Notes on accounts

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

TVS Motor Company Limited ('the Company') is a public limited company incorporated and domiciled in India whose shares are publicly traded. The registered office is located at "Jayalakshmi Estates", 29, Haddows Road, Nungambakkam, Chennai – 600006, Tamil Nadu, India.

The Company manufactures two wheelers, three wheelers, parts and accessories thereof. The Company has manufacturing plants located at Hosur in Tamil Nadu, Mysuru in Karnataka and Nalagarh in Himachal Pradesh.

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) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements have been prepared on the historical cost convention 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, and 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 critical estimates or judgments are:

i) Estimation of fair value of unlisted securities - Refer Note 27

ii) Defined benefit obligation - Refer Note 30

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

iv) Estimation and evaluation of provisions and contingencies relating to tax litigations – Refer Note 36(a).

e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and net of returns, trade allowances, rebates and amounts collected on behalf of third parties. It includes Excise Duty but excludes Value Added Tax, Sales Tax and Service tax until Goods& Services Tax was introduced. For the rest of the year, Revenue excludes Goods & Services Tax.

Sale of products:

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

Sale of services:

Revenue from sale of services is recognised in the accounting period in which the services are rendered.

f) Property, Plant and Equipment

Freehold Land is carried at historical cost. All other items of Property Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation / amortization and impairment, if any. Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred upto the date the

Notes on accounts - *(continued)*

1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

asset is ready for its intended use. However, cost excludes Excise Duty, Value Added Tax,Service Tax and Goods & Services Tax (from the date of its introduction),to the extent credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognized 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 Profit or Loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

g) Depreciation and amortization

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 shift) as evaluated by a Chartered Engineer, on straight line method, in accordance with Part A of Schedule II to the Companies Act 2013.

ii) Keeping in mind the rigorous and periodic maintenance programme followed by the Company, the estimated useful life of the tangible fixed assets as assessed by the Chartered Engineer and followed by the Company is given below:

Description	Years
Factory building and other buildings	5 to 61
Plant and machinery	5 to 21
Electrical equipment	15
Furniture and fixtures	10
Computers and information systems	3 to 4
Material handling equipment	5
Mobile phone	2
Vehicles	6

iii) Tools and dies used for two wheelers are depreciated based on quantity of components manufactured and the life of tools and dies, subject to a maximum of 5 years. Tools and dies used for three wheeler operations are depreciated at 11.31 per cent.

iv) Residual values and useful lives are reviewed, and adjusted, if appropriate, for each reporting period.

v) On tangible fixed assets added / disposed of during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.

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

h) Intangible assets

Intangible assets acquired are recorded at their acquisition cost and are amortised on straight line basis over its useful life, viz., 2 years in the case of software and 6 to 10 years in the case of Design, Development and Technical knowhow.

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 an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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 rupee (INR) and all values are rounded off to nearest crores except otherwise indicated.

Notes on accounts - *(continued)*

1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

(ii) Transactions and balances

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

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

ii) 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.

iii) 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 when 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 27. Movements in the hedging reserve in shareholders' equity are shown in Note 28. 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 profit or 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 profit or 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 profit or loss within other gains/(losses).

l) Inventories

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

i) Cost of raw materials, components, stores and spares are ascertained on a moving average basis.

Notes on accounts - *(continued)*

1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

ii) Cost of finished goods and work-in-progress comprise of direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. 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. 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:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Other long term employee benefit:

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, measured 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 other comprehensive income.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 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 its eligible senior managers; and

b) Defined contribution plans 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-off 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 profit or loss as past service cost.

Notes on accounts - *(continued)*

1 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 bonuses. 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 current and deferred taxes.

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 for each jurisdiction 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 balance sheet 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 liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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 Companyis 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) 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.

Notes on accounts - *(continued)*

1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

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 on a straight-line basis over the expected lives of the related assets and presented within other income.

In case of waiver of duty under EPCG licence, such grant is considered as revenue grant and recognized in “Other Income” on completion of export obligation as approved by the Regulatory Authorities.

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, 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 recorded when products are sold based on technical evaluation.

Provisions are measured 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 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 liabilities. 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

Leases of property, plant and equipment where the Company, as a lessee, has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the inception of lease at fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the 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. The property, plant and equipment acquired under finance leases is depreciated over the asset’s useful life or over the shorter of the asset’s useful life and the lease term, if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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.

Notes on accounts - *(continued)*

1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

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 profit or loss), and
- Those measured at amortized 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 cost 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 profit or 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.

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 investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or 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.

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 investment that is subsequently measured at FVTPL 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.

Equity instruments:

The Company subsequently measures all investments in equity (except of the subsidiaries/associate) 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 is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or 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.

iii) 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 28 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.

Notes on accounts - *(continued)*

1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

iv) 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 assumes 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 derecognized, 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) Income recognition

Interest Income:

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

Dividends:

Dividends are recognised in profit or loss only when the right to receive payment is established, 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.

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 profit or 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 profit or 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 at least 12 months after the reporting period.

w) 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 at least 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.

Notes on accounts - *(continued)*

1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

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 at least 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. The Company has identified twelve months as its operating cycle.

x) Recent accounting pronouncements

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - "Revenue from Contract with Customers" and also made certain amendments to the existing Ind AS. The notification shall be effective from 1st April 2018.

The management believes that adoption of The Indian Accounting Standard (Ind AS) 115 - "Revenue from Contracts with Customers" does not have any significant impact on the financial statements of the Company.

The management believes that adoption of amendment to Ind AS 21, Foreign currency transactions and advance consideration and Ind AS 12 Income Taxes, do not have any significant impact on the financial statements of the Company.

The amendment to Ind AS 40 viz., Investment Property, is not applicable to the Company.

Notes on accounts - *(continued)*

2 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Rupees In crores

Description	Property, Plant & Equipment							Other Intangible		
	Land	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Total	Software	Design Develop-ment	Total
	1	2	3	4	5	6	7	8	9	10
Cost of assets										
Gross carrying value as at 01-04-2017	109.24	538.91	2,999.11	52.78	18.79	79.56	3,798.39	60.03	70.58	130.61
Additions	53.61	118.77	507.96	6.29	2.85	28.80	718.28	11.52	18.70	30.22
Sub-total	162.85	657.68	3,507.07	59.07	21.64	108.36	4,516.67	71.55	89.28	160.83
Sales / deletion	0.68	1.05	125.31	0.95	1.34	2.74	132.07	-	-	-
Total	162.17	656.63	3,381.76	58.12	20.30	105.62	4,384.60	71.55	89.28	160.83
Depreciation / Amortisation										
Upto 31-03-2017	-	137.02	1,643.19	19.09	11.69	56.76	1,867.75	48.57	28.81	77.38
For the year	-	25.33	262.29	7.42	2.16	14.49	311.69	12.16	14.88	27.04
Sub-total	-	162.35	1,905.48	26.51	13.85	71.25	2,179.44	60.73	43.69	104.42
Withdrawn on assets sold / deleted	-	1.03	104.59	0.66	1.31	2.71	110.30	-	-	-
Total	-	161.32	1,800.89	25.85	12.54	68.54	2,069.14	60.73	43.69	104.42
Carrying value As at 31-03-2018	162.17	495.31	1,580.87	32.27	7.76	37.08	2,315.46	10.82	45.59	56.41

Capital work-in-progress (at cost) as at 31-03-2018

(a) Building	10.66
(b) Plant & equipment	81.08
Total	91.74

a) Cost of buildings includes Rs.7.12 crores pertaining to buildings constructed on leasehold lands.

b) Land includes leasehold land of Rs.0.51 crores, whose ownership is transferrable at the end of the lease term.

Description	Property, Plant & Equipment							Other Intangible		
	Land	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Total	Software	Design Develop-ment	Total
	1	2	3	4	5	6	7	8	9	10
Cost of assets										
Gross carrying value as at 01-04-2016	98.26	473.53	2,675.80	30.90	14.57	74.28	3,367.34	52.15	45.65	97.80
Additions	10.99	70.07	407.39	23.16	4.37	13.39	529.37	7.88	24.97	32.85
Sub-total	109.25	543.60	3,083.19	54.06	18.94	87.67	3,896.71	60.03	70.62	130.65
Sales / deletion	0.01	4.69	84.08	1.28	0.15	8.11	98.32	-	0.04	0.04
Total	109.24	538.91	2,999.11	52.78	18.79	79.56	3,798.39	60.03	70.58	130.61
Depreciation / Amortisation										
Upto 31-03-2016	-	122.73	1,490.69	16.61	9.98	54.66	1,694.67	33.84	17.04	50.88
For the year	-	18.15	227.56	3.75	1.84	10.01	261.31	14.73	11.77	26.50
Sub-total	-	140.88	1,718.25	20.36	11.82	64.67	1,955.98	48.57	28.81	77.38
Withdrawn on assets sold / deleted	-	3.86	75.06	1.27	0.13	7.91	88.23	-	-	-
Total	-	137.02	1,643.19	19.09	11.69	56.76	1,867.75	48.57	28.81	77.38
Carrying value As at 31-03-2017	109.24	401.89	1,355.92	33.69	7.10	22.80	1,930.64	11.46	41.77	53.23

Capital work-in-progress (at cost) as at 31-03-2017

(a) Building	5.96
(b) Plant & equipment	56.32
Total	62.28

a) Cost of buildings includes Rs. 7.12 crores pertaining to buildings constructed on leasehold lands.

b) Land includes leasehold land of Rs. 0.51 Crores, whose ownership is transferrable at the end of the lease term.

Notes on accounts - *(continued)*

3 NON CURRENT INVESTMENTS

Sl. No.	Particulars	Subsidiary /associate	No. of shares / units		Face Value	Currency	Rupees in crores	
			As at 31-03-2018	As at 31-03-2017			As at 31-03-2018	As at 31-03-2017
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(a)	**Investment in Equity Instruments Fair valued through OCI:**							
	Quoted :							
(i)	Suprajit Engineering Limited, Bengaluru		28,92,000	28,92,000	1.00	INR	80.35	69.54
(ii)	Ucal Fuel Systems Limited, Chennai		91,760	91,760	10.00	INR	2.16	1.99
	Unquoted :							
(iii)	Green Infra BTV Limited, New Delhi (formerly known as TVS Energy Limited)		32,50,000	32,50,000	10.00	INR	1.19	1.10
(iv)	TVS Lanka (Private) Limited, Colombo		50,00,000	50,00,000	10.00	LKR	10.52	9.48
(v)	TVS Motor Services Limited, Chennai*		-	3,80,000	10.00	INR	-	0.38
(vi)	Green Infra Wind Power Projects Limited, New Delhi		1,11,600	1,11,600	10.00	INR	0.05	0.03
(vii)	TVS Credit Services Limited, Chennai*		-	1,06,55,700	10.00	INR	-	76.70
(viii)	Green Infra Wind Power Generation Limited, New Delhi		2,16,000	2,16,000	10.00	INR	0.13	0.11
(ix)	Suryadev Alloys & Power Private Limited, Chennai		2,500	2,500	10.00	INR	0.03	0.02
(x)	Ultraviolette Automotive Private Limited, Bengaluru		6,750	-	10.00	INR	5.00	-
(xi)	Condivision Solutions Pvt. Limited, Bengaluru		6,760	-	10.00	INR	2.00	-
(xii)	Mulanur Renewable Energy Pvt. Limited, Chennai		15,000	-	10.00	INR	0.02	-
(b)	**Investment in Equity Instruments valued at Cost (Unquoted):**							
(i)	Sundaram Auto Components Limited, Chennai	Subsidiary	3,59,25,000	1,45,50,000	10.00	INR	255.90	84.90
(ii)	TVS Motor Company (Europe) B.V., Amsterdam	Subsidiary	2,25,301	2,25,301	100.00	EUR	1.80	1.80
(iii)	TVS Motor (Singapore) Pte. Limited, Singapore	Subsidiary	7,75,90,002	7,62,84,702	1.00	SGD	153.49	147.13
(iv)	PT.TVS Motor Company Indonesia, Jakarta	Subsidiary	68,97,000	60,97,000	97,400.00	IDR	268.90	217.39
(v)	TVS Housing Limited, Chennai	Subsidiary	50,000	50,000	10.00	INR	0.05	0.05
(vi)	TVS Motor Services Limited, Chennai*	Subsidiary	50,00,000	-	10.00	INR	5.00	-
(vii)	TVS Credit Services Limited, Chennai*	Subsidiary	70,09,753	-	10.00	INR	53.53	-
(viii)	Emerald Haven Realty Limited, Chennai (formerly known as Green Earth Homes Limited)	Associate	11,12,19,512	8,00,00,000	10.00	INR	111.22	80.00
	Total value of Equity Instruments (a) + (b)						951.34	690.62
(c)	**Investments in Preference Shares (Unquoted): (Valued at Amortised Cost)**							
(i)	TVS Motor Services Limited, Chennai	Subsidiary	61,30,10,000	55,10,10,000	10.00	INR	1,042.48	871.78
(ii)	Pinnacle Engines Inc., USA (face value 0.01 cent)		24,09,638	24,09,638	0.0001	USD	11.70	11.70
(iii)	Axiom Research Labs Private Limited, Delhi		82	82	10.00	INR	1.00	1.00
	Total value of Preference shares (c)						1,055.18	884.48
(d)	**Other non-current Investments (Unquoted):**							
	Investments valued through OCI:							
(i)	Autotech Fund L.L.P. USA					USD	10.11	-
	Pension Funds / Government Securities (Valued at Amortised Cost):							
(ii)	ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai					INR	6.11	6.14
(iii)	Life Insurance Corporation Pension Policy, Mumbai					INR	12.64	6.66
(iv)	National Savings Certificates (Rs.37100/- deposited with Sales Tax authorities)					INR	-	-
	Total value of other investments (d)						28.86	12.80
	Total (a) + (b) + (c) + (d)						2,035.38	1,587.90
	Aggregate amount of quoted investments and market value thereof						82.51	71.53
	Aggregate amount of unquoted investments						1,952.87	1,516.37
	Total						2,035.38	1,587.90

* TVS Motor Services Limited and TVS Credit Services Limited became subsidiaries w.e.f. 7th September 2017. Hence, equity holding in these companies are disclosed under "equity investments valued at cost" as at 31st March 2018 (previous year "investments in equity instruments fair valued through OCI" and disclosed suitably).

All Investments are fully paid up.

Notes on accounts - *(continued)*

Rupees in crores

		As at 31-03-2018	As at 31-03-2017
4	OTHER NON-CURRENT ASSETS		
	Capital advances	12.41	35.51
	Advances other than capital advances:		
	Prepaid lease rent	2.71	2.81
	Deposits made	24.71	20.62
		39.83	58.94
5	INVENTORIES		
	Raw materials and components	470.19	509.85
	Goods-in-transit - Raw materials and components	121.64	113.65
	Work-in-progress	68.00	93.57
	Finished goods	209.75	157.21
	Stock-in-trade	57.40	53.03
	Stores and spares	37.41	39.64
		964.39	966.95
6	TRADE RECEIVABLES		
	Secured, considered good	16.62	14.80
	Unsecured, considered good	951.75	708.97
	Doubtful	9.58	5.22
		977.95	728.99
	Less: Allowance for doubtful debts	9.58	5.22
		968.37	723.77
7	CASH AND CASH EQUIVALENTS		
	Balances with banks in current accounts	6.19	4.11
	Cheques / drafts on hand	-	0.02
	Cash on hand	0.30	0.24
		6.49	4.37
	Cash and cash equivalents for the purpose of cash flow statement		
	Cash and cash equivalents as shown above	6.49	4.37
	Less: Over drafts utilised	(144.11)	(233.21)
	[Grouped under financial liabilities - borrowings (Note No.16)]		
		(137.62)	(228.84)
8	OTHER BANK BALANCES		
	Earmarked balances with banks (for unpaid dividend)	4.41	4.14
		4.41	4.14
9	FINANCIAL ASSETS - OTHERS (CURRENT)		
	Unsecured, considered good :		
	Employee advances	9.29	9.18
	Security deposits	4.78	4.23
	Claims receivable	0.16	0.10
		14.23	13.51
10	OTHER CURRENT ASSETS		
	GST/VAT/IT/Excise receivable	405.54	379.70
	Prepaid expense	17.49	16.10
	Vendor advance	88.05	38.40
	Trade deposits	0.94	0.72
	Export incentive receivable	47.77	37.35
		559.79	472.27

Notes on accounts - *(continued)*

11 EQUITY SHARE CAPITAL

(a) Authorised, issued, subscribed and fully paid up

Particulars	As at 31-03-2018		As at 31-03-2017	
	Number	Rupees in crores	Number	Rupees in crores
Authorised:				
Equity shares of Re.1/- each	50,00,00,000	50.00	50,00,00,000	50.00
Issued, subscribed and fully paid up:				
Equity shares of Re.1/- each	47,50,87,114	47.51	47,50,87,114	47.51
	47,50,87,114	47.51	47,50,87,114	47.51

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

Particulars	As at 31-03-2018		As at 31-03-2017	
	Number	Rupees in crores	Number	Rupees in crores
Shares outstanding at the beginning of the year	47,50,87,114	47.51	47,50,87,114	47.51
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	47,50,87,114	47.51	47,50,87,114	47.51

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

Every shareholder is entitled to such rights as to attend and vote at 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) Shares held by holding company at the end of the year

Name of shareholder	Class of share	As at 31-03-2018		As at 31-03-2017	
		No. of shares held	% of holding	No. of shares held	% of holding
Sundaram-Clayton Limited, Chennai (Holding Company)	Equity	27,26,82,786	57.40	27,26,82,786	57.40

(e) Shareholders holding more than five percent at the end of the year (other than (d)) - Nil

12 OTHER EQUITY

Rupees in crores

Particulars	As at 31-03-2018	As at 31-03-2017
General reserve	865.64	865.64
Capital reserve	6.43	6.43
Retained earnings	1,874.74	1,404.25
Other reserves	86.10	84.50
	2,832.91	2,360.82

Notes on accounts - *(continued)*

13 NON-CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS

Rupees in crores

Description	Frequency	No. of instalments due	Maturity	As at 31-03-2018	As at 31-03-2017
Secured:					
ECB Loan from Bank (4 Tranches)	End of Tenure	4	Jul 2018 - Dec 2018	130.16	129.09
State owned corporation	Yearly	4	2022-27	157.08	157.08
Unsecured:					
Sales Tax Deferral					
Phase-1	Yearly	4	2020-21	25.32	31.65
Phase-2	Yearly	10	2027-28	157.28	173.00
Total Borrowings :				469.84	490.82
Less : Current maturities of long-term borrowings (Refer Note No. 18)				152.22	22.06
Total Long-term Borrowings				317.62	468.76

Details of securities created:

(i) ECB loan from Bank - Exclusive charge over assets procured out of proceeds of the loan.

(ii) Soft loan - State owned corporation viz., SIPCOT - First charge on the specific plant and equipment and also secured by equitable mortgage created by way of deposit of title deeds of land.

Amount payable in each instalments:

Description	Currency	Amount	Rate of Interest
ECB Loan from Bank	USD	5 Million USD each between Jul 2018 and Dec 2018.	3 Month USD LIBOR plus Margin
Sales tax deferral Phase-1	INR	6.33 crores per annum	Nil
Sales tax deferral Phase-2	INR	15.73 crores per annum	Nil
State owned corporation	INR	10.00, 67.23, 75.40 and 4.45 crores (four instalments between 2022 and 2027)	0.10%

14 PROVISIONS

Particulars	As at 31-03-2018		As at 31-03-2017	
	Current	Non-current	Current	Non-current
Provision for employee benefits:				
(a) Pension	33.18	32.41	28.09	33.57
(b) Leave salary	1.88	21.35	1.96	17.23
(c) Gratuity	2.56	-	9.36	-
Others:				
(a) Warranty	24.40	-	23.46	-
	62.02	53.76	62.87	50.80

Notes on accounts - *(continued)*

15 DEFERRED TAX LIABILITIES (NET)

Rupees in crores

Particulars		As at 31-03-2018	As at 31-03-2017
The balance comprises temporary differences attributable to:			
Depreciation		299.67	251.78
Others		-	17.18
Total deferred tax liability	(A)	299.67	268.96
Deferred tax asset consists of :			
- tax on employee benefit expenses		35.39	29.21
- tax on warranty provision		10.98	10.55
- tax on others		6.17	1.81
- Unused tax credits (MAT credit entitlement)		98.96	101.69
Total deferred tax assets	(B)	151.50	143.26
Net deferred tax liability	(A)-(B)	148.17	125.70

Movement in deferred tax :

Particulars	Depreciation	Others	Total
As at 01-04-2016			143.74
Charged/(credited):			
- to profit or loss	34.61	10.46	45.07
- to other comprehensive income	-	1.14	1.14
- Unused tax credits (MAT credit entitlement)	-	(64.25)	(64.25)
As at 31-03-2017			125.70
Charged/(credited):			
- to profit or loss	47.89	(24.16)	23.73
- to other comprehensive income	-	(3.99)	(3.99)
- Unused tax credits (MAT credit entitlement of earlier period)	-	(4.74)	(4.74)
- to Utilisation of tax credits (MAT credit entitlement)	-	7.47	7.47
As at 31-03-2018			148.17

16 FINANCIAL LIABILITIES - BORROWINGS (CURRENT)

	As at 31-03-2018	As at 31-03-2017
Borrowings repayable on demand from banks		
Secured*	48.38	158.21
Unsecured#	329.73	190.00
Short term loans from banks (Unsecured)	341.24	268.17
	719.35	616.38
* Includes overdraft utilisation	48.38	108.21
# Includes overdraft utilisation	95.73	125.00
Total overdraft utilisation	144.11	233.21

Details of securities created for loans repayable on demand:

First charge by way of hypothecation and / or pledge of current assets viz., stocks of raw materials, semi finished and finished goods, stores and spares not relating to plant and machinery, bills receivable, book debts and all other movable assets located in all plants.

Notes on accounts - *(continued)*

Rupees in crores

	As at 31-03-2018	As at 31-03-2017
17 TRADE PAYABLES		
Dues to Micro and Small Enterprises **	71.70	34.39
Dues to enterprises other than Micro and Small Enterprises	2,446.29	1,824.97
	2,517.99	1,859.36

** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received 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.

	As at 31-03-2018	As at 31-03-2017
18 OTHER FINANCIAL LIABILITIES		
Current Maturities of long term borrowings		
(i) ECB Loan	130.16	-
(ii) Sales tax deferral loan from Karnataka Government - Phase 1	6.33	6.33
(iii) Sales tax deferral loan from Karnataka Government - Phase 2	15.73	15.73
	152.22	22.06
Interest accrued but not due on loans	1.69	3.26
Trade deposits received	25.40	23.62
Unclaimed dividends	4.41	4.14
(Not due for transfer to Investor Education and Protection Fund)		
Payables against capital goods	22.70	24.39
Derivative instruments - payable	1.38	1.99
Hedge liability	2.60	0.15
	210.40	79.61

	As at 31-03-2018	As at 31-03-2017
19 OTHER CURRENT LIABILITIES		
Statutory dues	156.40	134.68
Employee related	53.74	47.42
Advance received from customers	53.14	48.76
Deferred income	4.99	-
Money held under trust	1.47	2.00
	269.74	232.86

	Year Ended 31-03-2018	Year Ended 31-03-2017
20 REVENUE FROM OPERATIONS		
Sale of products*	15,233.95	12,932.96
Sale of raw materials	58.20	107.17
Sale of services	17.85	23.69
Other operating revenue	162.88	126.24
	15,472.88	13,190.06

* Includes excise duty upto June 2017.

Notes on accounts - *(continued)*

		Rupees in crores	
		Year Ended 31-03-2018	Year Ended 31-03-2017
21 OTHER INCOME			
Dividend income			
(i) From subsidiaries		5.21	8.21
(ii) From other investments designated as Fair Value through OCI		0.60	0.70
Interest income		47.72	49.35
Profit on sale of investments		18.97	0.05
Profit on sale of fixed assets		2.72	-
Change in fair value of investments (net)*		58.70	81.85
Government grant#		9.67	31.56
Other non-operating income		1.19	1.65
		144.78	173.37

* Increase in fair value of investments represents changes in fair value of preference shares held in TVS Motor Services Limited and Other non-current investments.

Relatable to operations of the Company.

22 MATERIAL COST			
Cost of materials consumed :			
Opening stock of raw materials and components		509.85	310.95
Add: Purchases		10,870.26	8,819.78
		11,380.11	9,130.73
Less: Closing stock of raw materials and components		470.19	509.85
		10,909.92	8,620.88
Purchases of stock-in-trade :			
Spare parts		116.89	95.35
Engine oil		79.32	81.57
Raw materials		58.20	107.17
Finished goods		-	7.13
		254.41	291.22
Changes in inventories of finished goods, work-in-progress and stock-in-trade:			
Opening stock:			
Work-in-progress		93.57	63.55
Stock-in-trade		53.03	50.73
Finished goods (Includes excise duty of Rs.27.47 crores; last year Rs.9.43 crores)		157.21	130.80
	(A)	303.81	245.08
Closing stock:			
Work-in-progress		68.00	93.57
Stock-in-trade		57.40	53.03
Finished goods		209.75	157.21
	(B)	335.15	303.81
	(A)-(B)	(31.34)	(58.73)
23 EMPLOYEE BENEFITS EXPENSE			
Salaries, wages and bonus		745.92	648.09
Contribution to provident and other funds		44.22	37.76
Staff welfare expenses		77.87	59.79
		868.01	745.64

Notes on accounts - *(continued)*

Rupees in crores

		Year Ended 31-03-2018	Year Ended 31-03-2017
24 FINANCE COSTS			
Interest		55.98	42.64
Exchange differences		0.64	1.31
		56.62	43.95
25 OTHER EXPENSES			
(a) Consumption of stores, spares and tools		71.48	57.19
(b) Power and fuel		107.17	90.62
(c) Rent		27.39	18.29
(d) Repairs - buildings		10.09	10.03
(e) Repairs - plant and equipment		54.94	54.18
(f) Insurance		12.97	8.87
(g) Rates and taxes (excluding taxes on income)		6.61	8.53
(h) Audit fees		0.90	0.75
(i) Cost audit fees		0.05	0.05
(j) Packing and freight charges		637.09	461.53
(k) Advertisement and publicity		301.49	288.81
(l) Other marketing expenses		322.25	266.75
(m) Loss on sale of fixed assets		-	2.34
(n) Foreign exchange loss		-	5.36
(o) Corporate Social Responsibility expenditure*		10.98	9.20
(p) Contributions to electoral trust		0.53	6.58
(q) Miscellaneous expenses (under this head there is no expenditure which is in excess of 1% of revenue from operations or Rs.10 lakh, whichever is higher)		435.51	390.15
		1,999.45	1,679.23

* Refer Note No. 40 for details on Corporate Social Responsibility expenditure.

		Year Ended 31-03-2018	Year Ended 31-03-2017
26 INCOME TAX EXPENSES			
(a) Income tax expense			
Current tax:			
Current tax on profits for the year		203.41	157.64
Adjustments for current tax of prior periods		(6.35)	2.14
	(A)	197.06	159.78
Deferred tax:			
Decrease / (increase) in deferred tax assets		(10.97)	(0.07)
(Decrease) / increase in deferred tax liabilities		34.70	45.14
Unused tax (credit) [MAT credit entitlement]		-	(57.94)
Unused tax (credit) / reversal [MAT credit entitlement] of prior periods		(4.74)	(6.31)
	(B)	18.99	(19.18)
	(A)+(B)	216.05	140.60

Notes on accounts - *(continued)*

	Year Ended 31-03-2018	Year Ended 31-03-2017
		Rupees in crores
26 INCOME TAX EXPENSES - *(continued)*		
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	878.64	698.68
Tax at the Indian tax rate of 34.61% (2016-17 – 21.34%)	304.10	149.10
(Last year Company paid tax under Sec 115 JB [Minimum Alternate Tax] of Income Tax Act, 1961)		
Additional deduction towards Research & Development expenses	(65.09)	
Additional deduction towards Depreciation / Amortisation	(18.30)	
Fair valuation gains not subjected to tax	(20.32)	
Capital receipts	(3.57)	
Others	6.59	
Ind AS transition adjustments, [1/5th of the opening adjustments are considered for calculation]	-	9.48
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Dividend income	-	(1.82)
Other items	-	0.88
Tax Relating to earlier years	(6.35)	2.14
Deferred tax liability	23.73	45.07
MAT credit entitlement	(4.74)	(64.25)
Income tax expense	216.05	140.60

27 FAIR VALUE MEASUREMENTS

Particulars	As at 31-03-2018			As at 31-03-2017		
	FVTPL*	FVOCI *	Amortised cost	FVTPL*	FVOCI *	Amortised cost
Financial assets						
Investments						
- Equity instruments	-	101.45	-	-	159.35	-
- Preference shares	1,042.48	-	12.70	871.78	-	12.70
- Other non-current investments	-	10.11	-	-	-	-
- Debt instruments	-	-	18.75	-	-	12.80
Trade receivables	-	-	968.37	-	-	723.77
Cash and cash equivalents	-	-	6.49	-	-	4.37
Other financial assets	-	-	14.23	-	-	13.51
	1,042.48	111.56	1,020.54	871.78	159.35	767.15
Financial liabilities						
Borrowings	-	-	1,189.19	-	-	1,107.20
Trade payables	-	-	2,517.99	-	-	1,859.36
Derivative financial liability	1.38	2.60	-	1.99	0.15	-
Other financial liability	-	-	54.20	-	-	55.41
	1.38	2.60	3,761.38	1.99	0.15	3,021.97

* FVTPL - Fair Valued Through Profit and Loss FVOCI - Fair Valued Through Other Comprehensive Income

Notes on accounts - *(continued)*

Rupees in crores

27 FAIR VALUE MEASUREMENTS - *(continued)*

(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 Company 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

As at 31-03-2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL	3	-	-	1,042.48	1,042.48
Financial Investments at FVOCI	3	82.51	10.11	18.94	111.56
		82.51	10.11	1,061.42	1,154.04
Financial liabilities					
Derivatives	18	-	3.98	-	3.98
		-	3.98	-	3.98

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

As at 31-03-2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
Preference shares	3	-	-	12.70	12.70
Debt instruments	3	-	-	18.75	18.75
		-	-	31.45	31.45
Financial liabilities					
Borrowings	13, 16, 18	-	-	1,189.19	1,189.19
		-	-	1,189.19	1,189.19

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

As at 31-03-2017	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL	3	-	-	871.78	871.78
Financial investments at FVOCI	3	71.53	-	87.82	159.35
		71.53	-	959.60	1,031.13
Financial liabilities					
Derivatives	18	-	2.14	-	2.14
		-	2.14	-	2.14

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

As at 31-03-2017	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
Preference shares	3	-	-	12.70	12.70
Debt instruments	3	-	-	12.80	12.80
		-	-	25.50	25.50
Financial liabilities					
Borrowings	13, 16, 18	-	-	1,107.20	1,107.20
		-	-	1,107.20	1,107.20

Notes on accounts - *(continued)*

Rupees in crores

27 FAIR VALUE MEASUREMENTS - *(continued)*

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments 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 end of 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 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, preference shares and other non current investments included in level 3.

There are no transfers among the three levels.

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

(ii) Valuation technique used to determine fair value (Level 2)

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.

(iii) Fair value measurements using significant unobservable inputs (level 3)

Particulars	Unlisted Preference Shares	Unlisted Equity Shares	Debt Instruments	Total
As at 01-04-2016	788.76	10.65	7.81	807.22
Additions	5.00	65.30	2.25	72.55
Gains/(losses) recognised in profit or loss	78.02	-	2.74	80.76
Gains/(losses) recognised in other comprehensive income	-	11.87	-	11.87
As at 31-03-2017	871.78	87.82	12.80	972.40
Additions / (Deletions)	105.43	(58.36)	12.52	59.59
Gains/(losses) recognised in profit or loss	65.27	-	(6.57)	58.70
Gains/(losses) recognised in other comprehensive income	-	(10.52)	-	(10.52)
As at 31-03-2018	1,042.48	18.94	18.75	1,080.17

(iv) Valuation inputs and relationships to fair value

Particulars	Fair value as at		Significant unobservable input	Probability weighted range for the year ended		Sensitivity
	31-03-2018	31-03-2017		31-03-2018	31-03-2017	
Preference shares	1,042.48	871.78	a) Earnings growth rate	20-30%	20-30%	If the growth rate increases by 5% and the reduction in discount rate by 50 bps, the value of preference shares will increase by 2% and vice versa.
			b) Risk adjusted discount rate	20.10%	18.32%	
Unquoted Equity shares	18.94	87.82	a) Earnings growth rate	1-3%	1-3%	Not significant
			b) Risk adjusted discount rate	8%	8%	

Notes on accounts - *(continued)*

Rupees in crores

27 FAIR VALUE MEASUREMENTS - *(continued)*

(v) Valuation processes

Discount rates are determined using a capital asset pricing model to calculate a pretax rate that reflects current market assessments of the time value of money and the risk specific to the asset. Earnings growth factor of preference shares are based on cash flow projections of future earnings of the Company and unlisted equity securities are estimated based on market information for similar types of companies. Risk adjustments have been derived based on the market risk premium adjusted for companies relevered financial data.

(vi) Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at 31-03-2018		As at 31-03-2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investments				
Preference shares	12.70	12.70	12.70	12.70
Debt instruments	18.75	18.75	12.80	12.80
	31.45	31.45	25.50	25.50
Financial liabilities				
Borrowings	1,189.19	1,189.19	1,107.20	1,107.20
	1,189.19	1,189.19	1,107.20	1,107.20

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for preference shares and other debt instruments were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs, including counter party credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

28 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
Credit risk	Cash, Cash equivalents and Trade receivables	Credit risk primarily arises from cash and cash equivalents, trade receivables and investments carried at amortised cost. 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. 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. It considers available, reasonable and supportive forwarding-looking information (more specifically described below). In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counter party fails to make contractual payments within 60 days, when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Notes on accounts - *(continued)*

Rupees in crores

28 FINANCIAL RISK MANAGEMENT - *(continued)*

Risk	Exposure arising from	Risk Parameters and Mitigation
Credit risk (continued)	a. Cash and Cash Equivalents	Surplus cash is deposited only with banks / financial institutions with a high external credit rating.
	b. Domestic Trade Receivables	Domestic sales to the Dealers are based on advance payments received through banking channels or through inventory funding facilities availed by them from the banks. The Company extends limited credit to the dealers and such extension of credit is based on dealers' credit worthiness, ability to repay and past track record. The Company has extensive reporting and review system to constantly monitor the outstandings.
	c. Export Trade Receivables	The Company's export business is mostly based on Letters of credit. Export receivables are also covered through Insurance with ECGC Limited.
Liquidity risk	INR denominated borrowings (other than soft loans given by Govt. Authorities)	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. The Company works out a detailed annual operating plans to assess the fund requirements - both short term and long term. 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. Company has pre-approved credit lines with various banks and these are constantly reviewed and approved by the Board. For long term fund requirements, Company targets various options such as rupee term loan, external commercial borrowing, debentures etc. The Company obtains a credit rating for the various borrowing facilities on annual basis. Company constantly monitors the free cash flow from operations to ensure that the borrowing is minimized.
Market risk	(i) Foreign exchange	The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. 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). 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. The objective of the hedges when taken is to minimise the volatility of the INR cash flows of highly probable forecast transactions.
	a. Export trade receivables and Import payables	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. 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.
	b. Foreign currency denominated borrowings	The Company has hedged its borrowings by covering the principal repayments.
	(ii) Interest rate - Foreign currency denominated borrowings	The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. Company's policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. The Company's fixed rate borrowings are carried at amortised cost. They 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.

Notes on accounts - *(continued)*

28 FINANCIAL RISK MANAGEMENT - *(continued)*

(A) Credit risk

Basis of recognition of expected credit loss provision

<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 rowspan="3">12 month expected credit losses</td><td 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 profit or loss.</td><td colspan="3">Asset is written off</td></tr>
</table>

Notes on accounts - *(continued)*

Rupees in crores

28 FINANCIAL RISK MANAGEMENT - *(continued)*

As at 31-03-2018

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

Particulars	Internal rating	Assets/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	2	Investments at amortised cost	31.45	0%	-	31.45
	1	Other financial assets	14.23	0%	-	14.23

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	962.73	15.22	977.95
Expected loss rate	-	63%	
Expected credit losses	-	9.58	9.58
Carrying amount of trade receivables	962.73	5.64	968.37

As at 31-03-2017

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

Particulars	Internal rating	Assets/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	2	Investments at amortised cost	25.50	0%	-	25.50
	1	Other financial assets	13.51	0%	-	13.51

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	722.08	6.91	728.99
Expected loss rate	-	76%	
Expected credit losses	-	5.22	5.22
Carrying amount of trade receivables	722.08	1.69	723.77

Reconciliation of loss allowance provision - Loans and deposits

Loss allowance on 01-04-2016	-
Write offs	-
Recoveries	-
Loss allowance on 31-03-2017	-
Write offs	-
Recoveries	-
Loss allowance on 31-03-2018	-

Notes on accounts - *(continued)*

Rupees in crores

28 FINANCIAL RISK MANAGEMENT - *(continued)*

Reconciliation of loss allowance provision - Trade receivables

Loss allowance on 01-04-2016	4.69
Changes in loss allowance	0.53
Loss allowance on 31-03-2017	5.22
Changes in loss allowance	4.36
Loss allowance on 31-03-2018	9.58

(B) Liquidity risk

(i) Financing arrangements

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

Particulars	As at 31-03-2018	As at 31-03-2017
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	626.82	665.73
- Expiring beyond one year (bank loans)	-	-

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 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.

As at 31-03-2018

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	672.74	87.14	111.69	191.69	125.93	1,189.19
Trade payables	2,517.99					2,517.99
Other financial liabilities	54.20					54.20
Derivatives	2.60	0.26	1.12			3.98

As at 31-03-2017

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	616.38	6.33	15.73	239.39	229.37	1,107.20
Trade payables	1,859.36					1,859.36
Other financial liabilities	55.41					55.41
Derivatives	0.15			1.99		2.14

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Notes on accounts - *(continued)*

Rupees in crores

28 FINANCIAL RISK MANAGEMENT - *(continued)*

(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	As at 31-03-2018		As at 31-03-2017	
Exposure in foreign currency	USD	EUR	USD	EUR
Financial assets:				
Trade receivables	234.05	80.00	182.94	10.51
Derivatives	-	-	-	-
Exposure to foreign currency risk (assets) (A)	234.05	80.00	182.94	10.51
Financial liabilities:				
Foreign currency loan	158.91	7.84	129.09	70.55
Trade payables	218.04	4.33	195.48	1.40
Derivatives	3.98	-	2.14	-
Exposure to foreign currency risk (liabilities) (B)	380.93	12.17	326.71	71.95
Net exposure to foreign currency risk asset / (liabilities) (A)-(B)	(146.88)	67.83	(143.77)	(61.44)

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*	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
USD sensitivity				
INR/USD increases by 10%	(10.87)	(10.64)	10.87	10.64
INR/USD decreases by 10%	10.87	10.64	(10.87)	(10.64)
EURO sensitivity				
INR/EURO increases by 10%	5.02	(4.54)	(5.02)	4.54
INR/EURO decreases by 10%	(5.02)	4.54	5.02	(4.54)

* Holding all other variables constant

ii) Interest rate risk

Domestic INR borrowings are based on fixed rate of interest. Normally, for short term borrowings the marginal cost of lending rate of the bank is followed. Whenever, Company resorts to short term borrowing through Commercial Paper the rate of interest is fixed in advance. In respect of foreign currency borrowings for longer period the interest rates are covered through interest rate swaps (IRS).

Particulars	As at 31-03-2018	As at 31-03-2017
Variable rate borrowings	303.03	488.28
Fixed rate borrowings	886.16	618.92

Sensitivity	Impact on profit after tax	
	As at 31-03-2018	As at 31-03-2017
Increase in interest rates by 100 bps	(2.24)	(3.61)
Decrease in interest rates by 100 bps	2.24	3.61

Notes on accounts - *(continued)*

Rupees in crores

28 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 OCI or at fair value through profit or 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 31-03-2018

Type of hedge and risks	Nominal value		Carrying amount 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			
Cash flow hedge Foreign exchange forward contracts, PCFC	254.35	-	256.95	-	Apr'18 to Jun'18	(1.84)	1.84

b) Disclosure of effects of hedge accounting on financial position as at 31-03-2017

Type of hedge and risks	Nominal value		Carrying amount 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			
Cash flow hedge Foreign exchange forward contracts, PCFC	150.86	-	151.01	-	Apr'17 to Aug'17	(3.72)	3.72

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

for the year ended 31-03-2018 :

Type of hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit and loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge : Foreign exchange forward contracts, PCFC	(2.60)	-	(2.45)	Revenue

for the year ended 31-03-2017 :

Type of hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit and loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge : Foreign exchange forward contracts, PCFC	(0.15)	-	(3.62)	Revenue

Notes on accounts - *(continued)*

Rupees in crores

29 CAPITAL MANAGEMENT

(a) Risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet). The company's strategy is to maintain an optimum gearing ratio. The gearing ratios were as follows:

Particulars	As at 31-03-2018	As at 31-03-2017
Net debt	1,182.70	1,102.83
Total equity	2,880.42	2,408.33
Net debt to equity ratio	41.06%	45.79%

The company also monitors Interest coverage ratio :

Company's earnings before interest and taxes (EBIT) divided by Interest

The Company's strategy is to maintain an optimum interest coverage ratio. The Interest coverage ratio were as follows:

Particulars	Year ended 31-03-2018	Year ended 31-03-2017
EBIT	935.26	742.63
Interest	56.62	43.95
Interest coverage ratio (Times)	16.52	16.90

(b) Dividends

Particulars	Year ended 31-03-2018	Year ended 31-03-2017
(i) Equity shares		
Interim dividends for the year ended 31-03-2018 of Rs.3.30 (31-03-2017 of Rs.2.50) per fully paid share	187.63	141.29
(ii) Dividends not recognised at the end of the reporting period	-	-

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Notes on accounts - *(continued)*

30 EMPLOYEE BENEFIT OBLIGATIONS

Rupees in crores

Defined benefit plans as per actuarial valuation

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
As at 01-04-2016	62.65	(68.13)	(5.48)	55.78	-	55.78	15.72	-	15.72
Current service cost	4.28	-	4.28	2.87	-	2.87	3.30	-	3.30
Interest expense/(income)	4.96	(5.41)	(0.45)	4.11	-	4.11	1.19	-	1.19
Total amount recognised in profit or loss	9.24	(5.41)	3.83	6.98	-	6.98	4.49	-	4.49
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.24	0.24	-		-	-		-
(Gain)/loss from change in demographic assumptions	-		-			-			-
(Gain)/loss from change in financial assumptions	4.34		4.34			-			-
Experience (gains)/losses	11.21		11.21	(1.10)		(1.10)	(1.02)		(1.02)
Total amount recognised in other comprehensive income	15.55	0.24	15.79	(1.10)	-	(1.10)	(1.02)	-	(1.02)
Employer contributions	-	(4.78)	(4.78)			-			-
Benefit payments	(4.92)	4.92	-			-			-
As at 31-03-2017	82.52	(73.16)	9.36	61.66	-	61.66	19.19	-	19.19
Current service cost	6.06	-	6.06	3.15		3.15	3.02		3.02
Interest expense/(income)	6.03	(5.36)	0.67	4.37		4.37	1.37		1.37
Total amount recognised in profit or loss	12.09	(5.36)	6.73	7.52	-	7.52	4.39	-	4.39
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.34	0.34	-		-	-		-
(Gain)/loss from change in demographic assumptions	-		-			-			-
(Gain)/loss from change in financial assumptions	(6.18)		(6.18)	0.08		0.08	(1.74)		(1.74)
Experience (gains)/losses	11.78		11.78	(3.67)		(3.67)	5.22		5.22
Total amount recognised in other comprehensive income	5.60	0.34	5.94	(3.59)	-	(3.59)	3.48	-	3.48
Employer contributions	-	(19.47)	(19.47)	-		-	-		-
Benefit payments	(5.52)	5.52	-	-		-	(3.83)		(3.83)
As at 31-03-2018	94.69	(92.13)	2.56	65.59	-	65.59	23.23	-	23.23

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees.The Company has created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India. Company's contributions are based on actuarial valuation arrived at the end of each year and charged to Profit and Loss Statement.

Notes on accounts - *(continued)*

30 EMPLOYEE BENEFIT OBLIGATIONS - *(continued)*

Rupees in crores

Details of funded / unfunded plans:

Particulars	As at 31-03-2018	As at 31-03-2017
Present value of funded obligations	94.69	82.52
Fair value of plan assets	(92.13)	(73.16)
Deficit of funded plan	2.56	9.36
Unfunded plans	88.82	80.85
Deficit before asset ceiling	91.38	90.21

The significant actuarial assumptions:

Particulars	As at 31-03-2018	As at 31-03-2017
Discount rate (Gratuity & Leave salary)	7.7%	7.0%
Discount rate (Pension)	7.0%	7.0%
Salary growth rate	6.0%	6.0%
Mortality rate	IALM (2006-08) Ultimate	
Attrition rate (Gratuity & Leave salary)	3.0%	3.0%
Attrition rate (Pension)	0.0%	0.0%

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 age 58.

(i) Sensitivity analysis

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

Particulars	Impact on defined benefit obligation - Gratuity					
	Change in assumption		Increase in assumption		Decrease in assumption	
	Year ended 31-03-2018	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2017
Discount rate	0.50%	0.50%	90.73	79.15	98.97	86.17
Salary growth rate	0.50%	0.50%	99.02	86.19	90.65	79.10
Mortality	5.00%	5.00%	94.71	82.53	94.67	82.51

Particulars	Impact on defined benefit obligation - Pension					
	Change in assumption		Increase in assumption		Decrease in assumption	
	Year ended 31-03-2018	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2017
Discount rate	0.50%	0.50%	60.29	58.21	67.39	65.46
Salary growth rate	0.50%	0.50%	64.57	62.70	62.83	60.66
Mortality	5.00%	5.00%	63.69	61.67	63.67	61.65

Particulars	Impact on defined benefit obligation - Leave salary					
	Change in assumption		Increase in assumption		Decrease in assumption	
	Year ended 31-03-2018	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2017
Discount rate	0.50%	0.50%	22.13	18.29	24.43	20.17
Salary growth rate	0.50%	0.50%	24.45	20.17	22.10	18.28
Mortality	5.00%	5.00%	23.24	19.19	23.23	19.19

Notes on accounts - *(continued)*

30 EMPLOYEE BENEFIT OBLIGATIONS - *(continued)*

The above sensitivity analysis is 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 as and when calculating the defined benefit liability recognised in the balance sheet.

(ii) 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 under perform 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: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an yield 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 obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy. The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, The Company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2018 consists of Government and Corporate bonds, although the Company invests in equities, cash and mutual funds. The Company believes that equities offer the best returns over the long term with an acceptable level of risk.

(iii) Defined contribution plans:

The Company's contribution to defined contribution plan viz., provident fund, of Rs. 14.25 crores (previous year Rs.11.47 crores) has been recognised in the Statement of Profit and Loss.

Notes on accounts - *(continued)*

31 RELATED PARTY DISCLOSURE

(a) (i) Related parties and their relationship where control exists

Holding company:
Sundaram-Clayton Limited, Chennai

Ultimate holding company:
T V Sundram Iyengar & Sons Private Limited, Madurai

Subsidiaries:
Sundaram Auto Components Limited, Chennai
TVS Housing Limited, Chennai
TVS Motor Services Limited, Chennai
TVS Credit Services Limited, Chennai
Harita Collection Services Private Limited, Chennai
Harita ARC Services Private Limited, Chennai
TVS Micro Finance Private Limited, Chennai
TVS Commodity Financial Solutions Private Limited, Chennai
TVS Two Wheeler Mall Private Limited, Chennai
TVS Housing Finance Private Limited, Chennai
TVS Motor (Singapore) Pte. Limited, Singapore
TVS Motor Company (Europe) B.V, Amsterdam
PT. TVS Motor Company Indonesia, Jakarta
Sundaram Holding USA Inc, USA
Green Hills Land Holding LLC, USA
Component Equipment Leasing LLC, USA
Sundaram-Clayton USA LLC, USA (Formerly known as Workspace Project LLC)
Premier Land Holding LLC, USA

Associate company:
Emerald Haven Realty Limited, Chennai
(Formerly known as Green Earth Homes Limited)

(ii) Other related parties and their relationship where transaction exists
Fellow subsidiaries:
TVS Electronics Limited, Chennai
Southern Roadways Limited, Madurai
Sundaram Industries Private Limited, Madurai
Lucas-TVS Limited, Chennai
Lucas Indian Service Limited, Chennai
TVS Auto Assist (India) Limited, Chennai
TVS Training and Services Limited, Chennai

Associate / Joint venture of holding / subsidiary / fellow subsidiary company:
Brakes India Private Limited, Chennai
TVS Srichakra Limited, Madurai
Wheels India Limited, Chennai
Sundram Fasteners Limited, Chennai
India Nippon Electricals Limited, Chennai
Sundaram Brake Linings Limited, Chennai
TVS Auto Bangladesh Limited, Dhaka
TVS Lanka Private Limited, Colombo

Notes on accounts - *(continued)*

Rupees in crores

31 RELATED PARTY DISCLOSURE - *(continued)*

TVS Logistics Services Limited, Chennai
Harita Techserv Limited, Chennai

Subsidiaries of associate / joint venture:
Upasana Engineering Limited, Chennai
TVS Dynamic Global Freight Services Limited, Chennai
TVS Commutation Solutions Limited, Chennai

Enterprises in which directors are interested:
TVS Agro Products Private Limited (Formerly known as TVS Organics Private Limited)
Designo Lifestyle Solutions Private Limited
Dua Associates
Dua Consulting Private Limited
McCann-Erickson (India) Private Limited

Key Management personnel
Mr Venu Srinivasan, Chairman & Managing Director
Mr Sudarshan Venu, Joint Managing Director

Relative(s) of the Key Management personnel
Dr. Lakshmi Venu, Director

Enterprise over which key management personnel and their relative have significant influence :
Harita-NTI Limited, Chennai

(b) Transactions with related parties:

	As at / Year ended 31-03-2018	As at / Year ended 31-03-2017
(i) Purchase of goods		
- ultimate holding company (TV Sundram Iyengar & Sons Private Limited, Madurai)	0.36	0.42
- holding company (Sundaram-Clayton Limited, Chennai)	437.90	304.30
- subsidiary companies		
Sundaram Auto Components Limited, Chennai	474.52	362.41
PT.TVS Motor Company Indonesia, Jakarta	0.27	0.46
- fellow subsidiaries		
TVS Electronics Limited, Chennai	0.19	0.13
Sundaram Industries Private Limited, Madurai	0.10	0.07
Lucas-TVS Limited, Chennai	121.40	79.01
Lucas Indian Service Limited, Chennai	7.97	6.45
- associate / joint venture of holding / subsidiary / fellow subsidiary company		
Brakes India Private Limited, Chennai	16.95	13.24
TVS Srichakra Limited, Madurai	418.43	272.47
Wheels India Limited, Chennai	8.22	4.42
Sundram Fasteners Limited, Chennai	57.71	51.95
India Nippon Electricals Limited, Chennai	288.23	209.00
Sundaram Brake Linings Limited, Chennai	12.05	9.60
- subsidiaries of associate / joint venture		
Upasana Engineering Limited, Chennai	16.40	14.94
- enterprises over which key management personnel and his relatives have significant influence (Harita-NTI Limited, Chennai)	1.73	1.18
- enterprises in which directors are interested		
TVS Agro Products Private Limited (Formerly known as TVS Organics Private Limited)	1.07	0.73
Designo Lifestyle Solutions Private Limited	0.10	0.09

Notes on accounts - *(continued)*

Rupees in crores

31 RELATED PARTY DISCLOSURE - *(continued)*	As at / Year ended 31-03-2018	As at / Year ended 31-03-2017
(ii) Sale of goods		
- ultimate holding company (TV Sundram Iyengar & Sons Private Limited, Madurai)	6.24	-
- subsidiary companies		
Sundaram Auto Components Limited, Chennai	462.53	2,347.54
PT. TVS Motor Company Indonesia, Jakarta	81.50	58.88
- associate / joint venture of holding / subsidiary / fellow subsidiary company		
Sundram Fasteners Limited, Chennai	-	3.06
TVS Auto Bangladesh Limited, Dhaka	465.48	262.46
TVS Lanka Private Limited, Colombo	155.43	224.08
(iii) Purchase of assets		
- subsidiary company (Sundaram Auto Components Limited, Chennai)	-	10.02
(iv) Purchase of preference shares of TVS Motor Services Limited, Chennai *		
- holding company (Sundaram-Clayton Limited, Chennai)	17.01	-
- fellow subsidiary company (Lucas-TVS Limited, Chennai)	88.43	-
(v) Sale of equity shares of TVS Credit Services Limited, Chennai *		
- holding company (Sundaram-Clayton Limited, Chennai)	17.01	-
- fellow subsidiary company (Lucas-TVS Limited, Chennai)	88.43	-
(vi) Rendering of services (including interest and reimbursements received)		
- holding company (Sundaram-Clayton Limited, Chennai)	2.07	2.43
- subsidiary companies		
Sundaram Auto Components Limited, Chennai	0.83	0.66
TVS Motor (Singapore) Pte. Limited, Singapore	-	2.34
PT. TVS Motor Company Indonesia, Jakarta	0.55	1.29
TVS Credit Services Limited, Chennai	1.78	-
- associate / joint venture (Emerald Haven Realty Limited, Chennai)	0.24	-
- fellow subsidiaries		
Southern Roadways Limited, Madurai	0.01	0.01
Lucas-TVS Limited, Chennai	0.01	-
- associate / joint venture of holding / subsidiary / fellow subsidiary company		
TVS Logistics Services Limited, Chennai	0.54	0.53
Sundaram Fasteners Limited, Chennai	0.01	-
- subsidiaries of associate / joint venture		
TVS Dynamic Global Freight Services Limited, Chennai	0.10	-
(vii) Availing of services (includes sub-contract charges paid)		
- ultimate holding company (TV Sundram Iyengar & Sons Private Limited, Madurai)	0.54	0.45
- holding company (Sundaram-Clayton Limited, Chennai)	47.88	64.62
- subsidiary company (TVS Credit Services Limited, Chennai)	0.57	-
- fellow subsidiaries:		
TVS Electronics Limited, Chennai	1.17	1.11
Southern Roadways Limited, Madurai	2.96	2.23
TVS Auto Assist (India) Limited, Chennai	3.30	1.81
TVS Training and Services Limited, Chennai	0.03	-

Notes on accounts - *(continued)*

Rupees in crores

31 RELATED PARTY DISCLOSURE - *(continued)*	As at / Year ended 31-03-2018	As at / Year ended 31-03-2017
- associate / joint venture of holding / subsidiary / fellow subsidiary company		
TVS Logistics Services Limited, Chennai	95.96	75.29
Harita Techserv Limited, Chennai	2.60	2.43
Brakes India Private Limited, Chennai	0.18	-
- subsidiaries of associate / joint venture		
TVS Dynamic Global Freight Services Limited, Chennai	45.30	22.42
TVS Commutation Solutions Limited, Chennai	-	0.03
* The Company exchanged part of equity shares held in TVS Credit Services Limited for preference shares of TVS Motor Services Limited, thereby total holding in preference shares of TVS Motor Services Limited becomes 100%. Gain on exchange shown under "Other Income".		
- enterprises in which directors are interested		
Dua Associates	0.79	3.19
Dua Consulting Private Limited	4.44	3.60
McCann-Erickson (India) Private Limited	6.43	6.99
(viii) Investments made during the year		
- subsidiary companies		
TVS Motor (Singapore) Pte. Limited, Singapore	6.37	56.91
PT. TVS Motor Company Indonesia, Jakarta	51.51	53.45
Sundaram Auto Components Limited, Chennai	171.00	24.00
TVS Motor Services Limited, Chennai	4.62	-
TVS Credit Services Limited, Chennai	25.00	-
- associate / joint venture (Emerald Haven Realty Limited, Chennai)	31.22	40.00
(ix) Remuneration to key management personnel:		
Short-term employee benefits	37.08	24.56
Post-employment benefits	0.18	0.17
(x) Dividend received from:		
subsidiary company (Sundaram Auto Components Limited, Chennai)	5.21	8.21
Associate of ultimate holding company (TVS Lanka Private Limited, Colombo)	0.20	0.37
(xi) Dividend paid to holding company (Sundaram-Clayton Limited, Chennai)	89.99	68.17
(c) Balances with related parties:		
(i) Trade receivables		
- ultimate holding company (T V Sundram Iyengar & Sons Private Limited, Madurai)	6.27	0.03
- subsidiary companies		
Sundaram Auto Components Limited, Chennai	-	150.21
TVS Motor (Singapore) Pte Limited, Singapore	2.74	-
PT. TVS Motor Company Indonesia, Jakarta	28.16	14.12
TVS Motor Services Limited, Chennai	0.07	-
- associate / joint venture of holding / subsidiary / fellow subsidiary company		
TVS Auto Bangladesh Limited, Dhaka	67.48	36.78
TVS Lanka Private Limited, Colombo	11.32	37.44
- enterprises in which directors are interested		
Designo Lifestyle Solutions Private Limited	-	0.02

Notes on accounts - *(continued)*

Rupees in crores

31 RELATED PARTY DISCLOSURE - *(continued)*	As at / Year ended 31-03-2018	As at / Year ended 31-03-2017
(ii) Trade payables		
- holding company (Sundaram-Clayton Limited, Chennai)	33.53	25.73
- subsidiary companies		
Sundaram Auto Components Limited, Chennai	24.55	-
TVS Credit Services Limited, Chennai	3.96	-
- fellow subsidiaries		
Lucas-TVS Limited, Chennai	18.96	12.40
Lucas Indian Service Limited, Chennai	0.80	0.91
Sundaram Industries Private Limited, Madurai	0.01	0.01
TVS Auto Assist (India) Limited, Chennai	-	0.28
TVS Electronics Limited, Chennai	0.12	0.06
TVS Training and Services Limited, Chennai	0.01	0.01
- associate company (Emerald Haven Realty Limited, Chennai)	1.27	1.26
- associate / joint venture of holding / subsidiary / fellow subsidiary company		
Brakes India Private Limited, Chennai	3.26	2.06
TVS Srichakra Limited, Madurai	42.74	31.99
Wheels India Limited, Chennai	1.72	0.86
Harita Techserv Limited, Chennai	0.24	0.21
India Nippon Electricals Limited, Chennai	45.97	31.57
Sundaram Brake Linings Limited, Chennai	2.21	1.73
Sundram Fasteners Limited, Chennai	9.79	7.34
TVS Logistics Services Limited, Chennai	8.53	2.20
- subsidiaries of associate / joint venture		
TVS Dynamic Global Freight Services Limited, Chennai	5.90	1.98
TVS Commutation Solutions Limited, Chennai	-	0.02
Upasana Engineering Limited, Chennai	2.24	1.71
- enterprises in which directors are interested		
Dua Consulting Private Limited	0.10	0.10
McCann-Erickson (India) Private Limited	1.06	0.81
TVS Agro Products Private Limited (Formerly known as TVS Organics Private Limited)	0.04	0.04
- enterprise over which key management personnel and their relatives have significant influence (Harita-NTI Limited, Chennai)	0.16	0.22
(iii) Obligation arising out of agreements facilitating credit		
- subsidiary companies		
PT. TVS Motor Company Indonesia, Jakarta	104.28	117.96
TVS Credit Services Limited, Chennai	25.00	-

Notes on accounts - *(continued)*

Rupees in crores

	As at / Year ended 31-03-2018	As at / Year ended 31-03-2017
32 EARNINGS PER SHARE		
Profit after tax	662.59	558.08
Number of equity shares	47,50,87,114	47,50,87,114
Face value of the share (in rupees)	1.00	1.00
Weighted average number of equity shares	47,50,87,114	47,50,87,114
Basic and diluted earnings per share for continued operations (in rupees)	13.95	11.75
Basic and diluted earnings per share for discontinued operations (in rupees)	-	-
Basic and diluted earnings per share for continued and discontinued operations (in rupees)	13.95	11.75
33 WARRANTY PROVISION (CURRENT)		
Opening balance	23.46	26.96
Add: Provision for the year (net)	24.40	23.46
	47.86	50.42
Less: Payments / debits (net)	23.46	26.96
Closing balance	24.40	23.46
34 MICRO SMALL AND MEDIUM ENTERPRISES DISCLOSURE		
Trade Payables includes amount due to Micro Small and Medium Enterprises	76.11	34.88
Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:		
(i) The principal amount and interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year:		
(a) Principal (all are within agreed credit period and not due for payment)	76.11	34.88
(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 the 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 a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
35 PAYMENT TO AUDITORS COMPRISES		
As statutory auditors	0.72	0.60
Taxation matters	0.15	0.10
Certification matters	0.03	0.05
	0.90	0.75
Miscellaneous expenses include travel and stay expenses of auditors	0.12	0.09
	1.02	0.84

Notes on accounts - *(continued)*

Rupees in crores

	As at / Year ended 31-03-2018	As at / Year ended 31-03-2017
36 CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR		
(a) Claims against the company not acknowledged as debts:		
(i) Excise	70.85	29.64
(ii) Service tax	1.96	6.49
(iii) Customs	1.36	1.87
(iv) Sales tax	2.38	1.73
(v) Income tax	41.33	20.24
(vi) Others	3.50	3.50
The future cash flows on the above items are determinable only on receipt of the decisions / judgments that are pending at various forums/ authorities. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.		
(b) Other money for which the company is contingently liable:		
(i) On bills discounted with banks	105.06	48.14
(ii) On factoring arrangements	0.82	1.90
(c) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	232.83	463.70
(d) Other commitments:		
On import of capital goods under Export Promotion Capital Goods Scheme	40.75	45.48

37 EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT (CLAIMED UNDER INCOME TAX ACT, 1961)

	As at / Year ended 31-03-2018	As at / Year ended 31-03-2017
R&D Expenditure eligible for weighted deduction - claimed U/s.35(2AB)		
(a) Revenue expenditure	162.54	150.31
(b) Capital expenditure (including WIP)	46.41	46.12
R&D Expenditure not eligible for weighted deduction - claimed U/s.35		
(a) Revenue expenditure	22.39	18.90
(b) Capital expenditure		
(i) Land and Building	16.86	-
(ii) Others	20.33	29.39
	268.53	244.72

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

Sl. No.	Particulars	Name of the company		Amount outstanding as at 31-03-2018	Amount outstanding as at 31-03-2017
(a)	Investments by the Company				
(i)	In subsidiary companies	Sundaram Auto Components Limited, Chennai [3,59,25,000 (last year-1,45,50,000) Equity shares of Rs.10/- each fully paid up]		255.90	84.90
		Maximum amount held at any time			
		During the year	255.90		
		During the previous year	84.90		

Notes on accounts - *(continued)*

Rupees in crores

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

Sl. No.	Particulars	Name of the company		Amount outstanding as at 31-03-2018	Amount outstanding as at 31-03-2017
(a)	Investments by the Company	TVS Housing Limited, Chennai			
(i)	In subsidiary companies - *(continued)*	[50,000 (last year - 50,000) Equity shares of Rs.10/- each fully paid up]		0.05	0.05
		Maximum amount held at any time			
		During the year	0.05		
		During the previous year	0.05		
		TVS Motor Services Limited, Chennai [50,00,000 (last year - Nil) Equity shares of Rs.10/- each fully paid up]		5.00	-
		Maximum amount held at any time			
		During the year	5.00		
		During the previous year	-		
		[61,30,10,000 (last year - Nil) Preference shares of Rs.10/- each fully paid up]		1,042.48	-
		Maximum amount held at any time			
		During the year	1,042.48		
		During the previous year	-		
		TVS Credit Services Limited, Chennai [70,09,753 (last year - Nil) Equity shares of Rs.10/- each fully paid up]		53.53	-
		Maximum amount held at any time			
		During the year	129.92		
		During the previous year	-		
		TVS Motor Company (Europe) B.V., Amsterdam [2,25,301 (last year-2,25,301) Ordinary shares of Euro 100/- each fully paid up]		1.80	1.80
		Maximum amount held at any time			
		During the year	1.80		
		During the previous year	1.80		

Notes on accounts - *(continued)*

Rupees in crores

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

Sl. No.	Particulars	Name of the company		Amount outstanding as at 31-03-2018	Amount outstanding as at 31-03-2017
(a)	Investments by the Company	TVS Motor (Singapore) Pte. Limited, Singapore [7,75,90,002 (last year 7,62,84,702) Ordinary shares of Singapore $ 1/- each fully paid up]		153.49	147.13
(i)	In subsidiary companies - *(continued)*	Maximum amount held at any time			
		During the year	153.49		
		During the previous year	147.13		
		PT. TVS Motor Company Indonesia, Jakarta [68,97,000 Equity shares (Last year - 60,97,000) of Indonesian Rp.97,400/- each fully paid up]		268.90	217.39
		Maximum amount held at any time			
		During the year	268.90		
		During the previous year	217.39		
(ii)	in associate companies	Emerald Haven Realty Limited, Chennai, (Formerly known as Green Earth Homes Limited) [11,12,19,512 (Last year - 8,00,00,000) Equity shares of Rs. 10/- each fully paid up]		111.22	80.00
		Maximum amount held at any time			
		During the year	111.22		
		During the previous year	80.00		
(b)	Investments by the holding company	Sundaram-Clayton Limited, Chennai holds 27,26,82,786 (Last year 27,26,82,786) Equity shares of Re.1/- each fully paid up		13.63	13.63
		Maximum amount held at any time			
		During the year	13.63		
		During the previous year	13.63		

39 DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEES GIVEN

	As at 31-03-2018	As at 31-03-2017
(a) Investments made - Refer Note No.3		
(b) Guarantee given by the Company:		
(i) Guarantee given to Financial Institution / Bank to facilitate credit to PT. TVS Motor Company Indonesia, Jakarta	104.28	117.96
(ii) Guarantee given to Financial Institution / Bank to facilitate credit to TVS Credit Services Limited, Chennai	25.00	29.17

Notes on accounts - *(continued)*

Rupees in crores

40 CORPORATE SOCIAL RESPONSIBILITY

Expenditure incurred on Corporate Social Responsibility (CSR) activities:

(a) Gross amount required to be spent during the year is Rs.10.70 crores (last year Rs.9.06 crores)

(b) Amount spent during the year:

Sl. No.	Particulars	In cash	Yet to be paid in cash	Year ended 31.3.2018	Year ended 31.3.2017
1	Construction/acquisition of any asset	-	-	-	-
2	Expenses incurred through trusts	10.98	-	10.98	9.20

VENU SRINIVASAN
Chairman & Managing Director

SUDARSHAN VENU
Joint Managing Director

H. LAKSHMANAN
Director

As per our report annexed
For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Regn. No.: 109208W

Place : Chennai
Date : 16th May 2018

K. GOPALA DESIKAN
Chief Financial Officer

K.S. SRINIVASAN
Company Secretary

S. VENKATRAMAN
Partner (M. No.: 34319)