Notes to Financial Statements

1. **General Information of the Company**

Corporate Information

Tube Investments of India Limited ("the Company") with CIN No: L35100TN2008PLC069496, was formerly known as TI Financial Holdings Limited and is a Public Limited Company domiciled in India. The Company is listed on BSE and National Stock Exchange. The Registered Office of the Company is located at 234, NSC Bose Road, Chennai, Tamilnadu. The Company was originally incorporated as TI Financial Holdings Limited on 6th October 2008 under the Companies Act, 1956, as a wholly-owned subsidiary of erstwhile Tube Investments of India Limited ("Demerged Company").

Pursuant to the Scheme of Arrangement ("the Scheme") the details relating to which are more elaborately provided under Note 2 below, the Manufacturing Business Undertaking of the Demerged Company was vested in / transferred to the Company and the Name of the Company was changed to "Tube Investments of India Limited".

The Company has manufacturing locations across the Country and has three product segments namely, Cycles and Accessories, Engineering and Metal Formed Products. The Company also has Subsidiaries and Joint Venture Companies, Viz., Shanthi Gears Limited, Financiere C10 SAS, Sedis SAS, Sedis Gmbh, SEDIS Co Limited, Great Cycles (Private) Limited, Creative Cycles (Private) Limited, TI Tsubamex Private Limited and TI Absolute Concepts Private Limited.

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on 7th May 2018.

2. **Scheme of Arrangement**

The Scheme of Arrangement ("the Scheme") between the Company ("Resulting Company") and TI Financial Holdings Limited, formerly known as Tube Investments of India Limited ("Demerged Company") and their Shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, was approved by the Board of Directors of both the Companies on 3rd November 2016.

The Demerged Company, interalia, was engaged in manufacturing of tubes, strips, tubular components, bicycles and fitness products, chains for automobile sector and industrial applications, roll-formed sections, other metal formed products, industrial gears, designing and manufacturing of dies ("Manufacturing Business Undertaking"). The Manufacturing Business is also carried out through subsidiaries and Joint Venture Companies (Shanthi Gears Limited, Financiere C10 SAS, Sedis SAS, Sedis Gmbh, SEDIS Co Limited, TI Tsubamex Private Limited and TI Absolute Concepts Private Limited).

The Scheme provided for the demerger of the Manufacturing Business Undertaking of the Demerged Company into this Company, on a going concern basis, with effect from the appointed date of 1st April 2016.

The salient features of the Scheme of Arrangement are as under:

a. The Demerged Company and the Company has made applications and/or petitions under Section 230 read with Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 to the National Company Law Tribunal, Chennai ("Tribunal" or "NCLT") for sanction of this Scheme and all matters ancillary or incidental thereto.

b. The whole of the undertaking and assets and properties of the Manufacturing Business Undertaking of the Demerged Company, shall stand transferred to and vested in the Company with all the rights, title and interest pertaining to the Manufacturing Business Undertaking.

c. The Scheme of Arrangement has become effective from the Appointed Date i.e. 1st April 2016 but operative from the Effective Date i.e. 1st August 2017 being the date of filing of a certified copy of the Order of NCLT by the Company and the Demerged Company with the Registrar of Companies, Tamil Nadu, Chennai.

d. Equity Share Capital of the Company

   i. Equity Share Capital of ₹0.11 Cr. Of the Company as on the Appointed Date stands cancelled and credited to Capital Reserve.

   ii. The Company has issued and alloted 1 (One) fully paid up Equity Share of ₹1 (Rupee One Only) each for every 1 (One) fully paid up Equity Share of ₹2 (Rupees Two) each held in the Demerged Company.

3. **Basis of Preparation**

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the

Notes to Financial Statements

Companies (Indian Accounting Standards) Rules, 2015, as amended.

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments)

The standalone financial statements are presented in INR and all values are rounded to the nearest crore, except when otherwise indicated.

4. Summary of Significant Accounting Policies

4.1. Presentation and Disclosure of Financial Statements

An asset has been classified as current when it satisfies any of the following criteria;

a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

b) It is held primarily for the purpose of being traded;

c) It is expected to be realized within twelve months after the reporting period; or

d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability has been classified as current when it satisfies any of the following criteria;

a) It is expected to be settled in the Company's normal operating cycle;

b) It is held primarily for the purpose of being traded;

c) It is due to be settled within twelve months after the reporting period; or

d) The Company does not have an unconditional right to defer settlements of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets and liabilities have been classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products / activities, the Company has determined its operating cycle as twelve months for the above purpose of classification as current and non-current.

4.2. Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

b) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Notes to Financial Statements

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement.

External valuers are involved for valuation of assets such as investment properties. Involvement of external valuers is decided upon annually by the Company. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. Other fair value related disclosures are given in the relevant notes (Refer Note 42).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above (Refer Note 42).

4.3. Use of Estimates

The preparation of Standalone Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, like provision for employee benefits, provision for doubtful trade receivables / advances / contingencies, provision for warranties, allowance for slow / non-moving inventories, useful life of Property, Plant and Equipment, provision for retrospective price revisions, provision for taxation, etc., during and at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

4.4. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

4.5. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

For the purpose of the Statement of Cash Flows, cash and cash equivalents as defined above, net of outstanding bank overdrafts as they are considered an integral part of the cash management of the Company.

4.6. Property, Plant and Equipment

Property, Plant and Equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Freehold land is measured at cost and not depreciated. Cost includes related taxes, duties, freight, insurance, etc. attributable to the acquisition, installation of the Property, Plant and Equipment and borrowing cost if capitalisation criteria are met but excludes duties and taxes that are recoverable from tax authorities.

Machinery Spares including spare parts, stand-by and servicing equipment are capitalised as Property, Plant and Equipment if they meet the definition of Property, Plant and Equipment i.e. if the company intends to use these for more than a period of 12 months. These spare parts capitalized are depreciated as per Ind AS 16.

Subsequent expenditure relating to Property, Plant and Equipments is capitalised only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Material replacement cost is capitalized provided it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When replacement cost is eligible for capitalization, the carrying amount of those parts that are replaced in derecognized. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful life.

Notes to Financial Statements

The Company identifies and determines cost of each component / part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Capital Work-in-Progress: Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and attributable interest. Once it has become available for use, their cost is re-classified to appropriate caption and subjected to depreciation.

4.7. Investment Properties

Investment property represents property held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition Criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Depreciation on building classified as Investment Property has been provided on the straight-line method over a period of 60 years as prescribed in Schedule II to the Companies Act, 2013. These are based on the Company's estimate of their useful lives taking into consideration technical factors.

Though the Company measures Investment Property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying valuation models.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of derecognition.

4.8. Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of three years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the third year. To estimate cash flow projections beyond periods covered by the most recent budgets / forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products,

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industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment including impairment on inventories, are recognized in the Statement of Profit and Loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

4.9. Inventories

Raw materials, stores and spare parts and stock-in-trade are valued at lower of weighted average cost and estimated net realisable value. Cost includes freight, taxes and duties and is net of Credit under VAT, CENVAT and GST scheme, where applicable.

Work-in-progress and finished goods are valued at lower of weighted average cost and estimated net realisable value. Cost includes all direct costs and appropriate proportion of overheads to bring the goods to the present location and condition based on the normal operating capacity, but excluding borrowing costs. Cost of finished goods includes Excise Duty.

Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

4.10. Revenue and Other Income

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The Company is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax / value added tax (VAT) and Goods and Services tax (GST) are not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition Criteria described below must also be met before revenue is recognised.

Sale of Goods:

Revenue from sale of goods is recognised on transfer of significant risk and rewards of ownership to the buyer which generally coincides with shipment. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Rendering of Services:

Revenue from rendering of services is recognised with reference to the stage of completion determined based on estimate of work performed, and when the outcome of the transaction can be estimated reliably.

Dividends:

Dividend income is accounted for when the right to receive it is established.

Interest Income:

For all debt instruments measured at amortised cost, interest income is recognised on time proportion basis, taking into account the amount outstanding and effective interest rate.

Rental Income:

Rental income arising from operating leases is accounted for on a straight-line basis over the lease

Notes to Financial Statements

terms and is included in revenue in the Statement of Profit and Loss due to its operating nature.

4.11. Government Grants, Subsidies and Export Benefits

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received.

When the grant or subsidy from the Government relates to an expense item, it is recognised as income on a systematic basis in the Statement of Profit and Loss over the period necessary to match them with the related costs, which they are intended to compensate. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset, i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value of the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

4.12. Employee Benefits

I. Defined Contribution Plan

a. Superannuation

The Company contributes a sum equivalent to 15% of the eligible employees salary to a Superannuation Fund administered by trustees and managed by Life Insurance Corporation of India (LIC). The Company has no liability for future Superannuation Fund benefits other than its annual contribution and recognizes such contributions as an expense in the year in which the services are rendered.

b. Provident Fund

Contributions in respect of Employees who are not covered by Company's Employees Provident Fund Trust are made to the Regional Provident Fund. These Contributions are recognised as expense in the year in which the services are rendered. The Company has no obligation other than the contribution payable to the Regional Provident fund.

c. Employee State Insurance

Contributions to Employees State Insurance Scheme are recognised as expense in the year in which the services are rendered.

II. Defined Benefit Plan

a. Gratuity

The Company makes annual contribution to a Gratuity Fund administered by trustees and the Contributions are invested in a Scheme with Life Insurance Corporation of India, as permitted by Indian Law. The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined every year using the Projected Unit Credit method.

Re-measurements, comprising of actuarial gains / losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are immediately recognised in the Balance Sheet with a corresponding debit or Credit in to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to profit or loss in subsequent periods.

Past service cost is recognised in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs and
- Net interest expense or income.

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b. Provident Fund

In respect of the employees not covered under Point I b above, contributions to the Company's Employees Provident Fund Trust are made in accordance with the fund rules. The interest rate payable to the beneficiaries every year is being notified by the Government.

In the case of contribution to the Trust, the Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and recognizes such obligation, if any, determined based on an actuarial valuation as at the Balance Sheet date, as an expense.

III. Long Term Compensated Absences

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit Credit method at the year-end. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss. The Company presents the leave as a current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

IV. Short Term Employee Benefits

Short term employee benefits includes short term compensated absences which is recognized based on the eligible leave at Credit on the Balance Sheet date, and the estimated cost is based on the terms of the employment contract.

V. Voluntary Retirement Scheme

Compensation to employees under Voluntary Retirement Schemes is expensed in the period in which the liability arises. The Company recognizes termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

4.13. Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

4.14. Foreign Currency Transactions

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate at the date of the transaction.

Measurement as at Balance Sheet date

Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at year end exchange rates.

Non-monetary items carried at historical cost are translated using the exchange rates at the dates of initial transactions.

Treatment of Exchange Differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

4.15. Derivative Instruments and Hedge Accounting

The Company uses Cash flow hedges (forward contracts and currency swaps) to hedge its risks associated with foreign currency fluctuations relating to firm commitment or highly probable forecast

Notes to Financial Statements

transactions. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge by applying the hedge accounting principles set out in Ind AS 109 – “Financial Instruments”.

The use of Derivative Contracts is governed by the Company’s policies on the use of such financial derivatives consistent with the Company’s risk management strategy. The Company does not use derivative financial instruments for speculative purposes.

Derivative Contracts are measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in the fair value of these Derivative Contracts that are designated and effective as hedges of future cash flows are recognised directly in “Other Comprehensive Income” and the ineffective portion is recognized immediately in the Statement of Profit and Loss.

Changes in the fair value of Derivative Contracts that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

The amounts recognised in the Other Comprehensive Income are transferred to the Statement of Profit and Loss when the hedged transactions crystalizes.

If the forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognised in Other Comprehensive Income is transferred to Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised. If any of these events occur or if a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised under Other Comprehensive Income is transferred to the Statement of Profit and Loss for the year.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company’s risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company will assess the effectiveness of changes in the hedging instrument’s fair value in offsetting the exposure to changes in the hedged item’s fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

4.16. Depreciation and Amortisation

The Company depreciates Property, Plant and Equipment over their estimated useful lives using the Straight-line method, as per Schedule II of Companies Act, 2013. The estimated useful lives are as follows:

Description of Assets	Useful life
Plant and Machinery	7.50 - 15 Years
Electrical Appliances	5 - 10 Years
Furniture and Fixtures	10 Years
Factory Buildings	30 Years
Other Buildings	60 Years
Vehicles	4 Years

The following category of Property, Plant and Equipment are not depreciated as per Schedule II of Companies Act, 2013. These category of Property, Plant and Equipment are depreciated based on the Company’s estimate of their useful lives taking into consideration, technical advise:

Description of Assets	Useful life
Buildings - Roof structure on certain factory areas, where useful life is less	10 Years
Plant and Machinery - Special tools and special purpose machines used in door frame products	4 Years
Plant and Machinery - Electrical Appliances such as Air Conditioner, Fridge, Water Cooler, Camera, TV, Grinder etc.,	5 Years
Office Equipment - Data Processing Equipment	3 Years
Vehicles - Motor Vehicles	4 Years

Finance lease assets are depreciated over the primary lease period of 35 years - 95 years, as the right to use these assets ceases on expiry of the lease period.

Depreciation is provided pro-rata from the month of Capitalisation.

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Certain Property, Plant and Equipment are treated as Continuous Process Plants based on technical evaluation done by the Management and are depreciated on the straight-line method based on the useful life as prescribed in Schedule II to the Companies Act, 2013.

4.17. Research and Development

Revenue expenditure on research and development is expensed when incurred. Capital Expenditure on Research and Development is capitalised under Property, Plant and Equipment and depreciated in accordance with Note 4.16 above.

4.18. Taxes on Income

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in Equity, in which case it is recognized in Equity.

Current tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in Other Comprehensive Income or in Equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in Equity.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax for the year. The company recognizes MAT credit only to the extent that it is probable that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as Deferred Tax Asset. The company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is probable that it will pay normal tax during the specified period.

Deferred Tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred Tax Liabilities are recognised for all taxable temporary differences, except when the Deferred Tax Liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred Tax Assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred Tax Assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the Deferred Tax asset to be utilised. Unrecognised Deferred Tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the Deferred Tax Asset to be recovered.

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

Deferred Tax relating to items recognised outside the Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in Other Comprehensive Income or in Equity). Deferred Tax items are recognised in correlation to the underlying transaction either in OCI or directly in Equity.

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

In the situations where the Company is entitled to a tax holiday under the Income-Tax Act, 1961, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company’s gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.

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4.19. Provisions and Contingencies

A provision is recognized when a Company has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for warranty-related costs are recognized when the product is sold or service provided. Provision is estimated based on historical experience and technical estimates. The estimate of such warranty-related costs is reviewed annually.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the Standalone Financial Statements.

4.20. Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalisation of Borrowing Costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period they occur.

4.21. Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity Shares outstanding during the period.

The weighted average number of Equity Shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential Equity Shares, that have changed the number of Equity Shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential Equity Shares.

4.22. Share Based Payments (Employees Stock Option Scheme)

Stock options are granted to the employees under the stock option scheme. The costs of stock options granted to the employees (equity-settled awards) of the company are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Company and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

This cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves / stock options outstanding account in Equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or Credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

Notes to Financial Statements

4.23. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one Company and a financial liability or equity instrument of another company.

A. Financial Assets

i. Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

ii. Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

a. Debt instruments at amortised cost

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

c. Equity instruments measured at fair value through Other Comprehensive Income (FVTOCI)

Debt instruments At Amortised Cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt Instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the Criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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

Equity Investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within Equity.

iii. De-recognition

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

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset or has transferred control of the asset.

iv. Impairment of Financial Assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and Credit risk exposure:

Notes to Financial Statements

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in Credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets, the Company determines that whether there has been a significant increase in the Credit risk since initial recognition. If Credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if Credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, Credit quality of the instrument improves such that there is no longer a significant increase in Credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected Credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other Credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The Balance Sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off Criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in Credit risk and impairment loss, the Company combines financial instruments on the basis of shared Credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in Credit risk to be identified on a timely basis.

B. Financial Liabilities

i. Initial Recognition and Measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

ii. Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Notes to Financial Statements

Financial Liabilities At Fair Value Through Profit and Loss

Financial liabilities at fair value through profit or loss include derivatives. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the Criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own Credit risks are recognized in OCI. These gains / loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within Equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

4.24. Equity Investment in Subsidiaries and Joint Ventures

Investment in Subsidiaries and Joint Ventures are carried at Cost in the Separate Financial Statements as permitted under Ind AS 27.

Notes to Financial Statements

Note 5. Property Plant and Equipment

₹ in Crores

Particulars	Gross Block at Cost					Depreciation / Amortisation				Net Block	
	As at 31-Mar-2017	Adjustment pursuant to Scheme of Arrangement (Refer Note 2)	Additions	Deletions	As at 31-Mar-2018	As at 31-Mar-2017	For the Year	On Deletions	As at 31-Mar-2018	As at 31-Mar-2018	As at 31-Mar-2017
Land (Freehold)	**120.24**	(-)	**1.38**	(-)	**121.62**	(-)	(-)	(-)	(-)	**121.62**	**120.24**
	(-)	(121.04)	(-)	(0.80)	(120.24)	(-)	(-)	(-)	(-)	(120.24)	(-)
Land (Leasehold)	**0.61**	(-)	(-)	(-)	**0.61**	**0.01**	(-)	(-)	**0.01**	**0.60**	**0.60**
	(-)	(0.61)	(-)	(-)	(0.61)	(-)	(0.01)	(-)	(0.01)	(0.60)	(-)
Buildings	**230.39**	(-)	**45.70**	**1.62**	**274.47**	**10.12**	**11.48**	**0.20**	**21.40**	**253.07**	**220.27**
	(-)	(179.66)	(50.80)	(0.07)	(230.39)	(-)	(10.12)	(-)	(10.12)	(220.27)	(-)
Plant and Machinery	**619.85**	(-)	**110.45**	**8.59**	**721.71**	**99.94**	**108.72**	**4.21**	**204.45**	**517.26**	**519.91**
	(-)	(510.83)	(118.66)	(9.64)	(619.85)	(-)	(104.08)	(4.14)	(99.94)	(519.91)	(-)
Railway Siding	**0.01**	(-)	(-)	(-)	**0.01**	(-)	(-)	(-)	(-)	**0.01**	**0.01**
	(-)	(0.01)	(-)	(-)	(0.01)	(-)	(-)	(-)	(-)	(0.01)	(-)
Office Equipment	**9.08**	(-)	**3.53**	**0.10**	**12.51**	**3.29**	**3.75**	**0.06**	**6.98**	**5.53**	**5.79**
	(-)	(4.56)	(4.54)	(0.02)	(9.08)	(-)	(3.29)	(-)	(3.29)	(5.79)	(-)
Furniture and Fixtures	**8.57**	(-)	**1.86**	**0.12**	**10.31**	**1.27**	**1.28**	**0.11**	**2.44**	**7.87**	**7.30**
	(-)	(4.00)	(4.57)	(-)	(8.57)	(-)	(1.27)	(-)	(1.27)	(7.30)	(-)
Vehicles	**9.39**	(-)	**3.70**	**1.06**	**12.03**	**2.17**	**2.99**	**0.27**	**4.89**	**7.14**	**7.22**
	(-)	(5.72)	(4.49)	(0.82)	(9.39)	(-)	(2.40)	(0.23)	(2.17)	(7.22)	(-)
Total	**998.14**	(-)	**166.62**	**11.49**	**1,153.27**	**116.80**	**128.22**	**4.85**	**240.17**	**913.10**	**881.34**
	(-)	(826.43)	(183.06)	(11.35)	(998.14)	(-)	(121.17)	(4.37)	(116.80)	(881.34)	(-)

Notes:

a. All the above assets are owned by the Company unless otherwise stated as leased asset.

b. Previous Year Figures are given in brackets.

c. Non Convertible Debentures are secured by first pari-passu charge on certain Land and Building.

Notes to Financial Statements

Note 6. Investment Property

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Opening Balance as at the beginning of the period	5.17	-
Adjustment pursuant to Scheme of Arrangement (Refer Note 2)	-	5.17
Additions during the year	-	-
Closing Balance as at the end of the period	**5.17**	**5.17**
Depreciation and Impairment		
Opening Balance as at the beginning of the period	0.08	-
Depreciation during the year	0.08	0.08
Closing Balance as at the end of the period	**0.16**	**0.08**
Net Block as at the end of the period	**5.01**	**5.09**

Information regarding Income and Expenditure of Investment Property:

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Rental Income derived from Investment Properties	0.43	0.54
Direct Operating Expenses (including repairs and maintenance)	-	-
Profit arising from Investment Properties before Depreciation and Indirect Expenses	**0.43**	**0.54**
Depreciation	(0.08)	(0.08)
Profit arising from Investment Properties before Indirect Expenses	**0.35**	**0.46**

The Company's Investment Property consists of two properties in Mumbai lying vacant and two properties in Chennai which have been let out on rent.

As at 31st March 2018, the Fair Value of the properties is ₹6.74 Cr. (31st March 2017 - ₹6.48 Cr.)

The Fair values of the Investment Properties are determined by external independent valuer based on current prices in the market. The resulting Fair value Estimates are classified under level 2 of the Fair value Hierarchy (Refer Note 42.2).

The Company has no restrictions on the disposal of its Investment Property and no contractual obligations to purchase, construct or develop Investment Property or for Repairs, Maintenance and Enhancements.

Reconciliation of Fair Value

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Opening Balance as at the beginning of the period	**6.48**	**-**
Adjustment pursuant to Scheme of Arrangement (Refer Note 2)	-	5.17
Fair value difference	0.26	1.31
Purchases	-	-
Sales	-	-
Closing Balance as at the end of the period	**6.74**	**6.48**

Notes to Financial Statements

Note 7a. Investments in Subsidiaries and Joint Ventures

Particulars	Nominal Value ₹ per unit	Number of shares As at 31-Mar-2018	Number of shares As at 31-Mar-2017	₹ in Crores As at 31-Mar-2018	₹ in Crores As at 31-Mar-2017
Investments at Cost:					
Equity Shares (Fully Paid) - Quoted					
Investment in Subsidiaries					
Shanthi Gears Limited	1	5,72,96,413	5,72,96,413	464.10	464.10
Equity Shares (Fully Paid) - Unquoted					
Investment in Subsidiaries					
Financiere C10 SAS	Euro 15	2,23,920	2,23,920	61.15	61.15
Great Cycles (Private) Limited (Refer Note a below)	LKR 10	40,00,000	-	16.98	-
Creative Cycles (Private) Limited (Refer Note b below)	LKR 10	40,00,000	-	6.47	-
Investment in Joint Ventures					
TI Tsubamex Private Limited (Refer Note c below)	10	2,35,00,000	1,95,00,000	23.50	19.50
TI Absolute Concepts Private Limited (Refer Note d below)	10	1,37,50,000	1,00,00,000	13.75	10.00
Total				**585.95**	**554.75**
Less : Provision for Impairment of Investments				(25.25)	-
Total				**560.70**	**554.75**

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Quoted		
Cost	464.10	464.10
Market value	740.84	637.42
Unquoted		
Cost	121.85	90.65
Aggregate amount of impairment in the value of investments in Joint Venture	25.25	-

Notes:

a. During the year, the Company acquired 80% stake in Great Cycles (Private) Limited, Srilanka and has become a Subsidiary Company. The Company has purchased 40,00,000 Equity Shares of face value of LKR 10 each of at ₹10 per share amounting to ₹16.98 Cr.

b. During the year, the Company acquired 80% stake in Creative Cycles (Private) Limited, Srilanka and has become a Subsidiary Company. The Company has purchased 40,00,000 Equity Shares of face value of LKR 10 each of at ₹10 per share amounting to ₹6.47 Cr.

c. During the year, the Company subscribed to 40,00,000 Equity Shares of face value of ₹10 each of TI Tsubamex Private Limited (TTPL), a Joint Venture Company at ₹10 per share amounting to ₹4.00 Cr.

d. During the year, the Company subscribed to 37,50,000 Equity Shares of face value of ₹10 each of TI Absolute Concepts Private Limited (TIACPL), a Joint Venture Company at ₹10 per share amounting to ₹3.75 Cr.

Notes to Financial Statements

Note 7b. Other Investments

Particulars	Nominal Value ₹ per unit	Number of shares As at 31-Mar-2018	Number of shares As at 31-Mar-2017	₹ in Crores As at 31-Mar-2018	₹ in Crores As at 31-Mar-2017
Investments at Fair Value Through Other Comprehensive Income (FVTOCI):					
Equity Shares (Fully Paid) - Quoted					
LG Balakrishnan & Bros. Limited	10	5,192	5,192	0.55	0.32
LGB Forge Limited	1	25,960	25,960	0.01	0.02
GIC Housing Finance Limited	10	48,700	48,700	1.81	1.79
Equity Shares (Fully Paid) - Unquoted					
Bombay Mercantile Co-operative Limited (Fair value ₹5,000 only)	10	500	500	-	-
Southern Energy Development Corporation Limited	10	70,000	70,000	6.34	7.65
TI Cycles of India Co-operative Canteen Limited (Fair value - ₹250 only)	5	50	50	-	-
TI Diamond-Miller Co-operative Canteen Limited (Fair value - ₹100 only)	5	20	20	-	-
Cauvery Power Generation Chennai Private Limited	10	24,00,000	24,00,000	2.41	2.41
Total				**11.12**	**12.19**

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Quoted		
Cost	0.24	0.24
Market value	2.37	2.13
Unquoted		
Cost	2.48	2.48

Investments at fair value through OCI reflect investment in quoted and unquoted equity investments. Refer Note 42.1 for determination of their fair value.

Notes to Financial Statements

Note 7c. Other Financial assets
(At Amortised Cost)

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Electricity and Other Deposits	17.58	15.47
Others	-	2.52
Total	**17.58**	**17.99**

Note 8. Other non-current assets
(Considered Good, Unsecured unless stated otherwise)

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Capital Advances		
- Secured	3.16	8.35
- Unsecured	9.30	8.34
Deposits with Government, Public Bodies and Others		
- Balance with Customs, Excise and Sales Tax Authorities	18.26	11.29
Total	**30.72**	**27.98**

Note 9. Inventories
(Lower of Cost and estimated Net Realisable Value)

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Raw Materials	203.52	174.76
Work-in-Progress	127.91	82.38
Finished Goods	194.33	238.54
Stock-in-Trade	46.02	45.60
Stores and Spare Parts	7.02	7.51
Goods-in-Transit		
- Raw Materials	20.33	22.04
- Stock-in-Trade	8.10	9.89
Total	**607.23**	**580.72**

During the year ended 31st March 2018, ₹9.61 Cr. was recognised as an expense to bring the inventories to record them that Net Realisable Value. (31st March 2017 - ₹7.04 Cr.)

Note 10a. Loans
(Considered Good, Unsecured unless stated otherwise)

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Loan to employees	1.45	1.37
Total	**1.45**	**1.37**

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

Notes to Financial Statements

Note 10b. Trade Receivables

(Unsecured) ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	13.47	3.08
Doubtful	6.89	6.12
	20.36	9.20
Provision for Doubtful Receivables	(6.89)	(6.12)
	13.47	**3.08**
Other Receivables		
Considered Good *	563.28	526.14
Doubtful	-	-
	563.28	526.14
Provision for Impairment on Receivables	(1.31)	(1.00)
	561.97	**525.14**
Total Trade Receivables		
Considered Good	576.75	529.22
Doubtful	6.89	6.12
	583.64	**535.34**
Provision for Doubtful / Impairment on Receivables	(8.20)	(7.12)
Total	**575.44**	**528.22**
* Includes dues from Related parties		
Sedis SAS	6.72	5.24
Shanthi Gears Limited	0.03	0.10
TI Tsubamex Private Limited	0.82	0.57
TI Absolute Concepts Private Limited	0.84	0.13
Creative Cycles (Private) Limited	0.23	-

Trade Receivables are non-interest bearing and are generally have Credit period to a maximum of 120 days. For terms and conditions relating to Related Party receivables, refer Note 38.

Reconciliation of Provision / Impairment for Receivables ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Opening Balance as at beginning of the year	**7.12**	**-**
Adjustment pursuant to scheme of arrangement (Note 2)	-	12.13
Created / (Reversed) during the year	1.08	(5.01)
Closing Balance as at end of the year	**8.20**	**7.12**

Notes to Financial Statements

Note 10c. Investments

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Quoted Investments - FVTPL		
Investments in Mutual Funds	-	102.08
Total	**-**	**102.08**

During the year, the Company has invested an aggregate amount of ₹1198.10 Cr. (Previous Year - ₹1799.96 Cr.) in the units of various Cash Management Schemes of Mutual funds, for the purpose of deployment of temporary cash surplus and has Nil (Previous Year - ₹102.08 Cr.) in various schemes of mutual funds. The total consideration received on the sale of units during the year was ₹1302.21 Cr. (Previous Year - ₹1708.57 Cr.)

Note 10d. Cash and Cash Equivalents

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balances with Banks in Current Accounts	18.70	18.69
Cash on hand	0.06	0.07
Other Bank balances		
- Unpaid Dividend Accounts	0.49	-
Cash and Cash Equivalents as per Balance Sheet	**19.25**	**18.76**
Cash Credit facility (Secured)	(88.55)	(9.19)
Balances in Unpaid Dividend Accounts	(0.49)	-
Cash and Cash Equivalents as per Statement of Cash Flows	**(69.79)**	**9.57**

As at 31st March 2018, the Company had undrawn committed borrowing facilities of ₹287.53 Cr. (31st March 2017 - ₹224.03 Cr.).

Pursuant to the Scheme of Arrangement (Refer Note 2), the Cash and Cash Equivalents taken over as at 1st April 2016 is ₹607.54 Cr. For the purpose of Cash Flow Statement under Ind AS, the Bank Overdraft / Cash Credit balances of ₹29.69 Cr. as at 1st April 2016 has been reduced from Cash and Cash equivalents.

Note 10e. Other Financial Assets

(At Amortised Cost)

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Claims Recoverable		
- Goods and Services	4.05	1.62
- Employee Related	0.44	0.18
Other deposits	3.58	4.23
Government Grants	15.48	7.01
Total	**23.55**	**13.04**

Notes to Financial Statements

Note 11. Other Current Assets

(Considered Good, Unsecured unless stated otherwise) ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Advances and Claims Recoverable		
- Goods and Services	17.62	16.55
- Employee Related	0.57	0.54
- Prepaid Expenses	2.78	2.66
- Gratuity Fund (Net of Provision)	0.86	0.09
	21.83	**19.84**
Balances with Customs, Excise, Sales Tax and GST Authorities	43.50	35.42
Total	**65.33**	**55.26**

Note - 12. Equity Share Capital ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Authorised Capital		
25,00,00,000 Equity Shares of ₹1 each (31-Mar-2017: 25,00,00,000 Equity Shares of ₹1 each)	25.00	25.00
Issued, Subscribed and Paid-up Capital		
18,75,36,368 Equity Shares of ₹1 each fully paid up (31-Mar-2017: 18,74,47,871 Equity Shares of ₹1 each fully paid up)	18.75	18.74
Total	**18.75**	**18.74**

Note – Pursuant to the Scheme of Arrangement (Refer Note 2), during the year, the Company issued One fully paid up Equity Share of ₹1 each for every one fully paid up Equity Share held in Demerged Company, accumulating to 18,74,90,591 shares as at the record date i.e 28th August 2017.

a) The Reconciliation of shares capital is given below ₹in Crores

Particulars	As at 31-Mar-2018		As at 31-Mar-2017	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	18,74,47,871	18.74	1,10,000	0.11
Cancellation of existing Equity Share Capital pursuant to Scheme of Arrangement (Note 2)	-	-	(1,10,000)	(0.11)
Equity Shares of ₹1 each to be issued pursuant to Scheme of Arrangement (Note 2)	-	-	18,74,47,871	18.74
Issue of share capital *	88,497	0.01	-	-
At the end of the year	**18,75,36,368**	**18.75**	**18,74,47,871**	**18.74**

*The Breakup of shares issued during the year was as follows:

Particulars (Refer Note 35)	No of Shares
Shares issued upon exercise of Employee Stock Options of the Demerged Company prior to the record date	42,720
Shares issued upon exercise of Employee Stock Options of the Resulting Company	45,777
Total	**88,497**

Notes to Financial Statements

b) Terms / Rights attached to class of shares

The Company has only one class of shares referred to as Equity Shares having a par value of ₹1 each. The holders of Equity Shares are entitled to one vote per share. Dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. Repayment of capital will be in proportion to the number of Equity Shares held by the shareholders.

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

Particulars	As at 31-Mar-2018		As at 31-Mar-2017	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Ambadi Investments Limited (Face Value ₹1 each)	7,00,66,595	37.36%	6,40,54,680	34.17%

Pursuant to the Scheme of Amalgamation of Murugappa Holdings Limited and Pressmet Private Limited with Ambadi Investments Private Limited, Murugappa Holdings Limited and Pressmet Private Limited has been merged with Ambadi Investments Limited. Subsequent to this Amalagamation, Ambadi Investments Private Limited has become a public limited company.

d) Status on Global Depository Receipts (GDRs):

Pursuant to the Scheme of Arrangement (Refer Note 2), during the year, the Company issued shares in the ratio of GDRs held by them in the Demerged Company, to a appointed depository. The appointed depository shall hold such shares on behalf of the holders of the Demerged Company GDRs. Consequently, the aggregate number of GDRs deemed to be outstanding as at 31st March 2018 is 42,30,630 (As at 31st March 2017 – 42,30,630) each representing one Equity Share of ₹1 face value. GDR % against total number of shares is 2.26%. The GDRs carry the same terms / rights attached to Equity Shares of the Company.

Note 13. Other Equity

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
General Reserve	334.63	334.63
Securities Premium Reserve	0.10	-
Retained Earnings	735.53	663.17
Other Reserves		
Share Options Outstanding Account	5.43	-
Cash Flow Hedge Reserve	(0.12)	(0.24)
FVTOCI Reserve	6.21	6.85
Capital Reserve	0.11	0.11
Debenture Redemption Reserve	112.50	118.75
Total Other Equity	**1,194.39**	**1,123.27**

a. **General Reserve -** The general reserves is a free reserve, retained from company's profits to meet future obligations.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the beginning of the year	334.63	-
Adjustment pursuant to Scheme of arrangement (Refer Note 2)	-	334.63
Balance at the end of the year	**334.63**	**334.63**

Notes to Financial Statements

b. **Securities Premium Reserve -** The Securities premium received during the year represents the premium received towards allotment of 45,777 shares. This balance will be utilised in accordance with the provisions of Section 52 of the Companies Act towards issuance of fully paid bonus shares, write-off of preliminary expenses, commission / discount expenses on issue of shares / debentures, premium payable on redemption of redeemable preference shares / debentures and buy back of its own shares / securities under Section 68 of the Companies Act.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Securities Premium		
Balance at the beginning of the year	-	-
Adjustment pursuant to Scheme of arrangement (Refer Note 2)	-	-
Additions during the year	0.10	-
Balance at the end of the year	**0.10**	**-**

c. **Retained Earnings -** The amount that can be distributed by the Company as dividends to its Equity Shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the beginning of the year	**663.17**	**(0.06)**
Adjustment pursuant to Scheme of arrangement (Refer Note 2)	-	406.05
Adjustment pursuant to transition to Ind AS	-	0.23
Profit for the Year	136.46	158.95
Dividend Paid during the year	(60.94)	-
Dividend Distribution tax paid during the year	(10.36)	-
Re-measurement Gain / (Loss) on Defined Benefit Obligations (Net) transferred to Retained Earnings	0.95	(4.08)
Transferred from DRR (Net)	6.25	102.08
Balance at the end of the year	**735.53**	**663.17**

d. **Share Option Outstanding Account -** Under Ind AS 102, fair value of the options granted is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service. Stock options granted but not vested as on the transition date were valued for expired period, calculated from the grant date till date of transition, aggregating to ₹5.43 Cr. and were credited to Share options outstanding account.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the beginning of the year	-	-
Additions during the year	5.43	-
Deductions during the year	-	-
Balance at the end of the year	**5.43**	**-**

e. **Cash Flow Hedge Reserve -** The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the beginning of the year	**(0.24)**	**-**
Adjustment pursuant to Scheme of arrangement (Refer Note 2)	-	(0.87)
Adjustment pursuant to transition to Ind AS	-	0.30
Additions / (Deductions) during the year (Net)	0.12	0.33
Balance at the end of the year	**(0.12)**	**(0.24)**

Notes to Financial Statements

f. **FVTOCI Reserve -** This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through Other Comprehensive Income.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the beginning of the year	6.85	-
Adjustment pursuant to transition to Ind AS	-	4.77
Additions during the year	0.31	(2.00)
Deductions during the year	(0.95)	4.08
Balance at the end of the year	**6.21**	**6.85**

g. **Capital Reserve -** The Share Capital of ₹0.11 Cr. of the Company as at 31st March 2016, has been cancelled pursuant to the Scheme of Arrangement (Refer Note 2) and the same has been credited to the Capital Reserve in 2016-17.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the beginning of the year	**0.11**	**-**
Adjustment pursuant to Scheme of arrangement (Refer Note 2)	-	0.11
Balance at the end of the year	**0.11**	**0.11**

h. **Debenture Redemption Reserve (DRR) -** The Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures outstanding. Accordingly, the Company has created DRR equal to 25% of the outstanding debentures.

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the beginning of the year	118.75	-
Adjustment pursuant to Scheme of arrangement (Refer Note 2)	-	220.83
Additions during the year	25.00	72.92
Deductions during the year	(31.25)	(175.00)
Balance at the end of the year	**112.50**	**118.75**

Note 14. Long term Borrowings

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Secured, Listed and Rated Non-Convertible Debentures (NCD)		
7.56% Privately Placed NCD	100.00	-
7.55% Privately Placed NCD	100.00	100.00
8.79% Privately Placed NCD	-	150.00
8.90% Privately Placed NCD	-	100.00
Total	**200.00**	**350.00**

Notes to Financial Statements

Repayment Schedule:

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

Coupon Rate	Effective Interest Rate	Oustanding Amount in ₹ Cr.	Maturity date and Redemption particulars
7.56%	7.55%	100	28-Dec-20
7.55%	7.55%	100	20-Feb-20
* 8.79%	8.78%	150	26-Oct-18
* 8.90%	8.89%	100	25-Sep-18

* Classified as "Other Financial Liabilities" (Refer Note 16d)

Nature of Security - All NCDs are secured by a pari passu first charge on certain immovable properties of the Company (Refer note 5c)

Note 15. Deferred Tax Assets and Liabilities

₹ in Crores

Particulars	Balance Sheet		Statement of Profit and Loss	
Nature - (Liability) / Asset	**31-Mar-18**	**31-Mar-17**	**31-Mar-18**	**31-Mar-17**
Deferred Tax Liabilities				
Difference between depreciation as per books of accounts and the Income Tax Act, 1961	(59.71)	(64.38)	(4.67)	(0.36)
Total (A)	**(59.71)**	**(64.38)**	**(4.67)**	**(0.36)**
Deferred Tax Assets				
Provision for Doubtful Trade Receivables	2.86	2.46	(0.40)	1.73
Provision for Employee Benefits	3.63	4.80	1.17	1.90
On expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	20.67	14.55	(6.12)	(2.02)
Effect of Cash flow hedge and fair value of equity investments through Other Comprehensive Income	(2.14)	(2.50)	(0.36)	0.19
MAT Credit Entitlement	6.25	18.80	12.55	3.74
Others	0.23	-	(0.23)	(0.01)
Total (B)	**31.50**	**38.11**	**6.61**	**5.53**
Deferred Tax Expenses / (Income) (A+B)			**1.94**	**5.17**
Net Deferred Tax (Liabilities) / Assets (A+B)	**(28.21)**	**(26.27)**		

Reconciliation of Deferred Tax Liabilities(Net)

₹ in Crores

Particulars	31-Mar-17	31-Mar-17
Opening balance	**(26.27)**	**-**
Adjustment pursuant to Scheme of Arrangement (Refer Note 2)	-	(19.41)
Adjustment pursuant to transition to Ind AS	-	(1.69)
Tax Income / (Expense) during the period recognised in Profit and Loss	10.25	(1.24)
MAT Credit Utilised	(12.55)	(3.74)
Tax Income / (Expense) during the period recognised in OCI	0.36	(0.19)
Closing balance	**(28.21)**	**(26.27)**

Notes to Financial Statements

Note 16a. Short Term Borrowings

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Secured Borrowings (Secured by pari passu first charge on Inventories and Trade Receivables)		
From Banks		
Packing Credit Rupee Loans	148.92	142.62
Cash Credit	88.55	9.19
	237.47	**151.81**
Unsecured Borrowings		
Commercial Papers	-	149.16
	-	**149.16**
Total	**237.47**	**300.97**

Note - Short term Borrowings have a maturity of up to 6 months with an interest rate range of 7%-10%

During the current year, the company has borrowed fresh short term loans amounting to ₹1350.00 Cr. and repaid loans to the tune of ₹1492.86 Cr. relating to Packing Credit, Commercial Paper and other Short Term Working Capital Loans.

Note 16b. Trade Payables

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Trade Payables		
- Dues to Micro, Small and Medium Enterprises (See Note below)	0.40	1.36
- Others *	876.40	715.64
Total	**876.80**	**717.00**
* Includes Dues to		
Key Managerial Personnel	2.29	1.12
Related Parties		
- Sedis SAS	0.02	-
- Parry Enterprises India Limited	0.16	0.13
- Shanthi Gears Ltd	0.04	-

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Principal amount due to suppliers under MSMED Act	0.37	1.34
Interest accrued and due to suppliers under MSMED Act, on the above amount	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	6.90	6.66
Interest paid to suppliers under MSMED Act (Section 16)	0.02	0.01
Interest due and payable to suppliers under MSMED Act, for payments already made	0.03	0.02
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	0.03	0.02

Trade payables are non-interest bearing and are normally settled within a period of 90 to 180 days. For terms and conditions relating to Related Party receivables, Refer Note 38

Notes to Financial Statements

Note 16c. Derivative Instruments

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Derivative Instruments at FVTOCI (Refer Note 41)		
Cash Flow Hedges - Foreign Exchange Forward Contracts	0.31	0.15
Total	**0.31**	**0.15**

Note 16d. Other Financial Liabilities

(At Amortised Cost)

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Current Maturities of Long Term Borrowings		
Secured, Listed and Rated Non-Convertible Debentures (NCD)		
- 8.79% Privately Placed NCD *	150.00	-
- 8.90% Privately Placed NCD *	100.00	-
- 9.81% Privately Placed NCD	-	75.00
- 9.99% Privately Placed NCD	-	49.99
Payable to TIFHL (Demerged Company)	-	55.00
Interest Accrued But Not Due	13.69	17.38
Unpaid dividends	0.49	-
Advances and Deposits from Customers / Others	8.69	9.31
Dues to Directors	1.35	-
Other Liabilities		
- Recoveries from Employees	3.54	3.24
- Capital Creditors	18.00	15.08
- Others	0.47	2.27
Total	**296.23**	**227.27**

* Refer Note 14 for Nature of Securities and Repayment Particulars

Note 17. Short Term Provisions

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Provision for Compensated Absences (Refer Note a below)	18.85	16.86
Provision for Warranties (Refer Note b below)	1.57	1.62
Provision for Contingency / Others (Refer Note c below)	38.57	31.24
Total	**58.99**	**49.72**

(a) Provision for Compensated Absences

This refers to the Company's liability for accumulated Earned Leave and Sick Leave, which can be encashed at the time of resignation/retirement of employee. The assumptions used to compute the provision are provided in Note 36c.

(b) Provision for Warranties

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
At the Beginning of the Year	**1.62**	**-**
Adjustment pursuant to Scheme of Arrangement (Refer Note 2)	-	1.64
Created during the Year	1.11	1.36
Utilized during the Year	(1.16)	(1.38)
At the end of the Year	**1.57**	**1.62**

Notes to Financial Statements

A provision is recognised for expected warranty claims on products sold during the last one year (2 years in respect of certain components), based on past experience of the level of returns. It is expected that most of these costs will be incurred within one year after the reporting date. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the applicable warranty period for all products sold.

(c) Provision for Contingencies / Others

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
At the beginning of the Year	**31.24**	**-**
Adjustment pursuant to scheme of arrangement (Refer Note 2)	-	23.02
Created / (Utilised) during the year	7.33	8.22
At the end of the year	**38.57**	**31.24**

The above Provision represents expected future outflows relating to various tax related matters, timing of which cannot be ascertained. The assumptions used to calculate the provisions are based on past experience of similar matters and professional consultations.

Note 18. Other Current Liabilities

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Statutory Liabilities	10.49	14.20
Advances from Customers	10.81	7.36
Total	**21.30**	**21.56**

Note 19a. Financial Assets

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Financial Assets - Non Current		
At Fair Value		
Investments at FVTOCI	11.12	12.19
At Amortised Cost		
Other Financial Assets	17.58	17.99
Total Non Current Financial Assets (A)	**28.70**	**30.18**
Financial Assets - Current		
At Fair Value		
Investments at FVTPL	-	102.08
At Amortised Cost		
(a) Loans	1.45	1.37
(b) Trade Receivables	575.44	528.22
(c) Cash and Cash Equivalents	19.25	18.76
(d) Other Financial Assets	23.55	13.04
Total Current Financial Assets (B)	**619.69**	**663.47**
Total Financial Assets (A + B)	**648.39**	**693.65**

Notes to Financial Statements

Note 19b. Financial Liabilities ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Financial Liabilities - Non Current		
At Amortised Cost		
Borrowings	200.00	350.00
Total Non Current Financial Liabilities (A)	**200.00**	**350.00**
Financial Liabilities - Current		
At Fair Value		
Derivative Instruments	0.31	0.15
At Amortised Cost		
(a) Short Term Borrowings	237.47	300.97
(b) Trade Payables	876.80	717.00
(c) Other Financial Liabilities	296.23	227.27
Total Current Financial Liabilities (B)	**1410.81**	**1245.39**
Total Financial Liabilities (A + B)	**1610.81**	**1595.39**

Note 19c. Government Grants ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Balance at the Beginning of the Year	1.38	-
Received during the Year	4.41	6.65
Released to the Statement of Profit and Loss	(4.71)	(5.27)
Balance at the End of the Year	**1.08**	**1.38**
Current	1.08	1.38
Non current	-	-
	1.08	**1.38**

Government Grants are Interest Subvention given by RBI on Packing Credit Rupee Export Loan towards Exports of Certain Products.

Note 19d. Proposed Dividend ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Proposed Dividends on Equity Shares:		
Dividend for FY 2017-18- ₹0.50 per share (Dividend for FY 2016-17 - ₹2 per share)	9.38	37.49
Dividend Distribution Tax (DDT) on Proposed Dividend	1.93	7.63
	11.31	**45.12**

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

Notes to Financial Statements

Note 19e. Information on Subsidiaries and Joint Ventures as per Ind AS 27

Company	Relationship	Country of Incorporation	Proportion of ownership as at 31-Mar-2018
Financiere C10 SAS (FC 10)	Subsidiary	France	100.00%
Subsidiaries of FC 10			
- Sedis SAS		France	
- Sedis GmbH		Germany	
- Sedis Co. Ltd		United Kingdom	
Shanthi Gears Limited (SGL)	Subsidiary	India	70.12%
TI Tsubamex Private Limited (TTPL)	Joint Venture	India	78.33%
TI Absolute Concepts Private Limited (TIACPL)	Joint Venture	India	50.00%
Great Cycles (Private) Limited	Subsidiary	Srilanka	80.00%
Creative Cycles (Private) Limited	Subsidiary	Srilanka	80.00%

Note 20. Revenue from Operations

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Sale of Products		
Finished Goods	4,213.00	4,065.44
Traded Goods	196.98	142.33
Sale of Products (A)	**4,409.98**	**4,207.77**
Other Operating Revenue		
Scrap Sales	233.00	185.15
Service Income from Subsidiaries	7.59	6.30
Conversion Income	0.08	0.27
Government Grant including Export Benefits	26.49	11.96
Others	4.45	4.44
Other Operating Revenue (B)	**271.61**	**208.12**
Total (A+B)	**4,681.59**	**4,415.89**

Sale of Products includes Excise Duty collected from customers of ₹74.57 Cr. (Previous year - ₹282.63 Cr.).

Sale of Products net of Excise Duty is ₹4,335.41 Cr. (Previous year - ₹3,925.14 Cr.)

Sale of Scrap includes Excise Duty collected from customers of ₹8.81 Cr. (Previous year - ₹24.69 Cr.).

Sale of Scrap net of Excise Duty is ₹224.19 Cr. (Previous year - ₹160.46 Cr.)

Revenue from operations for periods up to 30th June 2017 includes excise duty. From 1st July 2017 onwards the excise duty and most indirect taxes in India have been replaced by Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from Operations. In view of the aforesaid change in indirect taxes, Revenue from Operations year ended 31st March 2018 is not comparable to 31st March 2017.

Notes to Financial Statements

Note 21. Other Income

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Dividend income from Investments in Subsidiary carried at Cost	10.03	-
Dividend Income from Investments at FVTOCI	1.35	0.52
Rental Income	0.60	0.65
Royalty Income	0.23	0.24
Gain on Exchange Fluctuation (Net)	5.59	2.85
Profit on Property, Plant and Equipment sold/discarded (Net)	-	1.08
Profit on Sale of Investments at FVTPL	2.03	10.61
Fair value gain on Financial Assets at FVTPL	-	0.08
Liabilities no longer payable written back	1.47	0.32
Claims recovered	6.24	8.57
Bad debts recovery	-	0.15
Interest Income from Financial Assets		
Fixed Deposits with Banks	0.20	1.56
Others	0.30	2.61
Provision no longer required written back	-	0.90
Others	-	0.92
Total	**28.04**	**31.06**

Note 22. Cost of Material Consumed

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Opening Raw Materials	**196.80**	**-**
Adjustment pursuant to Scheme of Arrangement (Refer Note 2)	-	183.32
Purchases	2,725.37	2,487.32
Closing Raw Materials	**(223.85)**	**(196.80)**
	2,698.32	**2,473.84**

Note 23. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Closing stock		
Work-in-Progress	127.91	82.38
Finished Goods	194.33	238.54
Stock-in-Trade	54.12	55.49
	376.36	**376.41**
Opening stock		
Work-in-Progress	82.38	-
Finished Goods	238.54	-
Stock-in-Trade	55.49	-
	376.41	**-**

Notes to Financial Statements

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Adjustment pursuant to Scheme of Arrangement (Refer Note 2)		
Work-in-Progress	-	75.25
Finished Goods	-	156.83
Stock-in-Trade	-	36.39
	-	**268.47**
Changes in Inventories		
Work-in-Progress	(45.53)	(7.13)
Finished Goods	44.21	(81.71)
Stock-in-Trade	1.37	(19.10)
Changes in inventories of Work-In-Progress, Finished Goods and Stock-in-Trade *	**0.05**	**(107.94)**
* Includes Decrease / (Increase) in Excise Duty on Finished Goods	2.79	(0.50)

Note 24. Employee Benefit Expense

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Salaries, Wages and Bonus (Refer Note 35)	355.22	329.73
Gratuity Expenses (Refer Note 36a)	3.14	3.54
Contribution to Provident and Other Funds	19.89	17.78
Staff Welfare Expenses	54.66	47.58
Total	**432.91**	**398.63**

Note 25.Depreciation and Amortization Expense

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Depreciation on Property, Plant and Equipment (Refer Note 5)	128.22	121.17
Depreciation on Investment Properties (Refer Note 6)	0.08	0.08
Total	**128.30**	**121.25**

Note 26. Finance Costs

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Interest Expense on Borrowings	56.31	71.75
Exchange Differences on Foreign Currency Loans	-	0.18
Other Borrowing Costs	0.07	0.12
Total	**56.38**	**72.05**

Note – The Interest Expense on Borrowings includes the interest subvention received, amounting to ₹4.71 Cr. (Previous year - ₹5.27 Cr.) on Packing Credit loans

Notes to Financial Statements

Note 27. Other Expense

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Consumption of Stores and Spares	208.42	200.89
Conversion Charges	111.85	91.43
Power and Fuel *	164.76	147.36
Rent (Net of Recoveries)	18.30	21.37
Repairs and Maintenance - Building	0.39	0.85
Repairs and Maintenance - Machinery	78.44	86.47
Insurance	4.14	3.16
Rates and Taxes	5.60	19.62
Travelling and Conveyance	23.96	23.35
Printing, Stationery and Communication	5.70	6.12
Freight, Delivery and Shipping Charges	203.17	140.38
Discounts / Incentives on Sales	9.21	9.97
Advertisement and Publicity	37.75	29.27
Allowance for Doubtful debts and advances (Net)	1.08	-
Loss on Tangible Assets Sold / Discarded (Net)	3.12	-
Auditor's Remuneration (Refer Note a below)	0.67	0.52
Commission to Non Whole Time Directors (Refer Note b below)	1.50	1.62
Directors' Sitting Fees	0.10	-
Bank Charges	2.20	2.22
Information Technology Expenses	9.51	8.18
Donations to Charitable and other institutions	0.47	-
Expenditure on Corporate Social Responsibility (Refer Note c below)	1.35	-
Other Expenses	61.11	54.05
Total	**952.80**	**846.83**
* Includes Stores Consumed	58.46	47.64

(a) Auditor's Remuneration

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
As Auditor:		
Audit Fee	0.43	0.38
Tax Audit Fee	0.04	0.04
Audit of Consolidated Financial Statements	0.04	0.04
In other capacity:		
Certification Engagements	0.06	0.06
Others	0.10	-
Total	**0.67**	**0.52**

Notes to Financial Statements

(b) Commission and Sitting Fees to Non Whole Time Directors

Pursuant to the Scheme of Arrangement (Refer Note 2), in the previous year, the Commission and sitting fees aggregating to ₹1.62 Cr. has been transferred from the Demerged Company.

(c) Corporate Social Responsibility:

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Gross amount required to be spent by the Company during the year	1.26	-
Amount spent during the year:		
(i) Education	1.35	-
Total	**1.35**	-

Note 28. Exceptional Items

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Provision for Impairment of Investment in Joint Ventures	25.25	-
	25.25	**-**

During the current year, considering the market factors, changes in future project potential and accumulated losses, the company has recognised an impairment loss of ₹25.25 Crores in the Statement of Profit and Loss (Previous Year – Nil), in respect of investment made in Joint Ventures, carried at cost.

Note 29. Income Tax Expense

The major components of income tax expense for the years ended 31st March 2018 and 31st March 2017 are:

Statement of Profit and Loss

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Current Tax:		
Current income tax charge	74.16	58.25
Adjustments in respect of current income tax of previous years	(7.68)	(16.94)
Deferred Tax:		
Relating to the origination and reversal of temporary differences	(10.25)	1.24
Income Tax expense reported in the Statement of Profit and Loss	**56.23**	**42.55**

Other Comprehensive Income(OCI)

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Tax effect on		
(Loss) / Gain on FVTOCI Equity Investments	(0.43)	0.01
Re-measurement Gain / (Loss) on Defined Benefit Obligations	0.51	(1.43)
Movement on cash flow hedges	0.07	0.18
Income Tax charged to OCI	**0.15**	**(1.24)**

Notes to Financial Statements

Reconciliation of Tax Expense and the Accounting Profit multiplied by Corporate Income Tax Rate applicable for 31st March 2017 and 31st March 2018

The tax on the Company's Profit Before Tax differs from the theoretical amount that would arise on using the standard rate of corporation tax in India (34.608%) as follows:

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Accounting Profit before Income Tax	**192.69**	**201.50**
Profit before Income Tax multiplied by Standard Rate of Corporate Tax in India of 34.608% (Previous year: 34.608%)	66.69	69.74
Effects of:		
Benefit u/s 35(2AB) of Income Tax Act, 1961	(6.79)	(6.30)
Dividend Income - Exempt from tax	(3.94)	(0.18)
Benefit u/s 80IC of Income Tax Act, 1961	(1.97)	(1.73)
Capital Allowance u/s 32AC of Income Tax Act, 1961	-	(5.78)
Other Disallowances	0.85	3.74
Reversal of provision with respect to prior years	(7.68)	(16.94)
Provision for Impairment of Investments	8.74	-
Effect of enacted Tax rate on Deferred tax	0.33	-
Net Effective Income Tax	**56.23**	**42.55**

From 1st April 2018, there is an increase in effective income tax rate from 34.608% to 34.944%. As a result, Deferred tax balances have been re-measured accordingly using the future rate.

Note 30. Research and Development expenses

Revenue Expenditure*

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Employee Benefits Expense	9.53	9.97
Consumption of Stores and Spares	2.08	2.34
Power and Fuel	0.26	0.30
Repairs to Machinery	0.84	0.63
Other Expenses	8.82	4.93
	21.53	**18.17**

Capital Expenditure

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Building	0.03	-
Plant and Machinery	5.63	0.28
Office Equipment	0.36	0.25
Furniture and Fixtures	0.06	0.01
	6.08	**0.54**

* Recognized in Employee Benefit Expenses and Other Expenses respectively.

Notes to Financial Statements

Note 31. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in Equity is shown below:

During the year ended 31-Mar-2018 ₹ in Crores

	Cash flow hedge reserve	FVTOCI reserve	Retained Earnings	Total
Foreign Exchange Forward Contracts	0.12	-	-	0.12
Loss on FVTOCI Financial Assets	-	(0.64)	-	(0.64)
Re-measurement gains on Defined Benefit Plans	-	-	0.95	0.95
Total	**0.12**	**(0.64)**	**0.95**	**0.43**

During the year ended 31-Mar-2017 ₹ in Crores

	Cash flow hedge reserve	FVTOCI reserve	Retained Earnings	Total
Foreign Exchange Forward Contracts	0.33	-	-	0.33
Gain on FVTOCI Financial Assets	-	0.70	-	0.70
Re-measurement losses on Defined Benefit Plans	-	-	(2.70)	(2.70)
	0.33	**0.70**	**(2.70)**	**(1.67)**

Note 32. Earnings Per Share

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

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Profit After Tax (₹ in Crores)	136.46	158.95
Weighted average number of Shares		
- Basic	18,74,91,054	18,74,47,871
- Diluted	18,76,29,895	18,74,47,871
Earning Per Share of ₹1 each		
- Basic	7.28	8.48
- Diluted	7.27	8.48
Weighted average number of Equity Shares in calculating Basic Earnings Per Share	18,74,91,054	18,74,47,871
Dilution - Stock Options granted under ESOP (Refer Note 35)	1,38,841	-
Weighted average number of Equity Shares in calculating Diluted EPS	18,76,29,895	18,74,47,871

Note 33. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's Standalone Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a. Judgements

In the process of applying the Company's accounting policies, management has not made any judgements, which have significant effect on the amounts recognised in the Standalone Financial Statements.

Notes to Financial Statements

b. Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Standalone Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

ii. Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

iii. Employee Benefits

The cost of the defined benefit gratuity plan and other post-employment leave encashment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about defined benefit obligations are given in Note 36.

iv. Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, Credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 42 for further disclosures.

Note 34. Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was notified on 28th March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the

Notes to Financial Statements

consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1st April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

Amendments to Ind AS 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity’s interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening Equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of Equity, as appropriate), without allocating the change between opening retained earnings and other components of Equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1st April 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

Transfers of Investment Property - Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management’s intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1st April 2018. The Company will apply amendments when they become effective. However, since Company’s current practice is in line with the clarifications issued, the Company does not expect any effect on its Standalone Financial Statements.

Notes to Financial Statements

Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.
- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1st April 2018. These amendments are not applicable to the Company.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognizes a non-monetary asset or non-monetary liability relating to advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- The beginning of the reporting period in which the entity first applies the Appendix, or
- The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1st April 2018. A reliable estimate of the quantitative impact of Ind AS 21 on the financial statements will only be possible once the implementation project has been completed.

Note 35. Stock Options pursuant to Scheme of Arrangement (Refer Note 2)

Pursuant to the Scheme of Arrangement (Refer Note 2), during the year, 3,63,763 stock options were granted to eligible employees at the rate of one stock option of the Company for every stock option held and outstanding in the Demerged Company on the date of the Nomination and Remuneration Committee Resolution dated 21st November 2017.

Further, during the year, the Nomination and Remuneration Committee of the Board of Directors of the Company, at its meeting held on 12th February 2018, approved the grant of 10,86,480 Stock Options and 2,62,200 Stock Options to eligible employees of the Company.

In this regard, the Company has recognised expense amounting to ₹5.29 Cr for employees services received during the year, shown under Salaries, Wages and Bonus (Refer Note 24).

Notes to Financial Statements

The movement in Stock Options are given below:

Particulars	Date of Grant	Options Outstanding as at 01-Apr-2017	During the Year 2017-18			Options Outstanding as at 31-Mar-2018	Options vested but not exercised as at 31-Mar-2018
			Options Granted	Options Cancelled / lapsed	Options Exercised and allotted		
Grant 1	21-Nov-17	-	51,516	-	4,672	46,844	46,844
Grant 2	21-Nov-17	-	34,241	-	34,241	-	-
Grant 3	21-Nov-17	-	21,280	-	4,864	16,416	16,416
Grant 4	21-Nov-17	-	15,112	-	-	15,112	15,112
Grant 5	21-Nov-17	-	9,344	-	2,000	7,344	7,344
Grant 6	21-Nov-17	-	2,32,270	9,660	-	2,22,610	2,22,610
Grant 7	12-Feb-18	-	10,86,480	-	-	10,86,480	-
Grant 8	12-Feb-18	-	2,62,200	-	-	2,62,200	-
Total		**-**	**17,12,443**	**9,660**	**45,777**	**16,57,006**	**3,08,326**

The details of Stock Options granted to certain employees are given below:

Particulars	Date of Grant	Weighted Average Exercise Price (₹)	Options Granted	Options Cancelled / lapsed	Options Exercised and allotted	Options vested and Outstanding at the End of the Year	Options unvested and Outstanding at the End of the Year	Vested Date	Weighted Average Remaining Contractual Life (In Years)
Grant 1	21-Nov-17	44.36	51,516	-	4,672	46,844	-	21-Nov-17	2.72
Grant 2	21-Nov-17	17.61	34,241	-	34,241	-	-	21-Nov-17	-
Grant 3	21-Nov-17	43.42	21,280	-	4,864	16,416	-	21-Nov-17	1.96
Grant 4	21-Nov-17	43.42	15,112	-	-	15,112	-	21-Nov-17	1.33
Grant 5	21-Nov-17	13.78	9,344	-	2,000	7,344	-	21-Nov-17	0.33
Grant 6	21-Nov-17	187.29	2,32,270	9,660	-	2,22,610	-	15-Mar-18	4.96
Grant 7	12-Feb-18	270.20	10,86,480	-	-	-	10,86,480	-	5.87
Grant 8	12-Feb-18	270.20	2,62,200	-	-	-	2,62,200	-	6.88
			17,12,443	**9,660**	**45,777**	**3,08,326**	**13,48,680**		

The following tables list the inputs to the Black Scholes model used for the plans for the year ended 31st March 2018:

Particulars	Vesting Date	Risk-free Interest Rate	Expected Life	Expected Volatility of Share Price	Dividend Yield	Price of the Underlying Share in the market at the time of Option grant	Fair Value of the Option
		% (p.a)	(Years)	(%)	(%)	(₹.)	(₹.)
Grant 1	21-Nov-17	8.23	4.64	43.70	1.86	44.36	21.30
Grant 2	21-Nov-17	8.23	2.18	33.90	1.86	17.61	6.51
Grant 3	21-Nov-17	8.22	3.93	42.84	1.86	43.42	21.93
Grant 4	21-Nov-17	8.23	2.88	39.83	1.86	43.42	20.71
Grant 5	21-Nov-17	6.58	2.04	28.69	1.86	13.78	5.18
Grant 6	21-Nov-17	6.75	3.50	31.49	0.25	187.29	60.27
Grant 7	12-Feb-18	7.33	4.63	38.19	0.00	270.20	117.98
Grant 8	12-Feb-18	7.41	5.21	38.19	0.00	270.20	125.66

Notes to Financial Statements

Note 36. Employee Benefits Obligation

Defined Benefit Plan

a. Gratuity

Under the Gratuity plan operated by the Company, every employee who has completed at least five years of service gets a Gratuity on departure at 15 days on last drawn salary for each completed year of service as per Payment of Gratuity Act, 1972. The scheme is funded with an Insurance Company in the form of qualifying insurance policy. The following table summarizes the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet.

₹ in Crores

Particulars		31-Mar-2018	31-Mar-2017
A.	**Change in defined benefit obligation**		
1.	Defined benefit obligation at beginning of period	51.32	-
	Defined benefit obligation transferred pursuant to scheme of arrangement (Note 2)	-	42.25
2.	Service cost		
	a. Current service cost	3.15	3.99
3.	Interest expenses	3.72	3.30
4.	Cash flows		
	a. Benefit payments from plan	(3.55)	(1.91)
5.	Remeasurements		
	a. Effect of changes in financial assumptions	(3.21)	2.88
	b. Effect of experience adjustments	1.75	0.81
6.	Defined benefit obligation at end of period	53.18	51.32

₹ in Crores

B.	**Change in fair value of plan assets**	**31-Mar-2018**	**31-Mar-2017**
1.	Fair value of plan assets at beginning of period	51.41	-
	Fair value of plan assets transferred pursuant to scheme of arrangement (Note 2)	-	42.41
2.	Interest income	3.72	3.75
3.	Cash flows		
	a. Total employer contributions	1.64	7.60
	b. Benefit payments from plan assets	(2.73)	(1.91)
4.	Remeasurements		
	a. Return on plan assets (excluding interest income)	-	(0.44)
5.	Fair value of plan assets at end of period	54.04	51.41

₹ in Crores

C.	**Amounts recognized in the Balance Sheet**	**31-Mar-2018**	**31-Mar-2017**
1.	Defined benefit obligation	53.18	51.32
2.	Fair value of plan assets	(54.04)	(51.41)
3.	Funded status	(0.86)	(0.09)
4.	Net defined benefit liability (asset)	(0.86)	(0.09)

Notes to Financial Statements

₹ in Crores

D.	Components of defined benefit cost	31-Mar-2018	31-Mar-2017
1.	Service cost		
	a. Current service cost	3.15	3.99
2.	Net interest cost		
	a. Interest expense on DBO	3.72	3.30
	b. Less - Interest (income) on plan assets	3.73	3.75
	c. Total net interest cost	(0.01)	(0.45)
3.	Remeasurements (recognized in OCI)		
	a. Effect of changes in financial assumptions	(3.21)	2.88
	b. Effect of experience adjustments	1.75	0.81
	c. Less - (Return) on plan assets (excluding interest income)	-	(0.44)
	d. Total remeasurements included in OCI	(1.46)	4.13
4.	Total defined benefit cost recognized in P&L and OCI	1.68	7.67

₹ in Crores

E.	Re-measurement	31-Mar-2018	31-Mar-2017
	a. Actuarial Loss / (Gain) on DBO	(1.46)	3.69
	b. Less - Returns above Interest Income	-	(0.44)
	Total Re-measurements (OCI)	(1.46)	4.13

₹ in Crores

F.	Employer Expense (P&L)	31-Mar-2018	31-Mar-2017
	a. Current Service Cost	3.15	3.99
	b. Interest Cost on net DBO	(0.01)	(0.45)
	c. Total P&L Expenses	3.14	3.54

₹ in Crores

G.	Net defined benefit liability (asset) reconciliation	31-Mar-2018	31-Mar-2017
1.	Net defined benefit asset	(0.09)	(0.16)
2.	Defined benefit cost included in P&L	3.14	3.54
3.	Total remeasurements included in OCI	(1.46)	4.13
4.	Employer contributions	(1.64)	(7.60)
5.	Net benefit paid from plan assets	(0.81)	-
6.	Net defined benefit liability (asset) as of end of period	(0.86)	(0.09)

₹ in Crores

H.	Reconciliation of OCI (Re-measurment)	31-Mar-2018	31-Mar-2017
1.	Recognised in OCI during the period	(1.46)	4.13
2.	Recognised in OCI at the end of the period	(1.46)	4.13

Notes to Financial Statements

₹ in Crores

I.	Sensitivity analysis - DBO end of Period	31-Mar-2018	31-Mar-2017
1.	Discount rate +1%	49.29	47.52
2.	Discount rate - 1%	57.56	55.63
3.	Salary Increase Rate +1%	57.47	55.33
4.	Salary Increase Rate -1%	49.28	47.71
5.	Attrition Rate +1%	53.94	51.98
6.	Attrition Rate -1%	52.32	50.59

₹ in Crores

J.	Significant actuarial assumptions	31-Mar-2018	31-Mar-2017
1.	Discount rate Current Year	8.00%	7.25%
2.	Discount rate Previous Year	7.25%	8.00%
3.	Salary increase rate	Uniform 5.0%	Uniform 5.0%
4.	Attrition Rate	3.0% [AGE 0TO30] 1.0% [AGE 31TO40] 2.0% [AGE DEFAULT]	3.0% [AGE 0TO30] 1.0% [AGE 31TO40] 2.0% [AGE DEFAULT]
5.	Retirement Age	58	58
6.	Pre-retirement mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
7.	Disability	Nil	Nil

K.	Data	31-Mar-2018	31-Mar-2017
1.	No.	3,368	3,474
2.	Avg. Age (years)	39	39
3.	Avg. Past Service (years)	14	12
4.	Avg. Sal. Monthly (₹)	23,286	21,131
5.	Future Service (years)	19	19
6.	Weighted average duration of DBO	15	15

₹ in Crores

L.	Expected cash flows for following year	31-Mar-2018	31-Mar-2017
1.	Expected employer contributions / Additional. Provision Next Year	2.14	4.45
2.	Expected total benefit payments		
	Year 1	4.76	4.19
	Year 2 to Year 5	20.24	14.90
	Next 5 years	29.48	21.34

₹ in Crores

M.	Defined benefit obligation at end of period	31-Mar-2018	31-Mar-2017
	Current Obligation	4.76	4.19
	Non-Current Obligation	48.42	47.13
	Total	53.18	51.32

Notes to Financial Statements

SUMMARY ₹ in Crores

	Assets / Liabilities	31-Mar-2018	31-Mar-2017
1.	Defined benefit obligation at end of period	53.18	51.32
2.	Fair value of plan assets at end of period	54.04	51.41
3.	Net defined benefit liability (asset)	(0.86)	(0.09)
4.	Defined benefit cost included in P&L	3.14	3.54
5.	Total remeasurements included in OCI	(1.46)	4.13
6.	Total defined benefit cost recognized in P&L and OCI	1.68	7.67

Notes:

i. The entire Plan Assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC).

ii. The expected/actual return on Plan Assets is as furnished by LIC.

iii. The estimate of future salary increase takes into account inflation, likely increments, promotions and other relevant factors.

b. Provident Fund

The Company's Provident Fund is exempted under Section 17 of the The Employees' Provident Funds and Miscellaneous Provisions Act, 1952. Conditions for the grant of exemption stipulate that the employer shall make good the deficiency, if any, in the interest rate declared by the Trust over the statutory limit. The Actuary has provided a valuation for Provident Fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided below and the Company does not have additional obligation as at 31st March 2018.

The details of fund and plan assets are given below: ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Fair value of plan assets at end of period	140.58	137.44
Defined benefit obligation at end of period	136.56	109.63

The principal assumptions used in determining the present value obligation of interest guarantee under the deterministic approach are as follows:

Assumptions	31-Mar-2018	31-Mar-2017
Discount Rate	8.00%	7.25%
Weighted Average Duration of DBO in years	15	15
Expected Investment Return	7.25%	8.67%
Average Interest Rate expected to be declared	8.55%	8.62%

During the year, the Company contributed ₹6.95 Cr. (Previous year - ₹5.88 Cr.) under Defined Benefit Plans and the same has been recognised in the Statement of Profit and Loss under Employee Benefits Expense.

c. Long Term Compensated Absences ₹ in Crores

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

Assumptions	31-Mar-2018	31-Mar-2017
Discount Rate	8.00%	7.25%
Future Salary Increase (%)	5.00%	5.00%
Attrition Rate	1 to 3%	1 to 3%

Notes to Financial Statements

d) Contributions to Defined Contribution Plans

During the year, the Company recognised ₹5.19 Cr. (Previous Year - ₹5.52 Cr.) to Provident Fund under Defined Contribution Plan, ₹6.34 Cr. (Previous Year - ₹5.22 Cr.) for Contributions to Superannuation Fund and ₹1.47 Cr. (Previous Year - ₹1.10 Cr.) for Contributions to Employee State Insurance Scheme in the Statement of Profit and Loss.

Note 37. Commitment and Contingencies

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
I. Contingent Liabilities		
a) Disputed Income-Tax demands under appeal / remand pending before various appellate/ assessing authorities against the Demerged Company (Refer Note d below).	39.40	39.36
b) Disputed Service Tax, Excise and Customs duty demand amounting to ₹0.11 Cr. (Previous Year - ₹0.11 Cr.) pertaining to financial years 2001-02 to 2002-03 under appeal pending before the Appellate Tribunal. The Management is of the opinion that the above demands are arbitrary and are not sustainable	0.11	0.11
c) Claims against the Company not acknowledged as debts	1.02	0.83
II. Commitments		
a) Estimated amount of contracts remaining to be executed on capital expenditure and not provided for	58.69	77.44
b) Export obligation under EPCG / Advance License Scheme to be fulfilled. The Company is confident of meeting its obligations under the Schemes within the Stipulated Period.	7.95	10.22

a. Draft Assessment Orders received from Income Tax Authorities and Show Cause Notices received from various other Government Authorities, pending adjudication, have not been considered as Contingent Liabilities.

b. The uncertainties and possible reimbursement in respect of the above mentioned contingent liabilities are dependent on the outcome of various legal proceedings and therefore, cannot be predicted accurately.

c. The Company considers the Cash flow in each of the cases to be uncertain and hence considered as Contingent liabilities.

d. As per the Scheme of Arrangement (Refer Note 2), all taxes, duties, cess payable by the Demerged Company relating to the Manufacturing Business Undertaking including all advance tax payments, tax deducted at source or any refunds / credit / claims relating thereto shall, for all purposes, be treated as advance tax payments, tax deducted at source or refunds / credit / claims, as the case may be, of the Company, provided however that any direct and indirect taxes that cannot specifically be earmarked as the liability or refunds / credit / claims relating to the Manufacturing Business Undertaking shall continue to be borne by the Demerged Company. The Scheme further provides that if the Demerged Company or their successor(s) receives any refunds / credit / claims or incurs any liability in respect of the Manufacturing Business Undertaking, the same shall be on behalf of and as a trustee of the Company and the same shall be refunded to / paid by the Company.

Notes to Financial Statements

Note 38. Disclosure in respect of Related Parties pursuant to Ind AS 24

a) List of Related Parties

I. Subsidiary Companies

- **a.** Shanthi Gears Limited
- **b.** Financiere C10 SAS and its Subsidiaries namely:
  - **i.** Sedis SAS
  - **ii.** Sedis Company Limited
  - **iii.** Sedis Gmbh
- **c.** Great Cycles (Private) Limited (with effect from 9th March 2018)
- **d.** Creative Cycles (Private) Limited (with effect from 9th March 2018)

II. Joint Venture Company

- **a.** TI Tsubamex Private Limited
- **b.** TI Absolute Concepts Private Limited

III. Company having Significant Influence

- **a.** Ambadi Investments Limited (Refer Note 12c)
- **b.** Parry Agro Industries Limited
- **c.** Parry Enterprises India Limited

IV. Key Management Personnel (KMP)

- **a.** Mr. L. Ramkumar – Managing Director
- **b.** Mr. Vellayan Subbiah – Managing Director Designate (with effect from 19th August 2017)
- **c.** Mr. S. Suresh – Company Secretary
- **d.** Mr. K Mahendra Kumar – Chief Financial Officer

V. Non executive Directors

- **a.** Mr. M M Murugappan, Chairman
- **b.** Mr. Hemant M Nerurkar
- **c.** Mr. Pradeep V Bhide
- **d.** Mr. S Sandilya
- **e.** Ms. Madhu Dubhashi
- **f.** Mr. Ramesh K B Menon (with effect from 16th November 2017)

Notes to Financial Statements

During the year the following transactions were carried out with the related parties in the ordinary course of business:

₹ in Crores

Transaction	Related Party	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Services Received	Parry Enterprises India Limited	9.93	11.82
Dividend Paid	Ambadi Investments Limited	22.77	-
	Mr. L. Ramkumar	0.04	-
	Mr. Vellayan Subbaiah	0.14	-
Dividend Received	Shanthi Gears Limited	10.03	-
Subscription to Equity Shares	Great Cycles (Private) Limited	16.98	-
	Creative Cycles (Private) Limited	6.47	-
	TI Tsubamex Private Limited	4.00	-
	TI Absolute Concepts Private Limited	3.75	10.00
Sales and Services rendered	Shanthi Gears Limited	2.25	2.01
	Financiere C10 SAS	5.34	4.29
	Sedis SAS	20.43	17.93
	TI Absolute Concepts Private Limited	1.34	0.58
Purchases and Services received	Shanthi Gears Limited	4.74	0.89
	Sedis SAS	0.36	0.03
	Great Cycles (Private) Limited	0.19	-
	Creative Cycles (Private) Limited	2.80	-
Remuneration (Refer note b below)	Key Management Personnel	10.00	4.84
Fair value Cost of Stock options granted	Key Management Personnel	1.70	-
Sitting Fees and Commission	Non executive directors	1.60	1.62
Reimbursement of Expenses - Received	Shanthi Gears Limited	1.23	1.32
	TI Tsubamex Private Limited	0.74	0.78
Sale of Property, Plant and Equipment	TI Tsubamex Private Limited	-	0.01

₹ in Crores

Transaction	Related Party	As at 31-Mar-2018	As at 31-Mar-2017
Rental Deposit Payable	Shanthi Gears Limited	0.04	0.04
Payable	Parry Enterprises India Limited	0.16	0.13
	Shanthi Gears Limited	0.04	-
	Sedis SAS	0.02	-
	Key Managerial Personnel	2.29	1.12
Receivable	Shanthi Gears Limited	0.03	0.10
	TI Tsubamex Private Limited	0.82	0.57
	TI Absolute Concepts Private Limited	0.84	0.13
	Creative Cycles (Private) Limited	0.23	-
	Sedis SAS	6.72	5.24
Advances Paid	Creative Cycles (Private) Limited	3.31	-
Final Dividend - Proposed	Mr. L. Ramkumar	0.01	-
	Mr. Vellayan Subbaiah	0.02	-

Terms and Conditions of transaction with Related Parties

The sale to and purchases from Related Parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in Cash. For the year ended 31st March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by Related Parties (Refer Note 10b and Note 16b for Trade Receivables and Trade Payables respectively).

Notes to Financial Statements

b) Details of remuneration to Key Managerial Personnel are given below:

₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
- Salaries and Allowances	5.66	3.10
- Provident Fund and Super Annuation	0.77	0.40
- Perquisites	1.28	0.22
- Incentive	2.29	1.12
- Fair value Cost of Stock options granted	1.70	-
	11.70	**4.84**

Additional Disclosures

The transactions with the Related Parties of the Demerged Company, carried out in the ordinary course of business during 2016-17, before the effective date of Scheme of Arrangement are given below.

₹ in Crores

Transaction	Related Party	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Debentures redeemed	Cholamandalam MS General Insurance Company Limited	-	10.00
Interest on Debentures	Cholamandalam MS General Insurance Company Limited	-	0.07
Claims Received	Cholamandalam MS General Insurance Company Limited	-	8.57
Premium Paid	Cholamandalam MS General Insurance Company Limited	-	2.77
Rentals Paid	Cholamandalam Investment and Finance Company Limited	-	0.14
Services Received	Cholamandalam Securities Limited	-	0.01
Reimbursement of Expenses - Paid	Cholamandalam MS General Insurance Company Limited	-	0.02

₹ in Crores

Transaction	Related Party	As at 31-Mar-2018	As at 31-Mar-2017
Payable	Cholamandalam MS General Insurance Company Limited	-	0.04
Receivable	Cholamandalam MS General Insurance Company Limited	-	0.02

Note 39. Segment Information

For management purposes, the Company's operations are organised into three major segments – Cycles and Accessories, Engineering and Metal Formed Products.

The Management Committee headed by Managing Director (CODM) consisting of Chief financial officer, Leaders of Strategic Business Units and Human resources have identified the above three reportable operating segments. It reviews and monitors the operating results of the operating segments for the purpose of making decisions about resource allocation and performance assessment using profit or loss and return on capital employed.

The Cycles and Accessories segment comprises of Standard bi-cycles, Special bi-cycles including alloy bikes and Speciality performance bikes and fitness equipments. The Engineering segment comprises of cold rolled steel strips and precision steel tube viz., Cold Drawn Welded tubes (CDW) and Electric Resistance Welded tubes (ERW). The Metal Formed Products segment comprises of Automotive and Industrial chains, fine blanked products, stamped products, roll-formed car doorframes and cold rolled formed sections for railway wagons and passenger coaches.

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocated corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and are not allocable to any segment. Expenses that are directly identifiable to segments are considered for determining the segment results. Expenses which relate to the Company as a whole and are not allocable to segments are included under unallocated corporate expenses.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Notes to Financial Statements

₹ in Crores

PARTICULARS	CYCLES AND ACCESSORIES		ENGINEERING		METAL FORMED PRODUCTS		ELIMINATIONS		TOTAL	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
REVENUE										
External Sales	1,298.83	1,347.52	1,993.16	1,770.14	1,117.99	1,090.11	-	-	4,409.98	4,207.77
Inter-Segment Sales	-	-	189.85	162.25	1.15	0.98	(191.00)	(163.23)	-	-
Other Operating Revenue	8.49	11.17	192.84	144.54	62.69	46.10	-	-	264.02	201.81
Unallocated Corporate Income									7.59	6.31
Total Revenue	**1,307.32**	**1,358.69**	**2,375.85**	**2,076.93**	**1,181.83**	**1,137.19**	**(191.00)**	**(163.23)**	**4,681.59**	**4,415.89**
Unallocated Corporate Expenses net of Income									(16.79)	(7.13)
RESULTS										
Operating Profit	(0.14)	36.03	178.15	144.85	102.55	87.56	-	-	263.77	261.31
Profit / (Loss) on Sale of Property, Plant and Equipment	0.47	(0.30)	(3.23)	0.93	(0.10)	0.40	-	-	(2.86)	1.03
Net Operating Profit	**0.33**	**35.73**	**174.92**	**145.78**	**102.45**	**87.96**			**260.91**	**262.34**
Dividend Income	-	-	-	-	-	-	-	-	11.38	0.52
Finance Costs	-	-	-	-	-	-	-	-	(56.38)	(72.05)
Tax Expense	-	-	-	-	-	-	-	-	(56.23)	(42.55)
Exceptional Items										
- Provision for Impairment of Investment in Joint Ventures	-	-	-	-	-	-		-	(25.25)	-
Profit on Sale of Current Investments (Net)	-	-	-	-	-	-	-	-	2.03	10.69
Net Profit	**0.33**	**35.73**	**174.92**	**145.78**	**102.45**	**87.96**	**-**	**-**	**136.46**	**158.95**
ASSETS										
Segment Assets	554.07	621.93	1,165.81	946.96	594.45	558.04	(39.20)	(29.85)	2,275.13	2,097.08
Unallocated Corporate Assets									658.40	739.25
Total Assets	**554.07**	**621.93**	**1,165.81**	**946.96**	**594.45**	**558.04**	**(39.20)**	**(29.85)**	**2,933.53**	**2,836.33**
LIABILITIES										
Segment Liabilities	320.70	332.00	494.01	317.70	202.70	187.35	(39.20)	(29.85)	978.21	807.20
Unallocated Corporate Liabilities									26.50	84.89
Total Liabilities	**320.70**	**332.00**	**494.01**	**317.70**	**202.70**	**187.35**	**(39.20)**	**(29.85)**	**1,004.71**	**892.09**
OTHER INFORMATION										
Capital Expenditure	7.38	54.27	140.56	48.56	56.38	45.61	-	-	204.32	148.44
Unallocated Corporate Capital Expenditure									11.65	3.80
Depreciation and Amortisation Expense	15.83	15.80	65.66	63.18	43.31	39.38	-	-	124.80	118.36
Unallocated Corporate Depreciation									3.50	2.89
Investment in Joint Ventures (Net of Impairment)	-	-	-	-	-	-	-	-	12.00	29.50

Notes to Financial Statements

Revenue from External Customers ₹ in Crores

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
India	4,327.23	4,068.13
Outside India	354.36	347.76
Total Revenue per Statement of Profit or Loss	**4,681.59**	**4,415.89**

There are no sales to external customers more than 10% of Total Revenue.

Non-current operating assets ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
India	1,641.28	1,536.88
Outside India	-	-
Total	**1,641.28**	**1,536.88**

Reconciliation of Segment Assets and Liabilities to amounts reflected in the Standalone Financial Statements ₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Segment Assets	2,933.53	2,836.33
Add: Deferred Tax Assets (Note 15)	31.50	38.11
Total Assets	**2,965.03**	**2,874.44**

₹ in Crores

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Segment Liabilities	1,004.71	892.09
Add: Deferred Tax Liabilities (Note 15)	59.71	64.38
Add: Long term and Short term Borrowings (Note 14 and Note 16a)	437.47	650.97
Add: Current maturities of Long term Borrowings (Note 16d)	250.00	124.99
Total Liabilities	**1,751.89**	**1,732.43**

Note 40. Operating Leases

The Company has operating lease agreements for certain office space and residential accommodation which are generally cancellable in nature. As per the lease terms, an amount of ₹18.30 Cr. (Previous Year - ₹21.37 Cr.) has been recognised in the Statement of Profit and Loss.

Note 41. Hedging activities and derivatives

Cash Flow Hedges

Foreign Exchange Forward Contracts measured at Fair Value through OCI are designated as Hedging Instruments in cash flow hedges of forecast sales in EUR and USD, and also for forecast purchases in USD, EUR and JPY. Currency Swaps measured at Fair Value through Profit and Loss are designated as Hedging Instruments in cash flow hedges of floating rate long term borrowings in USD.

₹ in Crores

Particulars	As at 31-Mar-2018		As at 31-Mar-2017	
	Assets	Liabilities	Assets	Liabilities
Fair Value of Foreign Exchange Forward Contracts	-	0.31	-	0.15

Notes to Financial Statements

Disclosure of effects of Hedge accounting

As at 31-Mar-2018

Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments ₹ in Crores		Maturity Date	Hedge Ratio	Weighted Average Rate	Changes in Fair value of Hedging Instrument ₹ in Crores	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness ₹ in Crores
	Asset	Liability	Asset	Liability					
Foreign Currency Forward Contracts	16	18	10.18	21.25	05-Apr-2018 to 29-Mar-2019	1:1	1 USD - ₹65.74 1 EUR - ₹82.82 1 JPY - ₹0.63	(0.17)	0.17

₹ in Crores

Cash Flow Hedge	Change in the value of Hedging Instrument recognised in Other Comprehensive Income	Hedge Infectiveness recognised in Profit or Loss	Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss	Line item affected in Statement of Profit and Loss because of the Reclassification
Foreign Exchange Risk	1.15	-	0.96	Other Income

As at 31-Mar-2017

Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments ₹ in Crores		Maturity Date	Hedge Ratio	Weighted Average Rate	Changes in Fair value of Hedging Instrument ₹ in Crores	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness ₹ in Crores
	Asset	Liability	Asset	Liability					
Foreign Currency Forward Contracts	39	9	25.75	6.53	05-Apr-2017 to 29-Mar-2018	1:1	1 USD - ₹65.32 1 EUR - ₹72.39	(0.36)	0.36

₹ in Crores

Cash Flow Hedge	Change in the value of Hedging Instrument recognised in Other Comprehensive Income	Hedge Infectiveness recognised in Profit or Loss	Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss	Line item affected in Statement of Profit and Loss because of the Reclassification
Foreign Exchange Risk	(0.03)	-	(0.54)	Other Income

Notes to Financial Statements

Note 42.1 Fair Values

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities.

₹ in Crores

Particulars	Carrying value		Fair value	
	31-Mar-2018	31-Mar-2017	31-Mar-2018	31-Mar-2017
Financial assets				
FVTOCI Equity Investments	11.12	12.19	11.12	12.19
Other Financial Assets - Non Current	17.58	17.99	17.58	17.99
Loans	1.45	1.37	1.45	1.37
Trade Receivables	575.44	528.22	575.44	528.22
Current Investments	-	102.08	-	102.08
Cash and Cash Equivalents	19.25	18.76	19.25	18.76
Other Financial Assets - Current	23.55	13.04	23.55	13.04
Total	**648.39**	**693.65**	**648.39**	**693.65**
Financial liabilities				
Non-Current Borrowings	200.00	350.00	207.01	361.86
Current Borrowings	237.47	300.97	237.47	300.97
Trade Payables	876.80	717.00	876.80	717.00
Derivative Instruments	0.31	0.15	0.31	0.15
Other Financial Liabilities - Current	296.23	227.27	296.23	227.27
Total	**1,610.81**	**1,595.39**	**1,617.82**	**1,607.25**

The management assessed that cash and cash equivalents, trade receivables, loans, current investments, other current financial assets, short term borrowings, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

i. The fair values of quoted equity investments are derived from quoted market prices in active markets.

ii. The fair values of certain unquoted equity investments have been estimated using Discounted Cash-flow Model (DCF). The valuation is based on certain assumptions like forecast cash-flows, discount rate, etc.

iii. The fair value of borrowings is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return, adjusted for the Credit spread considered by the lenders for instruments of the similar maturity.

iv. Derivatives are fair valued using market observable rates and published prices.

Notes to Financial Statements

Note 42.2 Fair Values Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement heirachy for assets as at 31st March 2018:

Particulars	Total	Fair Value Measurement using		
		Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value:				
FVTOCI Equity Investments	11.12	2.37	-	8.75
Assets for which fair values are disclosed:				
Investment Properties *	6.74	-	6.74	-

There have been no transfers between the level 1 and level 2 during the period.

* Fair value of investment property is calculated based on valuation given by external independent valuer.

Quantitative disclosures fair value measurement heirachy for liabilties as at 31st March 2018:

Particulars	Total	Fair Value Measurement using		
		Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:				
Foreign Exchange forward Contracts	0.31	-	0.31	-
Liabilities for which fair values are disclosed:				
Borrowings:				
Long term Borrowings	207.01	-	207.01	-

There have been no transfers between the level 1 and level 2 during the period.

Quantitative disclosures fair value measurement heirachy for assets as at 31st March 2017:

Particulars	Total	Fair Value Measurement using		
		Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value:				
FVTOCI Equity Investments	12.19	2.13	-	10.06
FVTPL Investments	102.08	102.08	-	-
Assets for which fair values are disclosed:				
Investment Properties *	6.48	-	6.48	-

There have been no transfers between the level 1 and level 2 during the period

* Fair value of investment property is calculated based on valuation given by external independent valuer.

Quantitative disclosures fair value measurement heirachy for liabilties as at 31st March 2017:

Particulars	Total	Fair Value Measurement using		
		Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:				
Foreign Exchange forward Contracts	0.15	-	0.15	-
Liabilities for which fair values are disclosed:				
Borrowings:				
Long term Borrowings	361.86	-	361.86	-

There have been no transfers between the level 1 and level 2 during the period.

Notes to Financial Statements

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31st March 2018 and 31st March 2017 are given below:

Particulars	Valuation technique	Significant unobservable inputs	Range (Weighted average)	Sensitivity of the input to fair value
Unquoted FVTOCI equity investments As at 31-Mar-2018	DCF Model	Discount Rate	15%	5% sensitivity 2017-18- Discount Rate-20%, ₹(1.71) Cr. Discount Rate-10%, ₹3.45Cr.
Unquoted FVTOCI equity investments As at 31-Mar-2017	DCF Model	Discount Rate	15%	5% sensitivity 2016-17- Discount Rate-20%, ₹(2.00) Cr. Discount Rate-10%, ₹4.09 Cr.

Reconciliation of Fair Value Measurement of Unquoted FVTOCI Equity Investments. ₹ in Crores

Unquoted FVTOCI equity investments	As at 31-Mar-2018	As at 31-Mar-2017
As at the beginning of the period	**10.06**	-
Adjustment pursuant to scheme of arrangement (Note 2)	-	2.48
Adjustment pursuant to transition to Ind AS	-	7.55
Re-measurement recognised in OCI	(1.31)	0.03
Purchases	-	-
Sales	-	-
As at the end of the period	**8.75**	**10.06**

Note 43. Financial Risk Management Objectives and Policies

The Company's principal financial liabilities, other than derivatives, comprise of borrowings and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, cash and short-term deposits, which arise directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Risk Management Committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk Management Committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that the financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

A. Market Risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

i. Foreign Currency Exchange Rate Risk

The fluctuation in foreign currency exchange rates may have potential impact on the Income Statement and Equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

Notes to Financial Statements

The Company, as per its forex policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its forex policy.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 5%.

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to 5% appreciation in USD and EURO exchange rates on foreign currency exposures as at the year end, with all other variables held constant. The impact on the Company's Profit Before Tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

₹ in Crores

As at	Nature	Increase/ (Decrease) in PBT for change in USD rates	Increase/ (Decrease) in PBT for change in EURO rates
31-Mar-2018	Receivables	1.18	1.29
	Payables	(2.40)	(0.48)
31-Mar-2017	Receivables	2.58	0.53
	Payables	(2.00)	(0.27)

Derivative Contracts ₹ in Crores

As at	Nature	Increase/ (Decrease) in PBT for change in USD rates	Increase/ (Decrease) in PBT for change in EURO rates	Increase/ (Decrease) in OCI for change in USD rates	Increase/ (Decrease) in OCI for change in EURO rates	Increase/ (Decrease) in OCI for change in JPY rates
31-Mar-18	Derivative Contracts	(0.54)	(0.79)	(0.04)	(0.66)	0.18
31-Mar-17	Derivative Contracts	(0.43)	(0.17)	0.59	0.34	-

Conversely, 5% depreciation in the USD and Euro rates against the significant foreign currencies as at 31st March 2018 and 31st March 2017 would have had the same but opposite effect, again holding all other variables constant.

ii. Equity Price Risk

Equity Price Risk is related to the change in market reference price of the investments in equity securities.

The majority of the Company's investments are in the shares of group companies, which are carried at cost. The Company has investments in other equity investments, routed through FVTOCI of only ₹11.12 Cr. as at 31st March 2018. (As at 31st March 2017 - ₹12.19 Cr.)

B. Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of credit risks.

Notes to Financial Statements

Exposure to Credit risk - The carrying amount of financial assets represents the maximum Credit exposure. The maximum exposure to Credit risk was ₹637.27 Cr. as at 31st March 2018 and ₹579.38 Cr. as at 31st March 2017, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables and other financial assets excluding equity investments.

At 31st March 2018, the company had 116 customers (as at 31st March 2017 - 108 customers) that owed the Company more than ₹1 Crore each and accounted for approximately 86% of the total trade receivables outstanding. There were 12 customers (as at 31st March 2017 - 8 Customers) with balances greater than ₹10 Crores accounting for around 32% of the trade receivables (Previous year - 25%).

Credit risk from balances with banks and investment of surplus funds in mutual funds is managed by the Company's treasury department. The objective is to minimise the concentration of risks and therefore mitigate financial loss.

Of the above, ₹48.91 Cr. (Previous year – ₹65.55 Cr.) is backed by Export Credit Guarantee Cover / Letter of Credit as at 31st March 2018.

C. Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets through commercial paper, non-convertible debentures, and other debt instruments. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no / low mark to market risks. The Company has also invested 15% of the non-convertible debentures (taken by the Company) falling due for repayment in the next 12 months in bank deposits, to meet the regulatory norms of liquidity requirements.

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

As at 31st March 2018, the Company has undrawn committed lines of ₹287.53 Cr. (As at 31st March 2017 - ₹224.03 Cr.)

The table below provides details regarding the contractual maturities of financial liabilities based on Contractual undiscounted payments:

₹ in Crores

	On demand	Less than 3 months	3 to 12 months	> 1 year	Total
Year ended 31-Mar-2018					
Borrowings	88.55	0.66	438.94	219.95	748.10
Other financial liabilities	0.49	32.05	-	-	32.54
Trade and other payables	145.25	721.09	10.46	-	876.80
Derivatives	-	0.31	-	-	0.31
	234.29	**754.11**	**449.40**	**219.95**	**1,657.75**
Year ended 31-Mar-2017					
Borrowings	9.19	205.59	221.39	416.86	853.03
Other financial liabilities	55.00	29.90	-	-	84.90
Trade and other payables	69.95	638.19	8.86	-	717.00
Derivatives	-	0.15	-	-	0.15
	134.14	**873.83**	**230.25**	**416.86**	**1,655.08**

Notes to Financial Statements

Note 44. Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through internal accruals, nonconvertible debentures, external commercial borrowings and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors capital employed using a Debt Equity ratio, which is total debt divided by total equity and maturity profile of the overall debt portfolio of the Company.

The following table summarizes the capital of the Company: ₹ in Crores

	As at 31-Mar-2018	As at 31-Mar-2017
Borrowings		
- Long term	200.00	350.00
- Short term	237.47	300.97
- Other Current liabilities (Current maturities of Long term Borrowing)	250.00	124.99
Total Debt	**687.47**	**775.96**
Equity Share Capital	18.75	18.74
Other Equity	1,194.39	1,123.27
Equity	**1,213.14**	**1,142.01**
Debt Equity ratio	**0.57**	**0.68**

Note 45. Previous Year's figures

The Company has reclassified / regrouped previous year figures to conform to this year's classification.

Signatures to Notes to Financial Statements

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

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

M M Murugappan
Chairman

Chennai
7th May 2018

S Suresh
Company Secretary

K Mahendra Kumar
Chief Financial Officer

L Ramkumar
Managing Director