1 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies mentioned herein are relating to the standalone financial statements of the Company.

a) Brief description of the Company

Sundaram-Clayton Limited ('the Company') is a public limited company incorporated in India whose shares are publicly traded. The registered office is located at 'Chaitanya', No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai- 600 006, Tamil Nadu, India.

The Company manufactures non-ferrous gravity and pressure die castings. The Company has four manufacturing plants located in Tamil Nadu.

b) Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Disclosures under Ind AS are made only in respect of material items and in respect of items that will be useful to the users of financial statements in making economic decisions.

The financial statements have been prepared on historical basis following the principles of prudence which requires recognition of expected losses and non-recognition of unrealized gains.

The financial statements have been prepared under accrual basis of accounting except for certain financial assets and liabilities (as per the accounting policy below), which have been measured at fair value.

c) Use of estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future period.

This note provides an overview of the areas that involved a higher degree of judgment or complexity. It also provides an overview of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

d) Significant Estimates and judgments

The areas involving significant estimates or judgments are:

i) Estimation of defined benefit obligation - (Refer Note 33)

ii) Estimation of useful life of Property, Plant and Equipment (Refer Note 1(f) and 1(g))

e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and net of returns, trade allowances and rebates and amounts collected on behalf of third parties.

i) Sale of products:

Revenue from sale of products is recognised when significant risk and rewards of ownership pass to the customers, as per the terms of the contract and it is probable that the economic benefits associated with the transaction will flow to the Company.

ii) Revenue from Services:

Revenue from Services is recognised in the accounting period in which the services are rendered and when invoices are raised.

iii) Dividend income:

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established and it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

f) Property, Plant and Equipment

Freehold Land is stated at historical cost. All other items of Property, Plant and Equipment are stated at cost of acquisition/construction less accumulated depreciation / amortization and impairment, if any. Cost includes:

(i) purchase price,

(ii) taxes and duties,

SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

(iii) labour cost

(iv) directly attributable overheads incurred upto the date the asset is ready for its intended use, and

(v) Government grants that are directly attributable to the assets acquired.

However, cost excludes excise duty, value added tax , service tax and GST, to the extent credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when 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. The carrying amount of any component accounted for as separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Government grants relating to the purchase of property, plant and equipment are capitalized and included as cost to fixed assets.

Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Profit and Loss within Other gains/(losses).

g) Depreciation

i) Depreciation on tangible fixed assets is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shifts) as evaluated by a Chartered Engineer and in accordance with Ind AS 16, taking into consideration both usage, useful life and legal limitations on the use of assets, on straight line method, in accordance with Part A of Schedule II to the Companies Act, 2013. Depreciation is adjusted for the proportionate usage with reference to the asset's expected capacity or physical output during the reporting period.

ii) The estimated useful life of the tangible fixed assets as assessed by the Chartered Engineer and followed by the Company is furnished below:

Description	Years
Factory building and other buildings	30 to 64
Plant and Equipment	8 to 21
Electrical Equipment	15
Furniture and Fixtures	10
Computers	3
Mobile phones	1
Vehicles	6

iii) The residual value for all the above assets is retained at 5% of the cost except for Mobile phones for which Nil residual value is considered. Residual values and useful lives are reviewed, and adjusted, if appropriate, for each reporting period.

iv) On tangible fixed assets added / disposed off during the year, depreciation is charged on pro-rata basis for the period for which the asset was purchased and used.

v) Depreciation in respect of tangible assets costing individually less than ₹ 5,000/- is provided at 100%.

h) Amortization of Intangible assets

Intangible assets acquired are accounted at their acquisition cost and are amortised over their useful lives, viz., 2 years in the case of software.

i) Impairment

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

j) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). i.e in Indian rupees (INR) and all values are rounded off to nearest crores except where otherwise indicated.

(ii) Transactions and balances

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

(a) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.

(b) Non-monetary items denominated in foreign currency such as investments, fixed assets, etc., are valued at the exchange rate prevailing on the date of transaction.

(c) Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

k) Hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

The Company documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 34. Movements in the hedging reserve in shareholders' equity are shown in Note 35 (D). The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the company generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects the Statement of Profit and Loss (for example, when the forecast sale that is hedged takes place).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to the Statement of Profit and Loss within other gains/(losses).

SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

l) Inventories

Inventories are valued at the lower of cost and net realisable value.

i) Cost of raw materials, components, stores, spares, work-in-process and finished goods are determined on a moving average basis.

ii) Cost of finished goods and work-in-process comprises of Direct materials, Direct labour and an applicable proportion of Variable and Fixed overhead expenditure, Fixed Overhead Expenditure absorbed on the basis of normal operating capacity.

iii) Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

iv) Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost. Slow and non-moving material, obsolescence, defective inventories are duly provided for.

m) Employee benefits

i) Short term obligations:

Short term obligations are those that are expected to be settled fully within 12 months after the end of the reporting period. They are recognized upto the end of the reporting period at the amounts expected to be paid at the time of settlement.

ii) Other long term employee benefit obligations:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are, therefore, recognized and provided for at the present value of the expected future payments to be made in respect of services provided by employee upto the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for atleast twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post-employment obligation:

The Company operates the following post-employment schemes:

a) Defined benefit plans such as gratuity for its eligible employees, pension plan for eligible senior managers; and

b) Defined contribution plan such as provident fund.

Pension and gratuity obligation:

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income (net of deferred tax). They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit or Loss as past service cost.

SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

Provident fund:

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The provident fund contributions are made to an irrevocable trust set up by the Company. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the Government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year in which it is incurred.

iv) Bonus plans:

The Company recognises a liability and an expense for bonus. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

n) Taxes on income

Tax expense comprises of (i) current tax and (ii) deferred tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Where the Company is entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (the Research and Development or other investment allowances), the Company accounts for such allowances as tax credits, which means that the allowance reduce income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

o) MAT Credit

MAT credit can be carried forward upto a period of 15 years. MAT credit recognized in the books is in line with the latest assessment orders received by the Company.

p) Provisions and contingent liabilities

i) Provision:

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties is accounted based on technical evaluation, when the products are sold.

Provisions are evaluated at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects

SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.

ii) Contingent liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

r) Leases

From 1 April 2019, leases are recognised as a right-to-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative standalone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Company under residual value guarantees
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-to-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company which does not have recent third party financing, and
- Makes adjustments specific to the lease, e.g. term, country, currency and security.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-to-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Right-to-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received

SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

- Any initial direct costs, and
- Restoration costs.

Right-to-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-to-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

s) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

t) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

u) Investments and Other financial assets

i) Classification:

The Company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through statement of profit and loss), and
- Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

ii) Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus (in the case of a financial asset not a fair value through profit or loss) transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Debt Instruments:

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments.

(i) Amortised Cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the Statement of Profit and Loss when the asset is de-recognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

(ii) Fair Value through profit or loss:

Assets that do not meet the criteria for amortised cost or Fair Value through Other Comprehensive Income (FVOCI) are measured at Fair Value Through Profit or Loss(FVTPL). A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the statement of profit and loss within other gains / (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

(iii) Equity instruments:

Subsequent to initial recognition, the Company measures all investments in equity (except of the subsidiaries / associates) at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there will be no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately. Where the Company elects to measure fair value through profit and loss, changes in the fair value of such financial assets are recognised in the statement of profit and loss.

Investment in subsidiaries / associates:

Investment in subsidiaries / associates are measured at cost less provision for impairment.

iv) Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been significant increase in credit risk. Note 35(A) details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognised from initial recognition of the receivables.

v) De-recognition of financial assets:

A financial asset is derecognised only when:

a) the Company has transferred the rights to receive cash flows from the financial asset or

b) the Company retains the contractual rights to receive the cash flows of the financial asset, but expects a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised, if the Company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings, using the effective interest method. Fees paid on the established loan facilities are recognised as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other gain / (loss).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for over or atleast 12 months after the reporting period.

w) Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

x) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants receivable as compensation for expenses or financial support are recognized in profit or loss of the period in which it becomes available.

Government grants relating to the purchase of property, plant and equipment are included in current / non-current liabilities as deferred income and are credited to profit or loss as and when the obligations are fulfilled.

y) Current and Non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. In Company's considered view, twelve months is its operating cycle.

Notes to Financial Statements

2. PROPERTY, PLANT & EQUIPMENT

(Rupees in crores)

Description	Property, Plant & Equipment							
	Freehold land	Lease hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Total
	1	2	3	4	5	6	7	8
Gross block								
As at 01-04-2018	9.77	11.42	105.86	652.27	5.66	10.27	2.21	797.46
Additions	–	–	49.11	165.22	2.36	3.09	1.59	221.37
Sub-total	9.77	11.42	154.97	817.49	8.02	13.36	3.80	1,018.83
Sales / deletion	–	–	(0.12)	(7.99)	–	(1.02)	(0.60)	(9.73)
Total	**9.77**	**11.42**	**154.85**	**809.50**	**8.02**	**12.34**	**3.20**	**1,009.10**
Depreciation Upto 31-03-2018	–	0.25	10.60	163.29	1.77	4.42	0.77	181.10
For the year		–	4.98	81.63	0.81	2.58	0.50	90.50
Amortisation		0.13						0.13
Sub-total	–	0.38	15.58	244.92	2.58	7.00	1.27	271.73
Withdrawn on assets sold / deleted			(0.03)	(6.11)	–	(0.97)	(0.57)	(7.68)
Total	**–**	**0.38**	**15.55**	**238.81**	**2.58**	**6.03**	**0.70**	**264.05**
Net Carrying amount								
As at 31-03-2019	**9.77**	**11.04**	**139.30**	**570.69**	**5.44**	**6.31**	**2.50**	**745.05**

CAPITAL WORK-IN-PROGRESS (AT COST)	**2018-19**	**2017-18**
(a) Building	1.13	5.91
(b) Plant & equipment	7.93	76.54
(c) Others	4.14	0.01
Total	**13.20**	**82.46**

Description	Property, Plant & Equipment							
	Freehold land	Lease hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Total
	1	2	3	4	5	6	7	8
Gross block								
As at 01-04-2019	9.77	11.42	154.85	809.50	8.02	12.34	3.20	1,009.10
Additions	5.10	–	2.35	17.89	0.10	0.98	0.01	26.43
Sub-total	14.87	11.42	157.20	827.39	8.12	13.32	3.21	1,035.53
Sales / deletion	–	–	(0.16)	(22.33)	–	(0.04)	(1.02)	(23.55)
Total	**14.87**	**11.42**	**157.04**	**805.06**	**8.12**	**13.28**	**2.19**	**1,011.98**
Depreciation Upto 31-03-2019	–	0.38	15.55	238.81	2.58	6.03	0.70	264.05
For the year	–	–	5.47	73.79	0.87	2.23	0.50	82.85
Amortisation	–	0.13	–	–	–	–	–	0.13
Sub-total	–	0.51	21.02	312.60	3.45	8.26	1.20	347.03
Withdrawn on assets sold / deleted	–	–	(0.03)	(17.95)	–	(0.04)	(0.55)	(18.57)
Total	**–**	**0.51**	**20.99**	**294.65**	**3.45**	**8.22**	**0.65**	**328.46**
Net Carrying amount								
As at 31-03-2020	**14.87**	**10.91**	**136.05**	**510.41**	**4.67**	**5.06**	**1.54**	**683.52**

CAPITAL WORK-IN-PROGRESS (AT COST)	**2019-20**	**2018-19**
(a) Building	0.14	1.13
(b) Plant & equipment	12.29	7.93
(c) Others	0.71	4.14
Total	**13.14**	**13.20**

Notes to Financial Statements - *(continued)*

3 INTANGIBLE ASSETS:

(Rupees in crores)

Description	Software
Gross block	
As at 01-04-2018	4.82
Additions	2.80
Sub-total	7.62
Sales / deletion	(0.01)
Total	**7.61**
Depreciation	
Upto 31-03-2018	3.77
For the year	1.56
Amortisation	–
Sub-total	5.33
Withdrawn on assets sold / deleted	(0.01)
Total	**5.32**
Net Carrying amount	
As at 31-03-2019	**2.29**

Description	Software
Gross block	
As at 01-04-2019	7.61
Additions	0.26
Sub-total	7.87
Sales / deletion	–
Total	**7.87**
Depreciation	
Upto 31-03-2019	5.32
For the year	1.72
Amortisation	–
Sub-total	7.04
Withdrawn on assets sold / deleted	–
Total	**7.04**
Net Carrying amount	
As at 31-03-2020	**0.83**

4 RIGHT-T0-USE ASSET

Rupees in crores

Description	**Right-to-use assets**			
	Buildings	**Plant & equipment**	**Vehicles**	**Total**
Gross block				
Opening on transition to IND AS 116	4.19	51.68	1.45	57.32
Additions	–	–	–	–
Sub-total	**4.19**	**51.68**	**1.45**	**57.32**
Amortisations for the year	1.95	5.17	0.83	7.95
Deletions (Preclosures)	0.49	–	0.21	0.70
Closing net balance during the year	**1.75**	**46.51**	**0.41**	**48.67**

The Company has leased office premises, machinery and vehicles. The lease period ranges from 5-10 years, which represents the non-cancellable period of the lease.

	2019-20
Payment towards short term leases	1.88
Payment towards low value asset leases	–

Notes to Financial Statements - *(continued)*

5 INVESTMENTS

Sl No.	Name of the body corporate	Subsidiary / associate	No. of shares / units		Face Value	Currency	Rupees in crores	
			As at 31-03-2020	As at 31-03-2019			As at 31-03-2020	As at 31-03-2019
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(a)	**Investment in Equity Instruments fair valued through OCI**							
	Quoted :							
(i)	Suprajit Engineering Limited, Bengaluru		57,72,000	57,72,000	1.00	INR	64.99	141.30
(ii)	Harita Seating Systems Limited, Chennai		7,280	7,280	10.00	INR	0.23	0.33
	Unquoted :							
(iii)	Green Infra BTV Limited, New Delhi @		45,00,000	45,00,000	10.00	INR	4.50	4.50
(iv)	Sai Regency Power Corporation Private Limited, Chennai@		3,75,000	3,75,000	10.00	INR	0.38	0.38
(v)	Adyar Property Holding Company Limited, Chennai (Cost ₹ 6,825)@		105	105		INR	–	–
	Private equity instruments #:							
(vi)	TVS Shriram Growth fund Scheme 1A of TVS Capital Funds Limited, Chennai		–	4,480	1,000.00	INR	-	0.19
(vii)	TVS Shriram Growth fund Scheme 1B of TVS Capital Funds Limited, Chennai (₹ 1,000)		1	24,306	1,000.00	INR	-	8.44
(viii)	TVS Shriram Growth fund 3 of TVS Capital Funds Limited, Chennai		66,000	20,000	1,000.00	INR	6.60	2.00
	Investments in Equity Instruments AT COST							
	Quoted:							
(ix)	TVS Motor Company Limited, Chennai	Subsidiary	27,26,82,786	27,26,82,786	1.00	INR	19.59	19.59
	Unquoted:							
(x)	Sundaram-Clayton (USA) Limited, Illinois, USA (Cost ₹ 5,572)	Subsidiary	100	100	1.00	USD	-	-
(xi)	Sundaram Holding USA Inc., Delaware, USA	Subsidiary	1,50,00,000	1,30,00,000	1.00	USD	100.36	86.01
(xii)	TVS Training and Services Limited, Chennai	Associate	27,63,359	27,63,359	10.00	INR	2.76	2.76
(xiii)	Sundram Non Conventional Energy Systems Limited, Chennai	Associate	1,17,650	1,17,650	10.00	INR	0.12	0.12
(xiv)	TVS Credit Services Limited, Chennai	Subsidiary	21,80,250	21,80,250	10.00	INR	17.01	17.01
	Total value of Equity Instruments (a)						**216.54**	**282.63**
(b)	**Other non-current Investments**							
(i)	ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai					INR	3.05	2.78
(ii)	Life Insurance Corporation Pension Policy, Chennai					INR	10.43	9.58
(iii)	5 Years National Savings Certificates VIII Issue (in the name of nominee) - Face Value - ₹ 10,000					INR	–	–
(iv)	Tulsyan NEC Limited, Chennai @		1,63,125	1,21,875	10.00	INR	0.50	0.37
	Total value of Other non-current Investments (b)						**13.98**	**12.73**
	Total (a) + (b)						**230.52**	**295.36**
	Aggregate amount of quoted investments and market value thereof						8,178.90	12,982.26
	Aggregate amount of unquoted investments						145.71	134.14
	Aggregate amount of impairment in value of investments						–	(2.22)
	Total						**8,324.61**	**13,114.18**

The values have been arrived using the management's best estimate of the fair value of the fund. These values may not materially differ from the actuals.

@ Cost treated as Fair value

Notes to Financial Statements - *(continued)*

(Rupees in crores)

		As at 31-03-2020	As at 31-03-2019
6	**OTHER FINANCIAL ASSETS**		
	Non-current		
	Rental deposits	7.43	11.55
	Derivatives (Forwards,POS,Call spread,IRS)	19.10	5.41
	Total other financial assets	**26.53**	**16.96**
	Current		
	Unsecured, Considered Good :		
	Employee Advances	2.51	2.26
	Claims receivable	1.14	3.27
	Derivatives (Forwards,POS,Call spread,IRS)	4.64	2.75
	Duty Drawback receivable	3.92	3.31
	Total other financial assets	**12.21**	**11.59**
7	**DEFERRED TAX LIABILITIES / (ASSETS)**		
	The balance comprises temporary differences attributable to:		
	Depreciation	67.44	67.94
	Employee benefits	(11.00)	(8.17)
	Financial assets & Financial liabilities	(9.20)	(8.09)
	MAT Credit	(31.68)	(31.68)
	Others (Including Carried forward loss)	(43.26)	(40.31)
	Total deferred tax liabilities / (assets)	**(27.70)**	**(20.31)**

Movement in deferred tax liabilities / (assets)

Particulars	Depreciation	Employee benefits	Financial assets & Financial liabilities	MAT Credit	Others (Including Carried forward loss)	Total
At April 1, 2019	**67.94**	**(8.17)**	**(8.09)**	**(31.68)**	**(40.31)**	**(20.31)**
(Charged)/credited:						
- to statement of profit and loss	(0.50)	0.06	1.56	–	(0.65)	0.47
- to other comprehensive income	–	(2.89)	(2.68)	–	–	(5.56)
- to retained earnings towards IND AS 116 initial adoption	–	–	–	–	(2.30)	(2.30)
- to disputed tax provided for	–	–	–	–	–	–
At March 31, 2020	**67.44**	**(11.00)**	**(9.20)**	**(31.68)**	**(43.26)**	**(27.70)**

		As at 31-03-2020	As at 31-03-2019
8	**OTHER NON-CURRENT ASSETS**		
	Capital advances	0.53	9.61
	Advances - other than capital advances:		
	Statutory and other deposits	12.46	11.37
	Prepaid expenses	6.71	4.31
	Total other non-current assets	**19.70**	**25.29**

Notes to Financial Statements - *(continued)*

(Rupees in crores)

	As at 31-03-2020	As at 31-03-2019
9 INVENTORIES (at weighted average cost or net realisable value whichever is less)		
Raw materials and components	21.81	30.23
Goods-in-transit - Raw materials and components	2.76	12.65
Work-in-process	20.54	11.67
Finished goods	108.85	159.04
Stores and spares	117.36	118.17
Total Inventories	**271.32**	**331.76**
10 TRADE RECEIVABLES (Refer Note 37(vii))		
Unsecured, considered good	163.44	216.27
Less: Loss Allowance	2.89	1.91
Total	**160.55**	**214.36**
11 CASH AND CASH EQUIVALENTS		
Balances with banks	50.63	1.43
Cash on hand	0.15	0.09
Total cash and cash equivalents	**50.78**	**1.52**
12 OTHER BANK BALANCES		
Earmarked balances with banks (for unpaid dividend)	1.67	1.73
Total Other Bank balances	**1.67**	**1.73**
13 OTHER CURRENT ASSETS		
Indirect taxes receivable	0.58	2.42
Prepaid expense	8.38	9.53
Vendor advances	11.96	7.31
Export incentives receivable	11.95	19.16
Total other current assets	**32.87**	**38.42**

14 SHARE CAPITAL

(a) **Details of authorised, issued and subscribed share capital**

Particulars	As at 31-03-2020		As at 31-03-2019	
	Number	Rupees in crores	Number	Rupees in crores
Authorised Capital				
Equity Shares of ₹ 5/- each	5,00,00,000	25.00	5,00,00,000	25.00
Issued, Subscribed & Paid up Capital				
Equity Shares of ₹ 5/- each fully paid	2,02,32,085	10.12	2,02,32,085	10.12
	2,02,32,085	10.12	2,02,32,085	10.12

(b) **Reconciliation of equity shares outstanding at the beginning and at the end of the year**

Particulars	As at 31-03-2020		As at 31-03-2019	
	Number	Rupees in crores	Number	Rupees in crores
Shares outstanding at the beginning of the year	2,02,32,085	10.12	2,02,32,085	10.12
Shares Issued during the year	–	–	–	–
Shares outstanding at the end of the year	2,02,32,085	10.12	2,02,32,085	10.12

Notes to Financial Statements - *(continued)*

(Rupees in crores)

14 SHARE CAPITAL - *(continued)*

(c) (i) **Rights and preferences attached to equity share:**

Every shareholder is entitled to such rights as to attend the meeting of the shareholders, to receive dividends distributed and also has a right in the residual interest of the assets of the company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act, 2013.

(ii) There are no restrictions attached to equity shares.

(d) **Details of shares held by holding/ultimate holding/subsidiaries/associates of holding company at the end of 31st March 2020**

Name of Shareholder	Relationship	Class of share	As at 31-03-2020		As at 31-03-2019	
			Number of Shares held	% of Holding	Number of Shares held	% of Holding
T V Sundram Iyengar & Sons Private Limited - Madurai	Holding Company	Equity	38,07,330	18.82	38,07,330	18.82
Sundaram Industries Private Limited - Madurai	Fellow Subsidiary	Equity	60,62,522	29.96	60,62,522	29.96
Southern Roadways Private Limited - Madurai	Fellow Subsidiary	Equity	30,31,127	14.98	30,31,127	14.98

(e) **Details of shareholders holding more than five percent at the end of 31st March 2020 (other than 14 (d)) above**

Name of Shareholder	Class of share	As at 31-03-2020		As at 31-03-2019	
		Number of Shares held	% of Holding	Number of Shares held	% of Holding
Sundaram Finance Holdings Limited - Chennai	Equity	22,73,081	11.24	22,73,081	11.24

15 OTHER EQUITY

Reserves and surplus	As at March 31, 2020	As at March 31, 2019
General reserve	224.84	224.84
Securities Premium reserve	36.42	36.42
Retained earnings	266.70	272.64
Other reserves	56.36	144.68
Total reserves and surplus	**584.32**	**678.58**

16 LONG TERM BORROWINGS

Description	No. of instal-ments due	Frequency	Maturity	As at 31-03-2020	As at 31-03-2019
Secured:					
Rupee Term loan I	11	Quarterly	Dec-23	91.59	99.90
Foreign Currency Non-resident Borrowings (FCNR(B)) I	5	Half yearly	Sep-22	75.67	82.99
Foreign Currency Non-resident Borrowings (FCNR(B)) II	–	Bullet payment	Mar-21	75.66	69.16
External Commercial Borrowing I (ECB I)	4	Half yearly	Mar-22	50.18	68.76
External Commercial Borrowing II (ECB II)	12	Quarterly	Feb-24	112.74	102.77
State owned corporation	–	Bullet payment	Apr-31	6.43	–
Unsecured:					
Soft loan		Yearly		–	0.67
Buyer's Credit	–	Bullet payment	Jul-19	–	4.27
Total Borrowings :				**412.27**	**428.52**
Less : Current Maturities of long-term borrowings (Refer Note No. 20)				164.52	44.88
Total Long-term Borrowings				**247.75**	**383.64**

Notes to Financial Statements - *(continued)*

(Rupees in crores)

16 LONG TERM BORROWINGS - *(continued)*

Details of securities offered against charge:

All loans are secured by first and exclusive charge on specific plant and equipments of the Company.

Amount payable in each instalment other than bullet repayments:

Description	Currency	Amount	Interest
Rupee Term loan I	INR	8.34 Crores	SBI MCLR plus Margin
Foreign Currency Non-resident Borrowings (FCNR(B)) I	USD	2 Million	Overnight LIBOR plus Margin
External Commercial Borrowing I (ECB I)	USD	1.67 Million	6 Month LIBOR plus Margin
External Commercial Borrowing II (ECB II)	USD	1.25 Million	3 Month LIBOR plus Margin

17 PROVISIONS

Particulars	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
Employee benefits (Refer Note 33)				
(a) Pension	2.46	18.46	0.48	16.73
(b) Leave salary	1.07	5.97	0.79	4.43
(c) Gratuity	3.53	–	0.94	–
	7.06	24.43	2.21	21.16
Others				
(a) Warranty	4.06	–	5.64	–
(b) Sales tax	–	–	–	1.95
(c) Disputed tax provided for	11.20	–	13.21	–
Total	**22.32**	**24.43**	**21.06**	**23.11**

Particulars	Warranty	Sales tax	Disputed tax provided for
Opening balance as on 01.04.2019	5.64	1.95	13.21
Additional provisions made during the year	–	–	–
Amounts utilised	(1.58)	(1.95)	(2.01)
Closing balance as on 31.03.2020	4.06	–	11.20

	As at 31-03-2020	As at 31-03-2019
18 FINANCIAL LIABILITIES - BORROWINGS (CURRENT)		
Repayable on demand from banks		
Secured	150.00	127.17
Unsecured	106.00	168.00
Total Borrowings under Current Liabilities	**256.00**	**295.17**

Details of securities created for loans repayable on demand:

First charge by way of hypothecation and / or pledge of all current assets viz., inventories of raw materials, semi finished and finished goods, stores and spares, bills receivable, book debts and all other current assets

Notes to Financial Statements - *(continued)*

(Rupees in crores)

		As at 31-03-2020	As at 31-03-2019
19	**TRADE PAYABLES**		
	Current		
	Dues to Micro and Small Enterprises **	0.03	3.51
	Dues to enterprises other than Micro and Small Enterprises	179.82	214.81
	Total trade payables	**179.85**	**218.32**

** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. The entire closing balance represents the principal amount payable to these enterprises. There are no interests due or outstanding on the same. Refer Note - 37(vi)

		As at 31-03-2020	As at 31-03-2019
20	**OTHER FINANCIAL LIABILITIES**		
	Non current		
	Derivatives	9.54	8.31
	Current		
	Current Maturities of long term borrowings		
	(i) Buyer's Credit	-	4.27
	(ii) Rupee Term loan I	33.36	8.34
	(iii) Foreign Currency Non-resident Borrowings (FCNR(B)) I	30.27	13.83
	(iv) Foreign Currency Non-resident Borrowings (FCNR(B)) II	75.67	–
	(v) External Commercial Borrowing II (ECB II)	25.22	18.44
		164.52	**44.88**
	Interest accrued but not due on loans	3.68	3.80
	Unpaid Dividends	1.67	1.73
	Employee related liabilities	14.73	26.44
	Liabilities for expenses	1.25	1.64
	Derivatives	6.42	0.58
	Total other current financial liabilities	**192.27**	**79.07**
21	**OTHER CURRENT LIABILITIES**		
	Statutory dues	1.83	10.44
	Advance received from customers	19.67	3.12
	Government Grant - Deferred income	2.12	1.75
	Total other current liabilities	**23.62**	**15.31**

Notes to Financial Statements - *(continued)*

(Rupees in crores)

	Year ended 31.03.2020	Year ended 31.03.2019
22 REVENUE FROM OPERATIONS		
Sale of products	1,240.28	1,746.03
Sale of services	44.78	39.07
Other operating revenue	39.28	47.97
Total revenue	**1,324.34**	**1,833.07**
23 OTHER INCOME		
Dividend income		
(i) From subsidiary	95.44	95.44
(ii) From others	1.28	1.22
Interest income	1.73	2.50
Increase in Fair value of Financial Assets	1.10	0.05
Net gain on sale of Investments	–	0.50
Profit on sale of Property, Plant & Equipment	0.25	0.16
Total other income	**99.80**	**99.87**
24 COST OF MATERIALS CONSUMED		
Opening stock of raw materials and components	30.23	35.24
Add: Purchases	568.67	917.61
	598.90	952.85
Less: Closing stock of raw materials and components	21.81	30.23
Consumption of raw materials and components	**577.09**	**922.62**
25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE		
Opening stock:		
Work-in-process	11.67	42.07
Finished goods	159.04	122.40
Total - (A)	**170.71**	**164.47**
Closing stock:		
Work-in-process	20.54	11.67
Finished goods	108.85	159.04
Total - (B)	**129.39**	**170.71**
Total (A)-(B)	**41.32**	**(6.24)**
26 EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	173.24	219.10
Contribution to provident and other funds	10.56	14.74
Welfare expenses	37.69	42.18
Total employee benefit expense	**221.49**	**276.02**

Notes to Financial Statements - *(continued)*

(Rupees in crores)

	Year ended 31.03.2020	Year ended 31.03.2019
27 FINANCE COSTS		
Interest	50.45	54.76
Interest on lease liabilities	4.59	–
Other borrowing costs	0.36	0.40
Total finance costs	**55.40**	**55.16**
28 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Property, Plant and Equipment	82.85	90.50
Depreciation on Right-to-use asset	7.95	–
Amortisation on Intangible assets	1.72	1.56
Amortisation on others	0.13	0.13
Total depreciation and amortisation expense	**92.65**	**92.19**
29 OTHER EXPENSES*		
(a) Consumption of stores, spares and tools	74.07	87.75
(b) Power and fuel	91.98	125.45
(c) Repairs - buildings	20.76	24.91
(d) Repairs - plant and equipment	42.15	47.47
(e) Repairs - others	0.61	0.80
(f) Insurance	4.40	4.26
(g) Rates and taxes (excluding taxes on income)	0.71	2.36
(h) Audit fees (Refer note 37(iii))	0.65	0.55
(i) Packing and freight charges	44.72	66.39
(j) Warehousing charges	15.47	18.92
(k) Loss on sale of Property, plant & equipment	3.67	1.63
(l) Loss on foreign currency transactions and translation	2.54	0.39
(m) Loss on sale of investments	0.21	-
(n) Corporate social responsibility expenditure (Refer Note 37(iv))	0.02	0.25
(o) Miscellaneous expenses (under this head there is no expenditure which is in excess of 1% of revenue from operations or ₹ 10 lakh, whichever is higher)	44.66	81.58
Total other expenses	**346.62**	**462.71**

* Net of recoveries and claims made

	Year ended 31.03.2020	Year ended 31.03.2019
29A EXCEPTIONAL ITEMS		
One time voluntary separation costs	20.40	–

Notes to Financial Statements - *(continued)*

(Rupees in crores)

	Year ended 31.03.2020	Year ended 31.03.2019
30 CURRENT TAX		
Current tax on profits for the year	–	7.70
Adjustments for current tax of prior periods	–	0.34
Total current tax	**–**	**8.04**
31 DEFERRED TAX		
Decrease (increase) in deferred tax assets	(17.96)	(10.03)
(Decrease) increase in deferred tax liabilities	18.43	12.81
Total deferred tax expense / (benefit)	**0.47**	**2.78**
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before tax expense	69.17	130.48
Tax at the Indian tax rate of 34.94% (2018-2019 – 34.94%)	24.17	45.59
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Dividend Income	(33.79)	(33.77)
Other items	9.62	(4.12)
Adjustments for current tax of prior periods	–	0.34
Deferred Tax Liability	0.47	2.78
Tax expense / (benefit)	**0.47**	**10.82**
32 EARNINGS PER SHARE		
(a) Basic and diluted earnings per share		
Basic and diluted earnings per share attributable to the equity holders of the Company (₹)	33.96	59.14
(b) Earnings used in calculating earnings per share		
Basic and diluted earnings per share		
Profit attributable to equity holders of the company used in calculating basic earnings per share	68.70	119.66
(c) Weighted average number of equity shares used as the denominator in calculating basic earnings per share	2,02,32,085	2,02,32,085

Notes to Financial Statements - *(continued)*

(Rupees in crores)

33 EMPLOYEE BENEFIT OBLIGATIONS

Amount recognised in the Balance sheet and the movements in the net defined benefit obligation / other employee benefits over the years are as follows:

Particulars	Gratuity			Pension			Leave Salary		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2018	**21.08**	**19.21**	**1.87**	**23.50**	**–**	**23.50**	**3.46**	**–**	**3.46**
Current service cost	1.51	–	1.51	0.28	–	0.28	–	–	–
Interest expense/(income)	1.65	1.57	0.07	1.70	–	1.70	0.31	–	0.31
Experience (gains) / losses	–	–	–	–	–	–	–	–	–
(Gain) / loss from change in financial assumptions	–	–	–	–	–	–	–	–	–
Total amount recognised in statement of profit and loss	**3.16**	**1.57**	**1.59**	**1.98**	**–**	**1.98**	**0.31**	**–**	**0.31**
Remeasurements:									
Return on plan assets, excluding amounts included in interest expense / (income)	–	(2.12)	2.12	–	–	–	–	–	–
(Gain) / loss from change in demographic assumptions	–	–	–	–	–	–	–	–	–
(Gain)/loss from change in financial assumptions	(0.90)	–	(0.90)	(0.83)	–	(0.83)	(0.17)	–	(0.17)
Experience (gains)/losses	(3.75)	–	(3.75)	(0.39)	–	(0.39)	3.21	–	3.21
Total amount recognised in other comprehensive income	**(4.65)**	**(2.12)**	**(2.53)**	**(1.22)**	**–**	**(1.22)**	**3.04**	**–**	**3.04**
Employer contribution			–	–	–	–	–	–	–
Benefit payments			–	(7.05)	–	(7.05)	(1.59)	–	(1.59)
March 31, 2019	**19.59**	**18.66**	**0.93**	**17.21**	**–**	**17.21**	**5.22**	**–**	**5.22**

Notes to Financial Statements - *(continued)*

(Rupees in crores)

33 EMPLOYEE BENEFIT OBLIGATIONS – *(continued)*

Amount recognised in the Balance sheet and the movements in the net defined benefit obligation / other employee benefits over the years are as follows:

Particulars	Gratuity			Pension			Leave Salary		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2019	**19.59**	**18.66**	**0.93**	**17.21**	**-**	**17.21**	**5.22**	**-**	**5.22**
Current service cost	1.73	–	1.73		–	–	–	–	–
Interest expense/(income)	1.57	1.32	0.25	1.20	–	1.20	0.38	–	0.38
Experience (gains) / losses	–	–	–	–	–	–	–	–	–
(Gain) / loss from change in financial assumptions	–	–	–	–	–	–	–	–	–
Total amount recognised in statement of profit and loss	**3.29**	**1.32**	**1.98**	**1.20**	**–**	**1.20**	**0.38**	**–**	**0.38**
Remeasurements:									
Return on plan assets, excluding amounts included in interest expense / (income)	–	0.31	(0.31)	–	–	–	–	–	–
(Gain) / loss from change in demographic assumptions	–	–	–	–	–	–	–	–	–
(Gain)/loss from change in financial assumptions	2.25	–	2.25	1.49	–	1.49	0.49	–	0.49
Experience (gains)/losses	2.87	–	2.87	1.35	–	1.35	2.36	–	2.36
Total amount recognised in other comprehensive income	**5.12**	**0.31**	**4.81**	**2.84**	**–**	**2.84**	**2.85**	**–**	**2.85**
Employer contribution	–	4.19	(4.19)	–	–	–	–	–	–
Benefit payments	(4.04)	(4.04)	–	(0.33)	–	(0.33)	(1.41)	–	(1.41)
March 31, 2020	**23.96**	**20.44**	**3.53**	**20.92**	**–**	**20.92**	**7.04**	**–**	**7.04**

(i) Post-Employment benefits

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Details	Gratuity		Pension		Leave salary	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount rate	6.66%	7.71%	5.51%	6.87%	6.64%	7.63%
Salary growth rate	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Mortality rate	IALM (2006-08) Ultimate					

Assumptions regarding future mortality for pension and medical benefits are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a pensioner retiring at 58 years.

Notes to Financial Statements - *(continued)*

(Rupees in crores)

33 EMPLOYEE BENEFIT OBLIGATIONS – *(continued)*

(ii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Gratuity	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
Details	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount rate	0.50%	0.50%	22.77	18.76	25.27	20.51
Salary growth rate	0.50%	0.50%	25.28	20.53	22.76	18.74
Mortality rate	5.00%	5.00%	23.97	19.60	23.96	19.59

Pension	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
Details	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount rate	1.00%	1.00%	19.12	15.46	23.05	19.28
Salary growth rate	1.00%	1.00%	23.14	19.37	19.01	15.37
Mortality rate	5.00%	5.00%	20.59	17.01	21.27	17.43

Leave Salary	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
Details	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount rate	0.50%	0.50%	6.74	5.02	7.37	5.44
Salary growth rate	0.50%	0.50%	7.37	5.44	6.73	5.02
Mortality rate	5.00%	5.00%	7.04	5.22	7.04	5.22

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit liability recognised in the balance sheet.

(iii) Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The company intends to maintain the above investment mix in the continuing years.

Changes in bond yield: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an yields increase in the value of the plans' bond holdings.

Inflation risks: In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.

Life expectancy: The pension plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

Notes to Financial Statements - *(continued)*

34 FAIR VALUE MEASUREMENTS

Financial instruments by category

(Rupees in crores)

Particulars	March 31, 2020			March 31, 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	–	76.70	139.84	–	157.14	125.49
- Preference shares	–	–	–	–	–	–
- Others	–	–	15.73	–	–	12.73
Trade receivables	–	–	160.55	–	–	214.36
Balances with Banks	–	–	52.30	–	–	3.16
Derivative financial assets	23.68	0.06	–	5.41	2.75	–
Security deposits	–	–	7.43	–	–	11.55
Other financial assets	–	–	7.72	–	–	8.93
Total financial assets	**23.68**	**76.76**	**383.57**	**5.41**	**159.89**	**376.22**
Financial liabilities						
Trade payables	–	–	179.85	–	–	218.32
Borrowings - Current	–	–	256.00	–	–	295.17
Borrowings - Non Current	–	–	247.75	–	–	383.64
Current Maturities of long term borrowings	–	–	164.52	–	–	44.88
Derivative financial liabilities	–	15.96	–	8.31	0.58	–
Other financial liabilities	–	–	72.86	–	–	33.61
Total financial liabilities	**–**	**15.96**	**920.98**	**8.31**	**0.58**	**975.62**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

At 31 March 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at FVTPL:					
Derivative financial asset	6	–	23.68	–	23.68
Financial assets at FVOCI:					
Investments					
- Equity instruments	5	65.22	6.60	4.88	76.70
- Others		–	–	–	–
Derivative financial asset	6	-	0.06	-	0.06
Total financial assets		**65.22**	**30.34**	**4.88**	**100.44**
Financial liabilities					
Financial liabilities at FVTPL:					
Derivative financial liability	20	–	–	–	–
Financial liabilities at FVOCI:					
Derivative financial liability	20	–	15.96	–	15.96
Total financial liabilities		**–**	**15.96**	**–**	**15.96**

Notes to Financial Statements - *(continued)*

34 FAIR VALUE MEASUREMENTS – *(continued)*

Assets and liabilities which are measured at amortised cost for which fair values are disclosed (Rupees in crores)

At 31 March 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments	5	19.59		120.25	139.84
- Others	5	–	–	15.73	15.73
Total financial assets		**19.59**	**–**	**135.98**	**155.57**
Financial Liabilities					
Borrowings	16, 18, 20	–	–	668.27	668.27
Total financial liabilities		**–**	**–**	**668.27**	**668.27**

Financial assets and liabilities measured at fair value - recurring fair value measurements

At 31 March 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
<u>Financial assets at FVTPL:</u>					
Investments					
- Preference shares	5	–	–	–	–
Derivative financial asset	6	–	5.41	–	5.41
<u>Financial Investments at FVOCI:</u>					
Investments					
- Equity instruments	5	141.63	10.63	4.88	157.14
- Others		–	–	–	–
Derivative financial asset	6	–	2.75	–	2.75
Total financial assets		**141.63**	**18.79**	**4.88**	**165.30**
Financial liabilities					
<u>Financial Investments at FVTPL:</u>					
Derivative financial liability	20	–	8.31	–	8.31
<u>Financial Investments at FVOCI:</u>				–	
Derivative financial liability	20	–	0.58		0.58
Total financial liabilities		–	8.89	–	8.89

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

At 31 March 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
- Equity instruments	5	19.59	–	105.90	125.49
- Others	5	–	–	12.73	12.73
Total financial assets		**19.59**	**–**	**118.63**	**138.22**
Financial Liabilities					
Borrowings	16, 18, 20	–	–	723.69	723.69
Total financial liabilities		**–**	**–**	**723.69**	**723.69**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) **Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of estimated cash flows based on observable yield curves.
- the fair value of forward exchange contract and principle only swap is determined using forward exchange rate at the balance sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

FVTPL - Fair value through statement of Profit and Loss; FVOCI - Fair value through Other Comprehensive Income

Notes to Financial Statements - *(continued)*

35 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Risk Parameters and Mitigation
Market Risk - Foreign exchange		i) The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. ii) Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). iii) The risk is measured through a forecast of highly probable foreign currency cash flows. The Company has a forex management policy which is duly approved by the Board. iv) The objective of the hedges when taken is to minimise the volatility of the INR cash flows of highly probable forecast transactions.
Market Risk - Interest rate	Foreign currency denominated borrowings	i) The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow risk. ii) Company's policy is to maintain most of its borrowings at fixed rate using interest rate swaps. The Company's fixed rate borrowings are carried at amortised cost. iii) Foreign currency borrowings are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.
Liquidity Risk	Borrowings [Other than soft loans given by Govt. Authorities)	i) The company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. ii) The Company prepares a detailed annual operating plans to assess the fund requirements - both short term and long term. iii) Detailed month-wise cash flow forecast is also carried out along with required sensitivities. Based on these factors adequate working capital credit limits are organised in advance. iv) Company has pre-approved credit lines with various banks and these are constantly reviewed and approved by the Board. v) For long term fund requirements, Company targets various options such as rupee term loan, external commercial borrowing, debentures etc. vi) The Company obtains a credit rating for the various borrowing facilities on annual basis. Company constantly monitors the free cashflow from operations to ensure that the borrowing is minimized.
Credit Risk		i) Credit risk primarily arises from cash and cash equivalents, trade receivables and investments carried at amortised cost. ii) The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. iii) To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. iv) It considers available reasonable and supportive forward-looking information (more specifically described below). v) A default on a financial asset is when the counterparty fails to make contractual payments within 180 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.
a.	Cash and Cash Equivalents	Surplus cash is deposited only with banks / financial institutions with a high external credit rating.
b.	Domestic Trade Receivables	i) The Company extends credit to the customers and such extension of credit is based on customers' credit worthiness, ability to repay and past track record. ii) The Company has extensive reporting systems and review to constantly monitor the receivables.
c.	Export Trade Receivables	The Company's export customers are Original Equipment Manufacturers with high credit rating. Export receivables are also covered through Insurance with Export Credit Guarantee Corporation of India Limited.

Notes to Financial Statements - *(continued)*

35 FINANCIAL RISK MANAGEMENT – *(continued)*

Risk	Exposure arising from	Risk Parameters and Mitigation
	Export trade receivables and Import Payables	i) The Company has a forex management policy duly approved by the Board. The Company's policy is to hedge most of its net currency exposure. ii) Company reviews the forex exposure on a regular basis and also reports its adherence to the Board on a quarterly basis. The recording and reporting requirements are strictly adhered.
	Foreign currency denominated borrowings	The Company has hedged its borrowings by covering the principal repayments using Principal Only Swaps and cost reduction structure viz., Call Spread under the approved Forex management policy.

(A) Credit risk

Basis of recognition of expected credit loss & providing for such loss

<table>
<tr><th>Rating</th><th>Category</th><th>Description of category</th><th>Investments</th><th>Loans and deposits</th><th>Trade receivables</th></tr>
<tr><td>1</td><td>High Quality assets, negligible credit risk</td><td>Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.</td><td colspan="2" rowspan="3">12 month expected credit losses</td><td rowspan="5">Life time expected credit losses (simplified approach)</td></tr>
<tr><td>2</td><td>Quality assets, low credit risk</td><td>Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past.</td></tr>
<tr><td>3</td><td>Standard Assets, moderate credit risk</td><td>Assets where the probability of default is considered moderate and where the counter-party's capacity to meet the obligations is not strong.</td></tr>
<tr><td>4</td><td>Substandard Assets, relatively high credit risk</td><td>Assets where there has been a significant increase in credit risk since initial recognition.</td><td colspan="2" rowspan="2">Life time expected credit losses</td></tr>
<tr><td>5</td><td>Low quality assets, very high credit risk</td><td>Assets where there is a high probability of default. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 180 days past due.</td></tr>
<tr><td>6</td><td>Doubtful assets, credit impaired</td><td>Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in statement of profit and loss.</td><td colspan="3">Asset is written off</td></tr>
</table>

31-Mar-20

(Rupees in crores)

a) Expected credit loss for investments, loans and other financial assets

Particulars	Internal rating	Asset/Asset group	Gross carrying amount	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	1	Investments at amortised cost	15.73	–	–	15.73
	1	Other financial assets	15.15	–	–	15.15

b) Expected credit loss for trade receivables under simplified approach

Particulars	0 to 180 days past due	More than 180 days past due	Total
Gross carrying amount	160.55	2.89	163.44
Expected loss rate	–	100%	–
Expected credit losses	–	2.89	2.89
Carrying amount of trade receivables	160.55	–	160.55

Notes to Financial Statements - *(continued)*

(Rupees in crores)

35 FINANCIAL RISK MANAGEMENT – *(continued)*

31-Mar-19

a) Expected credit loss for investments, loans and other financial assets

Particulars	Internal rating	Asset/Asset group	Gross carrying amount	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	1	Investments at amortised cost	12.73	–	–	12.73
	1	Other financial assets	17.08	–	–	17.08

b) Expected credit loss for trade receivables under simplified approach

Particulars	0 to 180 days past due	More than 180 days past due	Total
Gross carrying amount	214.36	1.91	216.27
Expected loss rate	–	100%	–
Expected credit losses	–	1.91	1.91
Carrying amount of trade receivables	214.36	–	214.36

Reconciliation of loss allowance provision - Trade receivables

Loss allowance March 31, 2018	1.19
Changes in loss allowance	0.72
Loss allowance March 31, 2019	1.91
Changes in loss allowance	0.98
Loss allowance March 31, 2020	2.89

(B) Liquidity risk

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	31 March, 2020	31 March, 2019
Floating rate - Expiring within one year (bank overdraft and other facilities)	605.00	575.83

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR and have an average maturity ranging from 30 to 180 days.

(ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

a) all non-derivative financial liabilities, and

b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

31-Mar-20

Contractual Maturities of Financial Liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	259.56	44.54	120.09	241.33	6.43	671.95
Trade payables	179.85	–	–	–	–	179.85
Lease liabilities	3.80	3.69	7.14	34.65	2.25	51.53
Other financial liabilities	16.34	–	1.31	–	–	17.65
Derivatives	4.29	–	2.13	–	–	6.42

Notes to Financial Statements - *(continued)*

(Rupees in crores)

35 FINANCIAL RISK MANAGEMENT – *(continued)*

31-Mar-19

Contractual Maturities of Financial Liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	298.05	12.10	33.69	383.65	–	727.49
Trade payables	218.32	–	–	–	–	218.32
Other financial liabilities	23.78	–	6.03	–	–	29.81
Derivatives	0.58	–	–	8.31	–	8.89

(C) Market risk

i) Foreign exchange risk

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

Particulars	31-03-2020		31-03-2019	
	USD	EUR	USD	EUR
Financial assets				
Trade receivables	45.44	31.14	59.16	40.92
Derivatives	23.68	0.06	6.51	1.65
Exposure to foreign currency risk (assets)	**69.12**	**31.20**	**65.67**	**42.57**
Financial liabilities				
Foreign currency loan	314.25	–	329.29	–
Trade payables	36.73	1.83	69.92	10.47
Derivatives	14.97	0.99	8.88	–
Exposure to foreign currency risk (liabilities)	**365.95**	**2.82**	**408.09**	**10.47**
Net Exposure to foreign currency risk assets / (liabilities)	**(296.83)**	**28.38**	**(342.42)**	**32.10**

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

Particulars	Impact on profit after tax*		Impact on other components of equity*	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
USD sensitivity				
INR / USD Increases by 10%	(27.81)	(30.52)	1.39	0.04
INR / USD Decreases by 10%	27.81	30.52	(1.39)	(0.04)
EURO sensitivity				
INR / EURO Increases by 10%	2.50	2.85	0.02	0.01
INR / EURO Decreases by 10%	(2.50)	(2.85)	(0.02)	(0.01)

* Holding all other variables constant

ii) Interest Rate risk

For short term borrowings the marginal cost of lending rate of the bank is followed. In respect of foreign currency borrowings for longer period, the interest rates are covered through interest rate swaps (IRS).

Particulars	31-Mar-20	31-Mar-19
Variable rate borrowings	347.59	395.07
Fixed rate borrowings	320.68	328.62

Sensitivity	Impact on profit after tax	
	31-Mar-20	31-Mar-19
Increase in interest rates by 100 bps	(3.09)	(3.52)
Decrease in interest rates by 100 bps	3.09	3.52

Notes to Financial Statements - *(continued)*

(Rupees in crores)

35 FINANCIAL RISK MANAGEMENT – *(continued)*

iii) Price risk

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet either as fair value through other comprehensive income or at fair value through statement of profit and loss. To manage its price risk from investments in equity securities, the Company diversifies its portfolio. The impact of the changes in price risk is not material.

(D) Impact of hedging activities

i) Disclosure of effects of hedge accounting on financial position

a) Disclosure of effects of hedge accounting on financial position as at 31-03-2020

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instrument	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities			
Foreign exchange forward contracts	106.54	–	0.06	4.29	Apr'20 to Jun'20	(6.24)	6.24
Principal only swaps, interest rate swaps (IRS) & Call Spread	–	314.25	23.68	11.67	Apr'20 to Feb'24	14.74	(14.74)

b) Disclosure of effects of hedge accounting on financial position as at 31-03-2019

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instrument	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities			
Foreign exchange forward contracts	73.84	29.95	2.58	0.58	Apr'19 to Jul'19	1.86	(1.86)
Principal only swaps, interest rate swaps (IRS) & Call spread	–	327.95	5.58	8.31	Apr'19 to Feb'24	1.22	(1.22)

ii) Disclosure of effects of hedge accounting on financial performance :

a) for the year ended 31-03-2020

Type of hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedging reserve to statement of profit and loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge : Foreign exchange forward contracts & IRS	(12.75)	–	(3.42)	–

b) for the year ended 31-03-2019

Type of hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedging reserve to statement of profit and loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge : Foreign exchange forward contracts & IRS	(4.12)	–	–	–

Notes to Financial Statements - *(continued)*

(Rupees in crores)

35 FINANCIAL RISK MANAGEMENT – *(continued)*

Movements in Cash flow hedging reserve

Particulars	Forward contracts	Interest rate swap	Total
Opening balance as at March 31, 2018	0.36	(0.36)	–
Change in fair value of hedging instruments	0.26	(4.38)	(4.12)
Reclassification to statement of profit and loss	–	–	–
Deferred tax on the above	(0.09)	0.79	0.70
Closing balance as at March 31, 2019	**0.53**	**(3.95)**	**(3.42)**
Change in fair value of hedging instruments	(1.31)	(9.28)	(10.59)
Reclassification to statement of profit and loss	–	–	–
Deferred tax on the above	0.45	4.23	4.68
Closing balance as at March 31, 2020	**(0.33)**	**(9.00)**	**(9.33)**

36 CAPITAL MANAGEMENT

(a) Risk management

The Company’s objectives in regard to managing capital are

- safeguard its status as a going concern
- to ensure returns to shareholders
- to ensure benefits to stakeholders

In order to maintain optimum capital structure, the board may

- increase the capital by fresh issue of shares or
- reduce the same by return to equity holders
- vary the equity by increasing or reducing the quantum of dividend

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt divided by total equity

Gearing ratio refers to the level of a company's debt compared to its total equity.

The Company’s strategy is to maintain an optimum gearing ratio. The gearing ratios were as follows:

Particulars	31-Mar-20	31-Mar-19
Net debt	617	722
Total equity	594	689
Net debt to equity ratio	104%	105%

(b) Dividends

Particulars	31-Mar-20	31-Mar-19
Equity shares:		
Dividend paid for the year ended 31.03.2020 (₹ 31.00 / share)	62.72	–
First Interim dividend paid for the year ended 31.03.2019 (₹ 20.00 / share)	–	40.46
Second Interim dividend paid for the year ended 31.03.2019 (₹ 16 / share)	–	32.37

Notes to Financial Statements - *(continued)*

(Rupees in crores)

37 OTHER DISCLOSURES

(i) Contingent liabilities

Details	31-Mar-20	31-Mar-19
(i) Claims against the company not acknowledged as debt		
- Income tax	4.35	4.35
- Service tax / Excise	0.87	0.83
- Value Added Tax	0.22	0.22
(ii) Guarantees excluding Financial Guarantees	0.05	0.07
(iii) Other money for which the Company is contingently liable	55.34	82.79
Total	**60.83**	**88.26**

(ii) Capital commitments

Details	31-Mar-20	31-Mar-19
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	11.80	9.08
(ii) Investments (On commitment for capital contribution to TVS Shriram Growth Fund 3 of TVS Capital Funds Limited, Chennai)	13.40	18.00
Total	**25.20**	**27.08**

(iii) Audit Fees

Details	31-Mar-20	31-Mar-19
As statutory auditors	0.48	0.42
Taxation matters	0.10	0.08
Certification matters	0.07	0.05
Total	**0.65**	**0.55**

(iv) Expenditure incurred on Corporate Social Responsibility activities:

Details	31-Mar-20	31-Mar-19
(a) Gross amount required to be spent by the Company during the year	0.01	0.12
(b) Amount spent during the year in cash:		
(i) Construction / acquisition of any asset	–	–
(ii) On purposes other than (i) above	0.02	0.25
Total	**0.02**	**0.25**

(v) Segment Reporting:

This disclosure is given as part of consolidated accounts.

Notes to Financial Statements - *(continued)*

(Rupees in crores)

37 OTHER DISCLOSURES – *(continued)*

(vi)

Trade payables	31-Mar-20	31-Mar-19
Trade payables include amount due to micro and small scale industrial units	0.03	3.51

Disclosure under Micro, Small and Medium Enterprises Development Act, 2006	31-Mar-20	31-Mar-19
(i) The principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
a) Principal (all are within agreed credit period and not due for payment)	0.03	3.51
b) Interest (as no amount is overdue)	Nil	Nil
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

(vii)

Trade receivables	31-Mar-20	31-Mar-19
Considered good - Unsecured	163.44	216.27
Having significant increase in credit risk	–	–
Credit impaired	–	–
Total	163.44	216.27
Loss allowance	2.89	1.91
Total trade receivables	**160.55**	**214.36**

(viii) **Research and development expenditure incurred and claimed under Income Tax Act, 1961**

Details	31-Mar-20	31-Mar-19
a) Revenue Expenditure		
Salaries & wages	6.73	7.04
Materials / consumables / spares	0.02	0.02
Software / data processing	0.50	0.57
Power	0.39	0.39
Total - A	**7.64**	**8.02**
b) Capital expenditure		
Others	–	0.08
Total - B	**–**	**0.08**
Total expenditure (A + B)	**7.64**	**8.10**

Notes to Financial Statements - *(continued)*

(Rupees in crores)

37 OTHER DISCLOSURES – *(continued)*

(ix) **Leases:**

a. Lease obligations

Details	31-Mar-20
Net Debt as at 31st March 2019	53.57
On Adoption of Ind AS 116	
Cash flows	(5.83)
Deletions(preclosures)	(0.80)
Interest expenses	4.59
Net debt as at 31st March 2020	**51.53**
Current lease obligation	14.63
Non current lease obligation	36.90

b. Leases - Transition related

The Company has adopted Ind AS 116 'Leases' with the date of initial application being 1st April, 2019. Ind AS 116 replaces Ind AS 17 – Leases. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1st April, 2019. The comparative information in the financial statements would not be restated and would be presented based on the requirements of the previous standard i.e. Ind AS 17.

In adopting Ind AS 116, the Company has applied the below practical expedients:

1. The Company has not reassessed whether a contract is, or contains, a lease as per the definitions of Ind AS 116 at the date of initial application.
2. The Company applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
3. The Company relied on its assessment of whether leases are onerous applying Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, immediately before the date of initial application as an alternative to performing an impairment review as per Ind AS 36 Impairment of assets.
4. The Company has treated the leases with remaining lease term of less than 12 months as "short term leases".
5. The Company has excluded the initial direct costs from measurement of the right-to-use asset at the date of transition.
6. The Company used hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

Effective 1st April 2019, the Company has applied Ind AS 116 Leases, using the modified retrospective approach. As a result, the Company has recognised Right-to-use - assets amounting to ₹ 46.97 crores and lease liability of ₹ 53.57 crores, with net impact of ₹ (4.30) crores (net of tax) recognised in retained earnings as at 01.04.2019.

Notes to Financial Statements - *(continued)*

38 RELATED PARTY DISCLOSURES

LIST OF RELATED PARTIES

a) Reporting entity — Sundaram-Clayton Limited, Chennai (SCL)

b) Holding Company — T V Sundram Iyengar & Sons Private Limited, Madurai

c) Subsidiary companies

(i) TVS Motor Company Limited, Chennai (TVSM)
(ii) Sundaram Auto Components Limited, Chennai - Subsidiary of TVSM
(iii) TVS Housing Limited, Chennai - Subsidiary of TVSM
(iv) TVS Motor Services Limited, Chennai - Subsidiary of TVSM
(v) TVS Credit Services Limited, Chennai (TVSCS) - Subsidiary of TVSM
(vi) Harita Collection Services Private Limited, Chennai - Subsidiary of TVSCS
(vii) Harita ARC Private Limited, Chennai - Subsidiary of TVSCS
(viii) TVS Micro Finance Private Limited, Chennai - Subsidiary of TVSCS
(ix) TVS Commodity Financial Solutions Private Limited, Chennai - Subsidiary of TVSCS
(x) TVS Two Wheeler Mall Private Limited, Chennai - Subsidiary of TVSCS
(xi) TVS Housing Finance Private Limited, Chennai- Subsidiary of TVSCS
(xii) Sundaram Holding USA, Inc.,Delaware USA - Subsidiary of Sundaram Auto Components Limited
(xiii) Green Hills Land Holding LLC, South Carolina, USA - Subsidiary of Sundaram Holding USA, Inc.
(xiv) Components Equipment Leasing LLC, South Carolina, USA - Subsidiary of Sundaram Holding USA, Inc.
(xv) Sundaram-Clayton USA, LLC,South Carolina, USA - Subsidiary of Sundaram Holding USA, Inc.
(xvi) Premier Land Holding LLC,South Carolina USA - Subsidiary of Sundaram Holding USA, Inc.
(xvii) Sundaram-Clayton (USA) Limited, Ilinois, USA
(xviii) TVS Motor (Singapore) Pte. Limited, Singapore - Subsidiary of TVSM
(xix) PT TVS Motor Company Indonesia, Jakarta - Subsidiary of TVSM
(xx) TVS Motor Company (Europe) B.V. Amsterdam - Subsidiary of TVSM

Other related parties and their relationship where transaction exists

d) Fellow Subsidiaries

(i) TVS Electronics Limited, Chennai
(ii) TVS Investments Private Limited, Chennai
(iii) Southern Roadways Private Limited, Madurai
(iv) Sundaram Industries Private Limited, Madurai
(v) Lucas TVS Limited, Chennai
(vi) Lucas Indian Services Limited, Chennai
(vii) TVS Auto Assist (India) Limited, Chennai
(viii) Autosense Private Limited, Chennai
(ix) TVS Lanka Private Limited, Colombo

Notes to Financial Statements - *(continued)*

38 RELATED PARTY DISCLOSURES - *(continued)*

e) Group member	(i) Sundram Fasteners Limited, Chennai (ii) Delphi-TVS Technologies Limited, Chennai (iii) India Nippon Electricals Limited, Chennai (iv) TVS Supply Chain Solutions Limited, Chennai (v) Sundaram Brake Linings Limited, Chennai (vi) TVS Autoserv GmbH, Germany (vii) TVS Dynamic Global Freight Services Limited, Chennai (viii) Emerald Haven Realty Developers (Paraniputhur) Private Limited, Chennai (ix) Emerald Haven Town and Country Private Limited, Chennai (x) Brakes India Private Limited, Chennai (xi) TVS Srichakra Limited, Madurai (xii) Wheels India Limited, Chennai (xiii) TVS Auto Bangladesh Limited, Dhaka (xiv) Harita Techserv Private Limited, Chennai (xv) TVS Upasana Limited, Chennai (xvi) TVS Commutation Solutions Limited, Chennai
f) Associate companies	(i) Sundram Non-Conventional Energy Systems Limited, Chennai (ii) Emerald Haven Realty Limited , Chennai (iii) TVS Training and Services Limited, Chennai (iv) Tagbox Solutions Private Limited, Bengaluru (v) Tagbox Pte Limited, Singapore
g) Key management personnel(KMP)	Executive Directors: (i) Mr Venu Srinivasan, Chairman and Managing Director (ii) Dr. Lakshmi Venu, Joint Managing Director Non-Executive Directors: Independent Directors: (i) Vice Admiral P.J.Jacob (Retd.) (ii) Mr. V.Subramanian (iii) Mr. S.Santhanakrishnan (iv) Mr. R.Gopalan (v) Mr. R.Vijayaraghavan (vi) Mr. Kamlesh Gandhi (vii) Mrs. Sasikala Varadachari Non-Independent Directors: (i) Mr. Sudarshan Venu (ii) Mr. T.K. Balaji (iii) Mr. Gopal Srinivasan
h) Relative of KMP	(i) Mrs. Mallika Srinivasan
i) Enterprise over which KMP have significant influence	(i) Harita-NTI Limited, Chennai (ii) Emerald Haven Estates Limited, Chennai (iii) Sundram Services Limited, Chennai

Notes to Financial Statements - *(continued)*

38 RELATED PARTY DISCLOSURES - *(continued)*

(Rupees in crores)

Sl. No.	Nature of transactions	Name of the Company	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Group member	KMP-Significant Influence	KMP	Relative of KMP	Total
1	Purchase of goods	Harita-NTI Limited, Chennai	-	-	-	-	-	2.77	-	-	2.77
		T V Sundram Iyengar & Sons Pvt Ltd., Madurai	0.11	-	-	-	-	-	-	-	0.11
			0.11	-	-	-		2.77	-	-	2.88
			(0.16)	-	-	-		(4.50)	-	-	(4.66)
2	Sale of goods (including sub contract charges)	TVS Motor Company Limited, Chennai	-	265.20	-	-		-	-	-	265.20
		Sundaram-Clayton USA, LLC, South Carolina, USA	-	3.29	-	-	-	-	-	-	3.29
		Sundram Fasteners Limited, Chennai	-	-	-	-	1.76	-	-	-	1.76
		Delphi-TVS Technologies Limited, Chennai	-	-	-	-	13.95	-	-	-	13.95
			-	268.49	-	-	15.71	-	-	-	284.20
			-	(403.89)	-	-	(19.88)	-	-	-	(423.77)
3	Purchase of power	Sundram Non Conventional Energy Systems Limited, Chennai	-	-	-	0.68	-	-	-	-	0.68
			-	-	-	(0.71)	-	-	-	-	(0.71)
4	Rendering of services	TVS Motor Company Limited, Chennai	-	40.80	-	-	-	-	-	-	40.80
		Sundaram Auto Components Limited, Chennai	-	3.37	-	-	-	-	-	-	3.37
		TVS Credit Services Limited, Chennai	-	2.25	-	-	-	-	-	-	2.25
		Sundaram-Clayton USA LLC, South Carolina, USA	-	4.76	-	-	-	-	-	-	4.76
		TVS Motor Services Limited, Chennai - (Subsidiary) - (₹ 5,000)	-	-	-	-	-	-	-	-	-
		TVS Electronics Limited, Chennai	-	-	0.15	-	-	-	-	-	0.15
		TVS Investments Private Limited, Chennai - (Fellow Subsidiary) - (₹ 5,000)	-	-	-	-	-	-	-	-	-
		Emerald Haven Realty Developers (Paraniputhur) Private Limited, Chennai - (Group member)- (₹ 5,000)	-	-	-	-	-	-	-	-	-
		Emerald Haven Town and Country Private Limited, Chennai - (Group member) - (₹ 5,000)	-	-	-	-	-	-	-	-	-
		India Nippon Electricals Limited, Chennai	-	-	-	-	0.05	-	-	-	0.05
		TVS Training and Services Limited, Chennai - (Associates) - (₹ 5,000)	-	-	-	-	-	-	-	-	-
		Emerald Haven Realty Limited, Chennai	-	-	-	0.21	-	-	-	-	0.21
		Emerald Haven Estates Limited, Chennai - (KMP) - (₹ 5,000)	-	-	-	-	-	-	-	-	-
		Emerald Haven Life Spaces (Radial Road) Limited, Chennai - (Group Member) (₹ 5,000)	-	-	-	-	-	-	-	-	-
		Sundram Services Limited, Chennai - (KMP) - (₹ 24,000)	-	-	-	-	-	-	-	-	-
		Harita-NTI Limited, Chennai	-	-	-	-	-	0.39	-	-	0.39
			-	51.18	0.15	0.21	0.05	0.39	-	-	51.98
			-	(41.33)	(0.14)	(0.04)	(0.05)	(0.53)	-	-	(42.09)
5	Receiving of services	Sundaram Auto Components Limited, Chennai	-	3.97	-	-	-	-	-	-	3.97
		Sundaram-Clayton (USA) Limited, Illinois, USA	-	0.05	-	-	-	-	-	-	0.05
		T V Sundram Iyengar & Sons Private Limited, Madurai	0.15	-	-	-	-	-	-	-	0.15
		TVS Training and Services Limited, Chennai	-	-	-	0.02	-	-	-	-	0.02
		TVS Motor Company Limited, Chennai	-	1.59	-	-	-	-	-	-	1.59
		TVS Electronics Limited, Chennai	-	-	0.69	-	-	-	-	-	0.69
		TVS Supply Chain Solutions Limited, Chennai	-	-	-	-	2.04	-	-	-	2.04
		Sundaram Brake Linings Limited, Chennai	-	-	-	-	0.04	-	-	-	0.04
		TVS Dynamic Global Freight Services Limited, Chennai	-	-	-	-	14.24	-	-	-	14.24
		TVS Autoserv GmbH, Germany	-	-	-	-	5.35	-	-	-	5.35
		Sundram Fasteners Limited, Chennai	-	-	-	-	0.23	-	-	-	0.23
			0.15	5.61	0.69	0.02	21.90	-	-	-	28.37
			(0.27)	(7.34)	(1.31)	(0.18)	(30.95)	-	-	-	(40.05)

Previous year's figures are furnished in brackets

Notes to Financial Statements - *(continued)*

38 RELATED PARTY DISCLOSURES - *(continued)*

(Rupees in crores)

Sl. No.	Nature of transactions	Name of the Company	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Group member	KMP-Significant Influence	KMP	Relative of KMP	Total
6	Lease rent paid	Sundaram Auto Components Limited, Chennai	-	0.02	-	-	-	-	-	-	0.02
	Lease rent received	Sundram Non Conventional Energy Systems Limited, Chennai - ₹ 48,000 (Associates)	-	-	-	-	-	-	-	-	-
			-	0.02	-	-	-	-	-	-	0.02
			-	(0.02)	-	-	-	-	-	-	(0.02)
7	Remuneration paid	Key Management Personnel	-	-	-	-	-	-	3.99	-	3.99
			-	-	-	-	-	-	(8.11)	-	(8.11)
8	Investments	Sundaram Holding USA Inc., USA	-	14.35	-	-	-	-	-	-	14.35
			-	(33.85)	-	-	-	-	-	-	(33.85)
9	Dividend received	Sundram Non-Conventional Energy Systems Limited, Chennai	-	-	-	0.35	-	-	-	-	0.35
		TVS Motor Company Limited, Chennai	-	95.44	-	-	-	-	-	-	95.44
			-	95.44	-	0.35	-	-	-	-	95.79
			-	(95.44)	-	(0.35)	-	-	-	-	(95.79)
10	Outstanding as on 31st March 2020 Receivables	TVS Motor Company Limited, Chennai	-	24.26	-	-	-	-	-	-	24.26
		TVS Motor Services Limited, Chennai - (₹ 14,160)	-	-	-	-	-	-	-	-	-
		TVS Credit Services Limited, Chennai	-	0.59	-	-	-	-	-	-	0.59
		Sundaram-Clayton USA, LLC, South Carolina, USA	-	0.42	-	-	-	-	-	-	0.42
		TVS Investments Private Limited, Chennai - (Fellow Subsidiary) (₹ 5,900)	-	-	-	-	-	-	-	-	-
		Delphi-TVS Technologies Limited, Chennai	-	-	-	-	1.73	-	-	-	1.73
		Sundaram-Clayton (USA) Limited, Illinois, USA	-	0.08	-	-	-	-	-	-	0.08
		Harita-NTI Limited, Chennai	-	-	-	-	-	0.07	-	-	0.07
		Emerald Haven Realty Limited, Chennai	-	-	-	0.11	-	-	-	-	0.11
		India Nippon Electricals Limited, Chennai	-	-	-	-	0.02	-	-	-	0.02
		Emerald Haven Realty Developers (Paraniputhur) Private Limited, Chennai - (Group member) (₹ 24,780)	-	-	-	-	-	-	-	-	-
		Sundram Fasteners Limited, Chennai	-	-	-	-	0.45	-	-	-	0.45
		TVS Electronics Limited, Chennai	-	-	0.04	-	-	-	-	-	0.04
			-	25.35	0.04	0.11	2.20	0.07	-	-	27.77
			-	(32.89)	(0.04)	(0.03)	(4.82)	(0.02)	-	-	(37.80)
11	Outstanding as on 31st March 2020 Payables	TVS Electronics Limited , Chennai	-	-	0.11	-	-	-	-	-	0.11
		TVS Motor Company Limited, Chennai	-	0.23	-	-	-	-	-	-	0.23
		TVS Credit Services Limited, Chennai	-	0.26	-	-	-	-	-	-	0.26
		Sundaram Auto Components Limited, Chennai	-	0.39	-	-	-	-	-	-	0.39
		T V Sundram Iyengar & Sons Private Limited, Madurai	0.01	-	-	-	-	-	-	-	0.01
		TVS Training and Services Limited, Chennai - (Associates) (₹ 26,633)	-	-	-	-	-	-	-	-	-
		Sundram Non-Conventional Energy Systems Limited, Chennai	-	-	-		-	-	-	-	-
		TVS Supply Chain Solutions Limited, Chennai	-	-	-	-	0.10	-	-	-	0.10
		TVS Autoserv GmbH, Germany	-	-	-	-	1.15	-	-	-	1.15
		Sundram Fasteners Limited, Chennai	-	-	-	-	0.05	-	-	-	0.05
		TVS Dynamic Global Freight Services Limited, Chennai	-	-	-	-	4.57	-	-	-	4.57
		Sundaram Brake Linings Limited, Chennai	-	-	-	-	0.05	-	-	-	0.05
		Harita-NTI Limited, Chennai	-	-	-	-	-	0.32	-	-	0.32
			0.01	0.88	0.11	-	5.92	0.32	-	-	7.24
			(0.01)	(2.29)	(0.16)	(0.02)	(4.74)	(0.37)	-	-	(7.59)

Previous year's figures are furnished in brackets

Notes to Financial Statements - *(continued)*

39 DISCLOSURE MADE IN TERMS OF REGULATION 34(3) OF SEBI (LODR) REGULATIONS, 2015

	Particulars	Name of the Company		Amount outstanding as on 31-03-2020	Amount outstanding as on 31-03-2019
a)	Loans and advances				
(i)	Loans and advances in the nature of loans made to subsidiary company	NIL		–	–
(ii)	Loans and advances in the nature of loans made to associate company	NIL		-	-
(iii)	Loans and advances in the nature of loans where there is				
1)	no repayment schedule or repayment beyond seven years (or)	NIL		-	-
2)	no interest or interest below section 186 of the Companies Act, 2013	NIL		-	-
(iv)	Loans and advances in the nature of loans made to firms/companies in which directors of the company are interested	NIL		-	-
b)	Investments by the company				
(i)	In subsidiary companies	TVS Motor Company Limited, Chennai (27,26,82,786 equity shares of ₹1/- each fully paid up)		19.59	19.59
		Maximum amount held at any time			
		During the year	19.59		
		During the previous year	19.59		
		Sundaram-Clayton (USA) Limited, Chicago, Illinois, USA (100 equity shares of USD 1 each fully paid up)		0.001	0.001
		Maximum amount held at any time			
		During the year	0.001		
		During the previous year	0.001		
		Sundaram Holding USA Inc., Delaware USA (1,50,00,000 (last year - 1,30,00,000) Equity Shares of USD-1 each fully paid-up)		100.36	86.01
		Maximum amount held at any time			
		During the year	100.36		

Notes to Financial Statements - *(continued)*

(Rupees in crores)

39 DISCLOSURE MADE IN TERMS OF REGULATION 34(3) OF SEBI (LODR) REGULATIONS, 2015 - *(continued)*

	Particulars	Name of the Company		Amount outstanding as on 31-03-2020	Amount outstanding as on 31-03-2019
(i)	In subsidiary companies - *(continued)*				
		During the previous year	86.01		
		TVS Credit Services Limited, Chennai (21,80,250 equity shares of ₹10/- each fully paid up)		17.01	17.01
		Maximum amount held at any time			
		During the year	17.01		
		During the previous year	17.01		
(ii)	In associate companies	Sundram Non-conventional Energy Systems Limited, Chennai (1,17,650 Equity shares of ₹ 10/- each fully paid-up)		0.12	0.12
		Maximum amount held at any time			
		During the year	0.12		
		During the previous year	0.12		
		TVS Training & Services Limited, Chennai (27,63,359 Equity shares of ₹ 10/- each fully paid-up)		2.76	2.76
		Maximum amount held at any time			
		During the year	2.76		
		During the previous year	2.76		

40 Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

VENU SRINIVASAN
Chairman & Managing Director

Dr. LAKSHMI VENU
Joint Managing Director

VIVEK S JOSHI
President & CEO

K GOPALA DESIKAN
Chief Financial Officer

R RAJA PRAKASH
Company Secretary

As per our report annexed
For RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
Firm Regn. No. 007761S

V SATHYANARAYANAN
Partner
Membership No. 027716

Chennai
29th May 2020