-	21-Nov-17	1.00
Grant 4	21-Nov-17	43.42	-	-	15,112	-	-	21-Nov-17	-
Grant 5	21-Nov-17	13.78	-	-	7,344	-	-	21-Nov-17	-
Grant 6	21-Nov-17	187.29	-	-	1,34,000	88,610	-	15-Mar-18	3.96
Grant 7	12-Feb-18	270.20	-	4,50,790	1,155	1,78,470	4,56,065	Partially vested on 12-Feb19	4.87
Grant 8	12-Feb-18	270.20	-	-	-	52,440	2,09,760	-	5.88
Grant 9	27-Mar-19	378.25	62,562	-	-	-	62,562	-	5.09
Total			**62,562**	**4,50,790**	**1,74,913**	**3,65,478**	**7,28,387**		

Notes to Consolidated Financial Statements

Particulars	Date of Grant	Weighted Average Exercise Price (₹)	Options Granted	Options Cancelled / lapsed	Options Exercised and allotted	Options vested and Outstanding at the End of the Year	Options unvested and Outstanding at the End of the Year	Vested Date	Weighted Average Remaining Contractual Life (In Years)
Grant 1	21-Nov-17	44.36	51,516	-	4,672	46,844	-	21-Nov-17	2.72
Grant 2	21-Nov-17	17.61	34,241	-	34,241	-	-	21-Nov-17	-
Grant 3	21-Nov-17	43.42	21,280	-	4,864	16,416	-	21-Nov-17	1.96
Grant 4	21-Nov-17	43.42	15,112	-	-	15,112	-	21-Nov-17	1.33
Grant 5	21-Nov-17	13.78	9,344	-	2,000	7,344	-	21-Nov-17	0.33
Grant 6	21-Nov-17	187.29	2,32,270	9,660	-	2,22,610	-	15-Mar-18	4.96
Grant 7	12-Feb-18	270.20	10,86,480	-	-	-	10,86,480	-	5.87
Grant 8	12-Feb-18	270.20	2,62,200	-	-	-	2,62,200	-	6.88
Total			**17,12,443**	**9,660**	**45,777**	**3,08,326**	**13,48,680**		

The following tables list the inputs to the Black Scholes model used for the plans for the year ended 31st March 2019:

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

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.

(₹ in Crores)

A.	Change in defined benefit obligation	31-Mar-2019	31-Mar-2018
1	Defined benefit obligation at beginning of period	57.33	55.29
2	Service cost		
	a. Current service cost	3.44	3.43
3	Interest expenses	4.56	4.01
4	Cash flows		
	a. Benefit payments from plan	(6.01)	(3.75)
5	Remeasurements		
	a. Effect of changes in demographic assumptions	0.54	(3.30)
	b. Effect of experience adjustments	1.07	1.65
6	Transfer In / Out	0.28	-
7	**Defined benefit obligation at end of period**	**61.21**	**57.33**

Notes to Consolidated Financial Statements

(₹ in Crores)

B.	Change in fair value of plan assets	31-Mar-2019	31-Mar-2018
1	Fair value of plan assets at beginning of period	58.63	55.87
2	Interest income	4.66	4.05
3	Cash flows		
	a. Total employer contributions	4.55	1.66
	b. Benefit payments from plan assets	(6.01)	(2.93)
4	Remeasurements		
	a. Return on plan assets (excluding interest income)	(0.54)	(0.02)
5	Transfer In / Out	0.28	-
6	**Fair value of plan assets at end of period**	**61.57**	**58.63**

(₹ in Crores)

C.	Amounts recognized in the Balance Sheet	31-Mar-2019	31-Mar-2018
1	Defined benefit obligation	61.21	57.33
2	Fair value of plan assets	(61.57)	(58.63)
3	Funded status	(0.36)	(1.30)
4	Net defined benefit liability (asset)	(0.36)	(1.30)

(₹ in Crores)

D.	Components of defined benefit cost	31-Mar-2019	31-Mar-2018
1	Service cost		
	a. Current service cost	3.44	3.43
2	Net interest cost		
	a. Interest expense on DBO	4.56	4.01
	b. Less - Interest (income) on plan assets	4.66	4.06
	c. Total net interest cost	(0.10)	(0.05)
3	Remeasurements (recognized in OCI)		
	a. Effect of changes in financial assumptions	0.54	(3.30)
	b. Effect of experience adjustments	1.07	1.65
	c. Less - (Return) on plan assets (excluding interest income)	(0.55)	(0.02)
	d. Total remeasurements included in OCI	2.16	(1.63)
4	Total defined benefit cost recognized in P&L and OCI	5.50	1.75

(₹ in Crores)

E.	Re-measurement	31-Mar-2019	31-Mar-2018
	a. Actuarial Loss / (Gain) on DBO	1.61	(1.65)
	b. Less - Returns above Interest Income	(0.55)	(0.02)
	Total Re-measurements (OCI)	2.16	(1.63)

(₹ in Crores)

F.	Employer Expense (P&L)	31-Mar-2019	31-Mar-2018
	a. Current Service Cost	3.44	3.43
	b. Interest Cost on net DBO	(0.10)	(0.05)
	c. Total P&L Expenses	3.34	3.38

Notes to Consolidated Financial Statements

(₹ in Crores)

G.	Net defined benefit liability (asset) reconciliation	31-Mar-2019	31-Mar-2018
1	Net defined benefit asset	(1.30)	(0.58)
2	Defined benefit cost included in P&L	3.34	3.38
3	Total remeasurements included in OCI	2.16	(1.63)
4	Employer contributions	(4.55)	(1.66)
5	Net benefit paid from plan assets	-	(0.81)
6	Net defined benefit liability (asset) as of end of period	(0.36)	(1.30)

(₹ in Crores)

H.	Reconciliation of OCI (Re-measurment)	31-Mar-2019	31-Mar-2018
1	Recognised in OCI during the period	2.16	(1.63)
2	Recognised in OCI at the end of the period	2.16	(1.63)

(₹ in Crores)

I.	Sensitivity analysis - DBO end of Period	31-Mar-2019	31-Mar-2018
1	Discount rate +1%	52.33	48.98
2	Discount rate - 1%	61.64	57.90
3	Salary Increase Rate +1%	61.55	57.82
4	Salary Increase Rate -1%	52.33	48.97
5	Attrition Rate +1%	57.44	53.97
6	Attrition Rate -1%	55.92	52.28

J.	Significant actuarial assumptions	31-Mar-2019	31-Mar-2018
1	Discount rate Current Year	7.50% - 8.00%	7.50% - 8.00%
2	Discount rate Previous Year	7.50% - 8.00%	7.00% - 7.25%
3	Salary increase rate	Uniform 5.0%	Uniform 5.0%
4	Attrition Rate	3.0% [AGE 0-30] 1.0% [AGE 31-40] 2.0% [AGE 41-58]	3.0% [AGE 0-30] 1.0% [AGE 31-40] 2.0% [AGE 41-58]
5	Retirement Age	58	58
6	Pre-retirement mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
7	Disability	Nil	Nil

K.	Data	31-Mar-2019	31-Mar-2018
1	No.	3,820	3,902
2	Avg. Age (years)	41	40
3	Avg. Past Service (years)	14	14
4	Avg. Sal. Monthly (₹)	22,379	21,857
5	Future Service (years)	17	18
6	Weighted average duration of DBO	14	14

Notes to Consolidated Financial Statements

(₹ in Crores)

L.	Expected cash flows for following year	31-Mar-2019	31-Mar-2018
1	Expected employer contributions / Additional. Provision Next Year	3.30	2.38
2	Expected total benefit payments		
	Year 1	4.64	5.01
	Year 2 to Year 5	23.60	21.31
	Next 5 years	35.00	31.93

(₹ in Crores)

M.	Defined benefit obligation at end of period	31-Mar-2019	31-Mar-2018
	Current Obligation	4.81	5.00
	Non-Current Obligation	56.40	52.33
	Total	61.21	57.33

(₹ in Crores)

	Summary	31-Mar-2019	31-Mar-2018
	Assets / Liabilities		
1	Defined benefit obligation at end of period	61.21	57.33
2	Fair value of plan assets at end of period	61.57	58.63
3	Net defined benefit liability (asset)	(0.36)	(1.30)
4	Defined benefit cost included in P&L	3.34	3.38
5	Total remeasurements included in OCI	2.16	(1.63)
6	Total defined benefit cost recognized in P&L and OCI	5.50	1.75

Notes:

i. The entire Plan Assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC).
ii. The expected / actual return on Plan Assets is as furnished by LIC.
iii. The estimate of future salary increase takes into account inflation, likely increments, promotions and other relevant factors.

b. Provident Fund

The Group's Provident Fund is exempted under Section 17 of the Employees' Provident Fund Act, 1952. Conditions for the grant of exemption stipulate that the employer shall make good the deficiency, if any, in the interest rate declared by the Trust over the statutory limit. The Actuary has provided a valuation for Provident Fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided below, the Group does not have additional obligation as at 31st March 2019 and 31st March 2018.

The details of fund and plan assets are given below: (₹ in Crores)

Particulars	31-Mar-2019	31-Mar-2018
Fair value of plan assets at end of period	143.08	140.58
Defined benefit obligation at end of period	141.96	136.56

The principal assumptions used in determining the present value obligation of interest guarantee under the deterministic approach are as follows:

Particulars	31-Mar-2019	31-Mar-2018
Discount Rate	7.75%	8.00%
Average Interest Rate expected to be declared	8.65%	8.55%

During the year, the Company contributed ₹6.76 Cr. (Previous year – ₹6.95 Cr.) under Defined Benefit Plans and the same has been recognised in the Statement of Profit and Loss under Employee Benefits expense.

Notes to Consolidated Financial Statements

c. Long Term Compensated Absences

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

Particulars	31-Mar-2019	31-Mar-2018
Discount Rate	7.25% - 7.75%	7.25% - 8.00%
Future Salary Increase (%)	5%	5%
Attrition Rate	1 to 3%	1 to 3%

d. Contributions to Defined Contribution Plans

During the year, the Group recognised ₹6.84 Cr. (Previous Year - ₹6.68 Cr.) to Provident Fund under Defined Contribution Plan, ₹6.40 Cr. (Previous Year - ₹6.34 Cr.) for Contributions to Superannuation Fund and ₹1.78 Cr. (Previous Year - ₹1.66 Cr.) for Contributions to Employee State Insurance Scheme in the Statement of Profit and Loss.

Note 35a. Contingent Liabilities **(₹ in Crores)**

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
(i) Disputed Income-Tax demands under appeal / remand pending before various appellate / assessing authorities against the Demerged Company	39.40	39.40
(ii) Disputed Service Tax, Excise and Customs duty demand pertaining to financial years 1999-2000 to 2012-13 pending before the Appellate Tribunal. The Management of the Group is of the opinion that the above demands are arbitrary and are not sustainable	0.11	0.11
(iii) Claims against the Group not acknowledged as debts	1.57	1.57
(iv) Disputed demand for additional sales tax on CST	0.02	0.02
(v) Disputed excise duty on interunit transfer of machinery	1.52	1.52
(vi) Dispute pending in court on a legal case	-	0.02
(vii) 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	-

Notes:

a. Draft Assessment Order received from Income Tax Authorities and show cause notices received from various other Government Authorities, pending adjudications, have been considered as contingent liability based on management assessment.

b. The uncertainties and possible reimbursement in respect of the above mentioned contingent liabilities are dependent on the outcome of various legal proceedings and therefore, cannot be predicted accurately.

c. The Group considers the Cash flow in each of the cases to be uncertain and hence considered as Contingent liabilities.

Note 35b. Commitments **(₹ in Crores)**

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
(i) Estimated amount of contracts remaining to be executed on capital expenditure and not provided for	65.39	64.63
(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.	4.69	7.95

Note 35c. The Supreme Court had passed judgement on 28th February 2019 that all allowances paid to employees are to be considered for the purposes of PF wage determination. There are numerous interpretative issues relating to the above judgement. As a matter of caution, the Group has made a provision on a prospective basis from the date of the SC order. The Group will update its provision, on receiving further clarity on the subject.

Notes to Consolidated Financial Statements

Note 36. Disclosure in respect of Related Parties pursuant to Ind AS 24

a) List of Related Parties

I. Substantial Interest in Voting power in Joint Venture

a. Tsubamex Company Limited

b. Absolute Speciality Foods Chennai Private Limited (till 4th June 2018)

II. Company having Significant Influence and related companies

a. Ambadi Investments Limited

b. Parry Agro Industries Limited

c. Parry Enterprises India Limited

III. Key Management Personnel (KMP)

a. Mr Vellayan Subbiah - Managing Director w.e.f. 14th August 2018
(Managing Director Designate till 13th August 2018)

b. Mr L Ramkumar - Managing Director (Till 13th August 2018)

c. Mr S Suresh - Company Secretary

d. Mr K Mahendra Kumar - Chief Financial Officer

IV. Non-Executive Directors

a. Mr M M Murugappan - Chairman

b. Mr Hemanth M Nerurkar (Till 13th August 2018)

c. Mr Pradeep V Bhide

d. Mr S Sandilya (Till 13th August 2018)

e. Ms Madhu Dubhashi

f. Mr Ramesh K B Menon

g. Mr Sanjay Johri (from 14th August 2018)

h. Mr Mahesh Chhabria (from 5th February 2019)

V. Post-Employment Benefit Funds

a. T.I.I.(Subsidiaries) Employees Provident Fund

b. TI Employees Provident Fund India Ltd

c. Tube Products Of India Employees Provident Fund

d. Tube Investments of India Limited, Senior Officer, Superannuation Fund

Notes to Consolidated Financial Statements

b) During the year the following transactions were carried out with the related parties in the ordinary course of business:

(₹ in Crores)

Transaction	Related Party	2018-19	2017-18
Services Received	Parry Enterprises India Limited	6.61	9.93
Dividend Paid	Ambadi Investments Limited	15.36	22.77
	Mr L. Ramkumar	-	0.04
	Mr Vellayan Subbaiah	0.10	0.14
	Mr M M Murugappan	0.18	0.23
Remuneration (Refer note i below)	Key Managerial Personnel	10.25	10.00
Fair value Cost of Stock options granted	Key Managerial Personnel	0.73	1.70
Sitting Fees and Commission	Non – Executive Directors	1.64	1.60
Contribution to Post Employment Benefit Plans	T.I.I.(Subsidiaries) Employees Provident Fund	5.00	4.56
	TI Employees Provident Fund India Ltd	6.21	6.66
	Tube Products Of India Employees Provident Fund	8.85	8.26
	Tube Investments of India Limited, Senior Officer, Superannuation Fund	3.14	3.07
Balance at Year End			
Payable	Key Managerial Personnel	2.35	2.29
	Parry Enterprises India Limited	0.21	0.16

(i) Details of remuneration to Key Managerial Personnel are given below:

(₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Salaries and Allowances	6.46	6.31
Provident Fund and Super Annuation	0.72	0.77
Perquisites	0.72	0.63
Incentive	2.35	2.29
Fair value Cost of Stock options granted	0.73	1.70
	10.98	**11.70**

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 four major segments – Cycles and Accessories, Engineering, Metal Formed Products, Gear and Gear products which comprise the primary basis of segmental information.

The Management Committee headed by Managing Director (CODM) consisting of Chief Financial Officer, Leaders of Strategic Business Units and Human resources have identified the above four reportable business segments. It reviews and monitors the operating results of the business segments for the purpose of making decisions about resource allocation and performance assessment using profit 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.

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocated corporate assets and liabilities represent the assets and liabilities that relate to the Group as a whole and are not allocable to any segment. Expenses that are directly identifiable to segments are considered for determining the segment results. Expenses which relate to the Group as a whole and are not allocable to segments are included under unallocated corporate expenses.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The previous year revenue, profit, assets and liabilities of cycles and accessories segment includes the effect of acquisition relating to Great Cycles (Private) Limited and Creative Cycles (Private) Limited (Refer Note 39).

Notes to Consolidated Financial Statements

(₹ in Crores)

Particulars	Cycles and Accessories		Engineering		Metal Formed Products		Gears and Gear Products		Eliminations		Consolidated Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
REVENUE												
External Sales	1,233.17	1,302.65	2,465.18	1,993.15	1,532.44	1,338.96	232.87	205.22	-	-	5,463.66	4,839.98
Inter-Segment Sales	-	-	210.56	189.85	0.33	1.14	0.60	4.74	(211.49)	(195.73)	-	-
Other Operating Income	6.31	5.85	220.23	175.55	75.36	58.51	9.07	8.87	(2.25)	(7.59)	308.72	241.19
Unallocated Corporate Income	-	-	-	-	-	-	-	-	-	-	2.39	7.59
Total Revenue	**1,239.48**	**1,308.50**	**2,895.97**	**2,358.55**	**1,608.13**	**1,398.61**	**242.54**	**218.83**	**(213.74)**	**(203.32)**	**5,774.77**	**5,088.76**
Unallocated Corporate Expenses	-	-	-	-	-	-		-	-	-	(1.55)	(16.80)
RESULT												-
Operating Profit	14.35	0.10	253.43	178.16	117.47	89.60	33.46	27.98	-	-	417.16	279.04
Profit / (Loss) on Sale of Property, Plant and Equipment	-	0.47	0.26	(3.23)	6.60	3.67	0.79	0.70	-	-	7.65	1.61
Net Operating Profit	**14.35**	**0.57**	**253.69**	**174.93**	**124.07**	**93.27**	**34.25**	**28.68**	**-**	**-**	**424.81**	**280.65**
Dividend Income	-	-	-	-	-	-	6.69	3.82	-	-	7.56	5.17
Finance Costs	-	-	-	-	(1.14)	(2.11)	-	-	-	-	(52.82)	(58.49)
Tax Expense	(0.85)	(2.30)	-	-	2.82	3.93	(9.11)	(4.59)	-	-	(126.81)	(58.32)
Exceptional Items												
- Provision for Impairment of Investment in Joint Ventures	-	-	-	-	-	-	-	-	-	-	3.00	(3.26)
Profit on Sale of Current Investments (Net)	-	-	-	-	0.53	0.14	1.52	0.67	-	-	3.94	2.84
Share of Loss from Joint Venture	-	-	-	-	-	-	-	-	-	-	(8.85)	(13.08)
Net Profit	**13.50**	**(1.73)**	**253.69**	**174.93**	**126.28**	**95.23**	**33.35**	**28.58**	**-**	**-**	**250.83**	**155.51**
Other Information												
Segment Assets	512.41	591.00	1,161.67	1,165.80	977.91	825.70	347.28	353.66	(44.15)	(39.31)	2,955.12	2,896.85
Unallocated Corporate Assets	-	-	-	-	-	-		-	-	-	108.36	106.59
Total Assets	**512.41**	**591.00**	**1,161.67**	**1,165.80**	**977.91**	**825.70**	**347.28**	**353.66**	**(44.15)**	**(39.31)**	**3,063.48**	**3,003.44**
Segment Liabilities	292.49	328.06	475.02	502.22	372.99	280.49	50.15	41.82	(44.15)	(39.31)	1,146.50	1,113.28
Unallocated Corporate Liabilities	-	-	-	-	-	-	-	-	-	-	17.80	26.25
Total Liabilities	**292.49**	**328.06**	**475.02**	**502.22**	**372.99**	**280.49**	**50.15**	**41.82**	**(44.15)**	**(39.31)**	**1,164.30**	**1,139.53**
Capital Expenditure	7.14	7.80	83.95	140.56	88.14	68.46	11.62	6.32	-	-	190.85	223.14
Unallocated Corporate Capital Expenditure	-	-	-	-	-	-	-	-	-	-	3.34	11.65
Depreciation	16.11	15.95	73.73	65.66	56.98	52.87	10.62	15.56	-	-	157.44	150.04
Unallocated Corporate Depreciation	-	-	-	-	-	-	-	-	-	-	4.14	3.50
Investment in Joint Venture (Net of Impairment)	-	-	-	-	-	-	-	-	-	-	-	-

Notes to Consolidated Financial Statements

Revenue from external customers

(₹ in Crores)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
India	5,040.37	4,497.99
Outside India	734.40	590.77
Total Revenue per Statement of Profit or Loss	**5,774.77**	**5,088.76**

There are no sales to external customers more than 10% of Total Revenue.

Non-Current operating assets

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
India	1,541.61	1,472.89
Outside India	83.78	79.29
Total	**1,625.39**	**1,552.18**

Reconciliation of Segment assets and liabilities to amounts reflected in the Financial Statements

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Segment Assets	3,063.48	3,003.44
Add: Derivative Instruments	9.28	-
Add: Goodwill on Consolidation (Note 6c)	309.13	308.17
Total Assets	**3,381.89**	**3,311.61**

(₹ in Crores)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Segment Liabilities	1,164.30	1,139.53
Add: Deferred Tax Liabilities (Note 16)	38.11	22.62
Add: Long term and Short term Borrowings (Note 15a and Note 17a)	507.88	526.36
Add: Derivative Instruments	-	0.31
Add: Current maturities of Long term Borrowings (Note 17c)	100.00	250.00
Total Liabilities	**1,810.29**	**1,938.82**

Note 38.Operating Leases

The Group has operating lease agreements for certain office space and residential accommodation which are generally cancellable in nature. As per the lease terms, an amount of ₹24.56 Cr. (Previous Year - ₹22.82 Cr.) has been recognised in the Statement of Profit and Loss.

(₹ in Crores)

Year Ended	Rent payable within next 12 months	Rent payable between 1 to 5 years	Rent payable beyond 5 years
31-Mar-19	11.59	20.09	37.84
31-Mar-18	12.56	28.58	41.15

Note 39. Business Combination and acquisition of Non-Controlling Interests

In the previous year, the Group acquired 80% shares in Great Cycles (Private) Limited and Creative Cycles (Private) Limited, bicycle and component manufacturing companies based out of Sri Lanka for a consideration of ₹16.98 Cr. (USD 2.61 Million) and ₹6.47 Cr. (USD 0.99 Million) and accounted a capital reserve of ₹0.38 Cr. in the consolidated financial statements.

The acquisition is part of the Company's strategy for securing the backend supply chain in the mass premium and super premium segments of its bicycles business.

The Group has elected to measure the Non-Controlling Interest in the acquiree(s) at proportionate share of its interest in the acquiree's identifiable asset.

Notes to Consolidated Financial Statements

The Company, based on external expert valuation report determined the fair values of all the Assets and Liabilities taken over / assumed, in both these companies on acquisition date. Valuation of leasehold land and buildings are made using investment method taking into account the potential market value of the assets.

The fair value of the identifiable assets and liabilities of the acquirees as at the date of acquisition are given below: (₹ in Crores)

Particulars	Great Cycles (Private) Limited	Creative Cycles (Private) Limited
Assets		
Property, Plant and Equipment	6.45	3.06
Intangible Assets	5.82	4.89
Other Non Current Financial Assets	0.28	0.82
Inventories	1.42	4.22
Trade Receivables	4.76	5.19
Cash and Cash Equivalents	4.30	5.01
Other Current Assets	0.07	0.06
	23.10	**23.25**
Liabilities		
Trade Payables	1.35	9.41
Other Current Financial Liabilities	0.13	0.09
Other Current Liabilities	0.11	5.47
	1.59	**14.97**
Net Assets at Fair Value	**21.51**	**8.28**
Non Controlling Interest at Fair Value	4.30	1.66
Purchase Consideration	**16.98**	**6.47**
Gain on Bargain Purchase (Refer Note 14)	**0.23**	**0.15**

There is no contingent consideration to be paid to the previous owner as per the purchase agreement, and transactions to be recognised separately from acquisition of assets and assumption of liabilities.

The acquisition is a bargain purchase and also completed in one tranche.

From the date of acquisition till 31st March 2018, Great Cycles (Private) Limited and Creative Cycles (Private) Limited have contributed ₹2.56 Cr of Revenue from Operations and ₹0.28 Cr. of Profit before tax of the continuing operations of the Group. If the Business Combination had taken place at the beginning of the year, revenue from operations to the Group would have been ₹15.45 Cr. and profit before tax would have been ₹0.20 Cr. respectively.

Note 40.Non-Controlling Interest

Financial information of Subsidiaries having Non-Controlling Interest is given below

As at 31st March 2019

Name of the Subsidiary	Country of Incorporation	As on 31st March 2019	Profit allocated to Non-Controlling Interest (₹ in Crores)	Other Comprehensive Income allocated to Non-Controlling Interest (₹ in Crores)	Accumulated Non-Controlling Interest (₹ in Crores)
Shanthi Gears Limited	India	29.88%	9.96	0.05	90.26
Great Cycles (Private) Limited	Sri Lanka	20.00%	0.23	-	4.28
Creative Cycles (Private) Limited	Sri Lanka	20.00%	0.22	-	1.66

Notes to Consolidated Financial Statements

As at 31st March 2018

Name of the Subsidiary	Country of Incorporation	As on 31st March 2018	Profit allocated to Non-Controlling Interest (₹ in Crores)	Other Comprehensive Income allocated to Non-Controlling Interest (₹ in Crores)	Accumulated Non-Controlling Interest (₹ in Crores)
Shanthi Gears Limited	India	29.88%	8.54	0.03	94.97
Great Cycles (Private) Limited	Sri Lanka	20.00%	0.03	-	4.05
Creative Cycles (Private) Limited	Sri Lanka	20.00%	(0.45)	-	1.46

The summarised financial information of the Subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

As at 31st March 2019

Summarised Statement of Profit and Loss (₹ in Crores)

Particulars	Shanthi Gears Limited	Great Cycles (Private) Limited	Creative Cycles (Private) Limited
Income	254.77	17.10	55.20
Expenses	212.31	15.42	53.77
Profit Before Tax	42.46	1.68	1.43
Tax Expense	9.11	0.52	0.33
Profit for the Year	33.35	1.16	1.10
- attributable to the equity holders of the Parent	23.39	0.93	0.88
- attributable to the non-controlling interest	9.96	0.23	0.22
Other Comprehensive Income	0.18	-	-
- attributable to the equity holders of the Parent	0.13	-	-
- attributable to the non-controlling interest	0.05	-	-
Total Comprehensive Income	33.53	1.16	1.10
- attributable to the equity holders of the Parent	23.52	0.93	0.88
- attributable to the non-controlling interest	10.01	0.23	0.22

Summarised Balance Sheet (₹ in Crores)

Particulars	Shanthi Gears Limited	Great Cycles (Private) Limited	Creative Cycles (Private) Limited
Non-Current Asset	83.67	11.02	7.59
Current Asset	268.95	11.32	9.03
Non-Current Liabilities	1.07	0.06	0.54
Current Liabilities	49.47	0.87	7.78
Total Equity	302.08	21.41	8.30
- attributable to the equity holders of the Parent	211.82	17.13	6.64
- attributable to the non-controlling interest	90.26	4.28	1.66

Summarised Cash Flow Statement (₹ in Crores)

Particulars	Shanthi Gears Limited	Great Cycles (Private) Limited	Creative Cycles (Private) Limited
Net cash inflow in operating activities	71.77	0.58	(3.60)
Net cash outflow from investing activities	(4.25)	(0.72)	(0.15)
Net cash inflow in financing activities	(49.26)	-	-
Net Increase / (Decrease) in Cash and Cash equivalents	18.26	(0.14)	(3.75)

Notes to Consolidated Financial Statements

As at 31st March 2018

Summarised Statement of Profit and Loss (₹ in Crores)

Particulars	Shanthi Gears Limited	Great Cycles (Private) Limited	Creative Cycles (Private) Limited
Income	231.47	1.30	5.58
Expenses	198.30	1.15	5.45
Profit Before Tax	33.17	0.15	0.13
Tax Expense	4.59	-	0.12
Profit for the Year	28.58	0.15	0.01
- attributable to the equity holders of the Parent	20.04	0.12	0.01
- attributable to the non-controlling interest	8.54	0.03	-
Other Comprehensive Income	0.11	-	-
- attributable to the equity holders of the Parent	0.08	-	-
- attributable to the non-controlling interest	0.03	-	-
Total Comprehensive Income	28.69	0.15	0.01
- attributable to the equity holders of the Parent	20.12	0.12	0.01
- attributable to the non-controlling interest	8.57	0.03	-

Summarised Balance Sheet (₹ in Crores)

Particulars	Shanthi Gears Limited	Great Cycles (Private) Limited	Creative Cycles (Private) Limited
Non-Current Asset	81.24	12.46	8.42
Current Asset	278.82	10.23	14.68
Non-Current Liabilities	0.88	1.22	0.98
Current Liabilities	41.39	1.22	14.84
Total Equity	317.79	20.25	7.28
- attributable to the equity holders of the Parent	222.82	16.20	5.82
- attributable to the non-controlling interest	94.97	4.05	1.46

Summarised Cash Flow Statement (₹ in Crores)

Particulars	Shanthi Gears Limited	Great Cycles (Private) Limited	Creative Cycles (Private) Limited
Net cash inflow in operating activities	56.30	(0.04)	0.08
Net cash outflow from investing activities	(40.20)	-	(0.41)
Net cash inflow in financing activities	(17.21)	-	-
Net Increase in Cash and Cash equivalent	(1.11)	(0.04)	(0.33)

Notes to Consolidated Financial Statements

Note 41. Interest in Joint Venture

As at 31st March 2019, the Group has interest in Joint Ventures namely TI Tsubamex Private Limited (TTPL) at 78.33%.

The Group's interest is accounted using the equity method in the consolidated financial statements. Summarised financial information of the Joint Ventures based on their Ind AS financial statements is given below:-

As at 31st March 2019

Summarised Statement of Profit and Loss (₹ in Crores)

Particulars	TTPL
Income	7.35
Expenses	17.98
Profit Before Tax	(10.63)
Tax Expense	-
Profit for the Year	(8.85)
Other Comprehensive Income	-
Total Comprehensive Income	(8.85)
Proportion of Group's ownership	78%
Group's share in Total Comprehensive Income	(8.85)

Summarised Balance Sheet (₹ in Crores)

Particulars	TTPL
Non-Current Asset	-
Current Asset	5.25
Non-Current Liabilities	-
Current Liabilities	6.19
Total Equity	(0.94)
Proportion of Group's ownership	78%
Group's share in Total Equity	(0.74)

Note - During the year, the Company has divested its entire shareholding in the Joint Venture Company, TI Absolute Concepts Private Ltd. (TIACPL) (Refer Note 27).

As at 31st March 2018

Summarised Statement of Profit and Loss (₹ in Crores)

Particulars	TTPL	TIACPL
Income	26.76	10.68
Expenses	33.74	26.20
Profit Before Tax	(6.98)	(15.52)
Tax Expense	-	-
Profit for the Year	(6.98)	(15.52)
Other Comprehensive Income	-	-
Total Comprehensive Income	(6.98)	(15.52)
Proportion of Group's ownership	78%	50%
Group's share in Total Comprehensive Income	(5.32)	(7.76)

Notes to Consolidated Financial Statements

Summarised Balance Sheet (₹ in Crores)

Particulars	TTPL	TIACPL
Non-Current Asset	16.92	10.02
Current Asset	10.51	1.81
Non-Current Liabilities	6.06	0.03
Current Liabilities	11.68	5.29
Total Equity	9.69	6.51
Proportion of Group's ownership	78%	50%
Group's share in Total Equity	7.59	3.26

Note 42. Hedging Activities and Derivatives

Cash Flow Hedges

Foreign Exchange Forward Contracts measured at Fair Value through OCI are designated as Hedging Instruments in cash flow hedges of forecast sales in EUR and USD, and also for forecast purchases in USD, EUR and JPY. Currency Swaps measured at Fair Value through Profit and Loss are designated as Hedging Instruments in cash flow hedges of floating rate long term borrowings in USD.

(₹ in Crores)

Particulars	As at 31-Mar-2019		As at 31-Mar-2018	
	Assets	Liabilities	Assets	Liabilities
Fair Value of Foreign Exchange Forward Contracts	9.28	-	-	0.31

As at 31st March 2019

Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments (₹ in Crores)		Maturity Date	Hedge Ratio	Weighted Average Rate	Changes in Fair value of Hedging Instrument (₹ in Crores)	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness (₹ in Crores)
	Asset	Liability	Asset	Liability					
Foreign Currency Forward Contracts	37	30	122.10	98.95	02-Apr-2019 to 31-Mar-2021	1:1	1 USD - ₹ 70.70 1 EUR - ₹ 82.26	7.37	(7.37)

(₹ 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	6.18	-	1.36	Other Income

As at 31st March 2018

Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments (₹ in Crores)		Maturity Date	Hedge Ratio	Weighted Average Rate	Changes in Fair value of Hedging Instrument (₹ in Crores)	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness (₹ in Crores)
	Asset	Liability	Asset	Liability					
Foreign Currency Forward Contracts	16.00	18.00	10.18	21.25	05-Apr-2018 to 29-Mar-2019	1:1	1 USD-₹65.74 1 EUR-₹82.82 1 JPY-₹0.63	(0.17)	(0.17)

Notes to Consolidated Financial Statements

(₹ 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	1.15	-	0.96	Other Income

Note 43.1 Fair Values

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities. (₹ in Crores)

Particulars	Carrying value		Fair value	
	31-Mar-2019	31-Mar-2018	31-Mar-2019	31-Mar-2018
Financial assets				
FVTOCI Equity Investments	8.60	11.12	8.60	11.12
Investments at amortised cost	14.16	12.17	14.16	12.17
Other Financial Assets - Non Current	29.64	22.30	29.64	22.30
Loans	1.63	1.64	1.63	1.64
Trade Receivables	680.63	697.01	680.63	697.01
FVTPL Investments in Mutual Funds	109.69	101.40	109.69	101.40
Derivative Instruments	9.28	-	9.28	-
Cash & Bank Balances	56.01	32.46	56.01	32.46
Other Financial Assets - Current	24.27	78.85	24.27	78.85
Total	**933.91**	**956.95**	**933.91**	**956.95**
Financial liabilities				
Non-current Borrowings	120.96	228.56	121.43	235.57
Other Non-current Liabilities	1.07	0.88	1.07	0.88
Current Borrowings	386.92	297.80	386.92	297.80
Trade Payables	961.39	961.59	961.39	961.59
Derivative Instruments	-	0.31	-	0.31
Other Financial Liabilities - Current	157.45	296.80	157.45	296.80
Total	**1,627.79**	**1,785.94**	**1,628.26**	**1,792.95**

The management assessed that derivatives, cash and cash equivalents, trade receivables, loans, current investments, other financial assets, borrowings, trade payables, bank overdrafts and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

i. The fair values of quoted equity investments are derived from quoted market prices in active markets.

ii. The fair values of certain unquoted equity investments have been estimated using Discounted Cash-flow Model (DCF). The valuation is based on certain assumptions like forecast cash-flows, discount rate, etc.

iii. The fair values of quoted investments routed through FVTPL are derived from quoted market prices in active markets.

iv. The fair value of borrowings is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return, adjusted for the Credit spread considered by the lenders for instruments of the similar maturity.

v. Derivatives are fair valued using market observable rates and published prices.

Notes to Consolidated Financial Statements

Note 43.2 Fair Values Hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

As at 31st March 2019

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2019: (₹ in Crores)

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	9.28	-	9.28	-
FVTOCI Equity investments	8.60	-	-	8.60
FVTPL Investments	123.85	123.85	-	-
Assets for which fair values are disclosed:				
Investment Properties	16.77	-	-	16.77

Fair value of investment property is calculated based on valuation given by external independent valuer

There have been no transfers between level 1 and level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31st March 2019: (₹ in Crores)

Particulars	Total	Fair Value Measurement using		
		Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities for which fair values are disclosed:				
Borrowings:				
Long term Borrowings	121.43	-	121.43	-

There have been no transfers between level 1 and level 2 during the period.

As at 31st March 2018

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2018: (₹ in Crores)

Particulars	Total	Fair Value Measurement using		
		Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value:				
FVTOCI Equity investments	11.12	2.37	-	8.75
FVTPL Investments	113.57	113.57	-	-
Assets for which fair values are disclosed:				
Investment Properties	14.91	-	-	14.91

Fair value of investment property is calculated based on valuation given by external independent valuer

There have been no transfers between level 1 and level 2 during the period.

Notes to Consolidated Financial Statements

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31st March 2018: (₹ in Crores)

Particulars	Total	Fair Value Measurement using Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:				
Derivative Financial Liabilities:				
Foreign Exchange forward Contracts	0.31	-	0.31	-
Liabilities for which fair values are disclosed:				
Borrowings:				
Long term Borrowings	235.57	-	235.57	-

There have been no transfers between level 1 and level 2 during the period.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31st March 2019 and 31st March 2018 are as shown below:

Particulars	Valuation technique	Significant unobservable inputs	Range (Weighted average)	Sensitivity of the input to fair value
Unquoted FVTOCI equity investments As at 31st March 2019	DCF Model	Discount Rate	15%	5% sensitivity 2018-19 - Discount Rate-20%, ₹(1.57) Cr. Discount Rate-10%, ₹3.16 Cr.
Unquoted FVTOCI equity investments As at 31st March 2018	DCF Model	Discount Rate	15%	5% sensitivity 2017-18 - Discount Rate-20%, ₹(1.71) Cr. Discount Rate-10%, ₹3.45 Cr.
Investment Property As at 31st March 2019	Professional valuer	Price per Sq. feet	₹4000 - ₹13,000 per Sq. ft.	5% sensitivity 2018-19 - Rate per Sq. ft - 5%, ₹0.34 Cr.
Investment Property As at 31st March 2018	Professional valuer	Price per Sq. feet	₹4000 - ₹13,000 per Sq. ft.	5% sensitivity 2017-18 - Rate per Sq. ft - 5%, ₹0.33 Cr.

(₹ in Crores)

Unquoted FVTOCI equity investments	As at 31-Mar-2019	As at 31-Mar-2018
As at the beginning of the period	8.75	10.06
Re-measurement recognised in OCI	(0.30)	(1.31)
Purchases	0.15	-
Sales	-	-
As at the end of the period	8.60	8.75

Note 44. Financial Risk Management Objectives and Policies

The Group's principal financial liabilities, other than derivatives, comprise of bank loans and trade payables. The main purpose of these financial liabilities is to raise finance for the operations. The Group has various financial assets such as trade receivables, cash and short-term deposits, which arise directly from its operations. There are FVTOCI investments and derivative transactions.

There is exposure to market risk, credit risk and liquidity risk. The senior management oversees the management of these risks. The senior management is supported by a Risk Management Committee that advises on financial risks and the appropriate financial risk governance framework. The Risk Management Committee provides assurance to the senior management that the financial risk activities are governed by appropriate policies and procedures and that the financial risks are identified, measured and managed in accordance with the policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the policy that no trading in derivatives for speculative purposes may be undertaken.

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.

(₹ in Crores)

As at	Nature	Increase / (Decrease) in PBT for change in USD rates	Increase / (Decrease) in PBT for change in EURO rates
31-Mar-2019	Receivables	2.59	1.49
	Payables	(2.07)	(0.27)
31-Mar-2018	Receivables	1.18	1.29
	Payables	(2.40)	(0.48)

Derivative Contracts

(₹ in Crores)

As at	Nature	Increase / (Decrease) in PBT for change in USD rates	Increase / (Decrease) in PBT for change in EURO rates	Increase / (Decrease) in OCI for change in USD rates	Increase / (Decrease) in OCI for change in EURO rates	Increase / (Decrease) in OCI for change in JPY rates
31-Mar-2019	Derivative Contracts	0.23	(1.17)	5.73	(4.41)	-
31-Mar-2018	Derivative Contracts	(0.54)	(0.79)	(0.04)	(0.66)	0.18

Conversely, 5% depreciation in the USD and Euro rates against the significant foreign currencies as at 31st March19 and 31st March 2018 would have had the same but opposite effect, again holding all other variables constant.

ii. Equity Price Risk

Equity Price Risk is related to the change in market reference price of the investments in equity securities.

The Group has investments in other equity investments, routed through FVTOCI of only ₹8.60 Cr. as at 31st March 2019. (As at 31st March 2018 - ₹11.12 Cr.)

B. Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Notes to Consolidated Financial Statements

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 ₹789.88 Cr. as at 31st March 2019 and ₹831.70 Cr. as at 31st March2018, 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 2019, the Company had 141 customers (as at 31st March 2018 - 119 customers) that owed the Company more than ₹1 Crore each and accounted for approximately 86% (as at 31st March 2018 - 72%) of the total trade receivables outstanding. There were 10 customers (as at 31st March 2018 12 Customers) with balances greater than ₹10 Crores accounting for around 24% 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, ₹73.02 Cr. (Previous year – ₹48.91 Cr.) is backed by Export Credit Guarantee Cover / Letter of Credit as at 31st March 2019.

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.

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 2019, the Company has undrawn committed lines of ₹211.87 Cr. (As at 31st March 2018 - ₹296.14 Cr.).

The table below provides details regarding the contractual maturities of financial liabilities based on Contractual undiscounted payments:

(₹ in Crores)

	On demand	Less than 3 months	3 to 12 months	> 1 year	Total
Year ended 31-Mar-19					
Borrowings	64.56	175.50	263.09	128.55	**631.70**
Other Financial Liabilities	0.88	53.16	-	-	**54.04**
Trade and Other Payables	232.59	725.51	3.29	-	**961.39**
Derivatives	-	-	-	-	**-**
	298.03	**954.17**	**266.38**	**128.55**	**1,647.13**
Year ended 31-Mar-18					
Borrowings	148.88	0.66	438.94	248.51	**836.99**
Other Financial Liabilities	1.10	32.01	-	0.88	**33.99**
Trade and Other Payables	145.25	805.88	10.46	-	**961.59**
Derivatives	-	0.31	-	-	**0.31**
	295.23	**838.86**	**449.40**	**249.39**	**1,832.88**

Notes to Consolidated Financial Statements

Note 45. Capital Management

The Group's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals.

The amount of capital required is determined based on annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through internal accruals, nonconvertible debentures, external commercial borrowings and other long-term/short-term borrowings. The Group's policy is aimed at combination of short-term and long-term borrowings.

The Group monitors capital employed using a Debt equity ratio, which is total debt divided by total equity and maturity profile of the overall debt portfolio of the Group.

The following table summarizes the Capital of the Group: (₹ in Crores)

	As at 31-Mar-2019	As at 31-Mar-2018
Borrowings		
- Long Term	120.96	228.56
- Short Term	386.92	297.80
- Other Current liabilities (Current maturities of Long Term Borrowings)	100.00	250.00
Total Debt	**607.88**	**776.36**
Equity Share Capital	18.77	18.75
Other Equity	1,456.63	1,253.56
Equity	**1,475.40**	**1,272.31**
Debt Equity ratio	0.41	0.61

Notes to Consolidated Financial Statements

Note 46. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 as at and for the year ended 31st March 2019 and 31st March 2018

Year Ended 31st March 2019

Name of the Entities	Net Assets		Share in Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹ in Crores)	As % of Consolidated Profit and Loss	Amount (₹ in Crores)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Crores)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Crores)
I. Parent								
Tube Investments of India Limited	74%	1,168.21	88%	220.77	81%	1.00	88%	221.77
II. Subsidiaries								
a) Indian								
Shanthi Gears Limited	13%	211.43	9%	23.39	10%	0.13	9%	23.52
b) Foreign								
Financiere C10 SAS (Refer Note)	5%	78.63	1%	3.30	5%	0.06	1%	3.36
Great Cycles Private Limited	1%	15.76	0%	0.93	0%	-	0%	0.93
Creative Cycles Private Limited	0%	1.70	0%	0.88	0%	-	0%	0.88
III. Non Controlling Interest Subsidiaries								
a) Indian								
Shanthi Gears Limited	6%	90.26	4%	9.96	4%	0.05	4%	10.01
b) Foreign								
Great Cycles Private Limited	0%	4.04	0%	0.23	0%	-	0%	0.23
Creative Cycles Private Limited	0%	1.58	0%	0.22	0%	-	0%	0.22
IV. Joint Ventures								
a) Indian								
TI Tsubamex Private Limited	0%	-	-4%	(8.85)			-4%	(8.85)
Total		**1,571.60**		**250.83**		**1.24**		**252.07**

Notes to Consolidated Financial Statements

Year Ended 31st March 2018

Name of the Entities	Net Assets		Share in Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹ in Crores)	As % of Consolidated Profit and Loss	Amount (₹ in Crores)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Crores)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Crores)
I. Parent								
Tube Investments of India Limited	68%	937.05	91%	141.70	98%	5.06	91%	146.76
II. Subsidiaries								
a) Indian								
Shanthi Gears Limited	16%	220.13	14%	22.29	2%	0.08	14%	22.37
b) Foreign								
Financiere C10 SAS (Refer Note)	6%	78.01	-1%	(1.87)	0%	-	-1%	(1.87)
Great Cycles Private Limited	1%	17.71	-1%	(0.89)	0%	-	-1%	(0.89)
Creative Cycles Private Limited	1%	10.56	0%	(0.76)	0%	-	0%	(0.76)
III. Non Controlling Interest Subsidiaries								
a) Indian								
Shanthi Gears Limited	7%	97.61	5%	8.54	0%	0.03	5%	8.57
b) Foreign								
Great Cycles Private Limited	0%	2.60	0%	(0.21)	0%	-	0%	(0.21)
Creative Cycles Private Limited	0%	0.27	0%	(0.21)	0%	-	0%	(0.21)
IV. Joint Ventures								
a) Indian								
TI Tsubamex Private Limited	1%	8.85	-3%	(5.32)			-3%	(5.32)
TI Absolute Concepts Private Limited	0%		-5%	(7.76)			-5%	(7.76)
Total		**1,372.79**		**155.51**		**5.17**		**160.68**

Note: Represents details as per Consolidated Financial Statements of Financiere C10 SAS (FC10). Consolidated Financial Statements of FC10 includes the Financial Statements of its three wholly owned Subsidiaries namely Sedis SAS, Sedis Gmbh and Sedis Co. Limited.

Note 47.Previous Year's figures

The Group has reclassified / regrouped previous year figures to conform to this year's classification.

Signatures to Notes to Consolidated Financial Statements

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

per **Subramanian Suresh**
Partner
Membership No : 083673

Chennai
30th April 2019

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

S Vellayan
Managing Director

M M Murugappan
Chairman

S Suresh
Company Secretary

K Mahendra Kumar
Chief Financial Officer

Proxy Form

TUBE INVESTMENTS OF INDIA LIMITED

(formerly, TI Financial Holdings Limited)
CIN: L35100TN2008PLC069496
Regd. Office: 'Dare House', 234, N S C Bose Road, Chennai – 600 001
Tel: 91.44.42177770-5 Fax: 91.44.42110404 Website: www.tiindia.com;
E-mail id: investorservices@tii.murugappa.com

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the Member(s)	:	
Registered Address	:	
E-mail ID	:	
Folio/DP ID-Client ID No.	:	

I/We, being the Member(s) of ……..shares of the above named Company, hereby appoint:

1. Name : .....
   Address : .....
   E-Mail ID : .....
   Signature : .....or failing him/her;
2. Name : .....
   Address : .....
   E-Mail ID : .....
   Signature : .....or failing him/her;
3. Name : .....
   Address : .....
   E-Mail ID : .....
   Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 11th Annual General Meeting of the Company, to be held on Wednesday, the 24th day of July, 2019 at 3.30 P.M. at T T K Auditorium, The Music Academy, 168 T T K Road, Chennai – 600 014 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional)*		
		For	Against	Abstain
Ordinary Business				
1.	Adoption of Audited Financial Statements of the Company for FY 2018-19, Reports of the Board of Directors and Auditors thereon.			
2.	Adoption of Audited Consolidated Financial Statements of the Company for FY 2018-19 and Reports of the Auditors thereon.			
3.	Declaration of Dividend.			
4.	Re-appointment of Mr. Ramesh K B Menon, Director retiring by rotation.			
5.	Fixing the remuneration payable to Messrs. S R Batliboi & Associates LLP, Chartered Accountants, Statutory Auditors of the Company from the conclusion of the 11th AGM (2019) till the conclusion of the 12th AGM (2020).			

Resolution No.	Resolution	Vote (Optional)*		
		For	Against	Abstain
Special Business				
6.	Appointment of Mr. Sanjay Johri as Independent Director for a 4 year term.			
7.	Appointment of Mr. Mahesh Chhabria as Independent Director for a 5 year term.			
8.	Re-appointment of Ms. Madhu Dubhashi as Independent Director for a 2 year, second term.			
9.	Variation in terms of remuneration payable to Mr. Vellayan Subbiah, Managing Director, for his term of Office from 19th August, 2017 to 18th August, 2022.			
10.	Payment of remuneration by way of commission to Mr. M M Murugappan, Chairman, for FY 2018-19.			
11.	Ratification of the remuneration payable to M/s. Mahadevan & Co., Cost Auditor, for FY 2019-20.			

Signed this .....day of 2019
Member's Folio/DP ID-Client ID No. .....
Signature of Shareholder(s).....
Signature of Proxyholder(s).....

Affix Revenue Stamp ₹1/-

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before commencement of the meeting.
2. In the case of a Corporation, this Proxy shall be either given under the Common Seal or signed on behalf by an Attorney or Officer of the Corporation.
3. This is only optional. Please fill up the Item Nos. as appearing in the Notice of the AGM. If you leave the Item Nos. blank, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Shareholders/Proxies are requested to desist from using mobile phones during the proceedings of the Annual General Meeting.

NOTES:

NOTES:



Concept & Design:
HASTRA
hastra.hastra@gmail.com

murugappa

TUBE INVESTMENTS OF INDIA LIMITED
CIN: L35100TN2008PLC069496
'DARE HOUSE', No. 234, N.S.C. BOSE ROAD, CHENNAI - 600001
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TUBE INVESTMENTS OF INDIA LIMITED

(formerly, TI Financial Holdings Limited)
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Tel: 91.44.42177770-5, Fax: 91.44.42110404, Website: www.tiindia.com
E-mail id: investorservices@tii.murugappa.com

Attendance Slip

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING.

I hereby record my presence at the **11th ANNUAL GENERAL MEETING** held at T T K Auditorium, The Music Academy, 168 T T K Road, Chennai – 600 014 at 3.30 P.M. on Wednesday, the **24th July, 2019**.

NAME OF PROXY IN BLOCK LETTERS	SIGNATURE OF THE SHAREHOLDER/PROXY*

* Strike out whichever is not applicable

Note:

1. Members/Proxy holders are hereby requested to produce duly filled in and signed attendance slip at the venue for admission to the 11th Annual General Meeting (AGM).
2. PROXY FORM IS ATTACHED AT THE END OF THE ANNUAL REPORT FOR MEMBERS' USE.
3. Only Members/Representatives of the Corporate Members or Proxies are allowed to attend the AGM. Bodies Corporate, whether a company or not, who are members, may attend through their authorised representatives appointed under Section 113 of the Companies Act, 2013. A copy of authorization should be deposited with the Company.
4. Members/Proxies are requested to desist from using mobile phones during the proceedings of the AGM.

ELECTRONIC VOTING PARTICULARS

Folio / DP ID / Client ID	Electronic Voting Sequence Number	User ID	Password

Commencement of Electronic voting	End of Electronic voting
19th July, 2019 (9.00 a.m)	23rd July, 2019 (5.00 p.m)