TVS EUROGRIP

EVERY TURN TAKES US forward

Annual Report
2020-2021


TVS
EUROGRIP

The last 12 months have put the very best of us to the test. From the effects of the pandemic on the economy, to its impact on the lives of our near and dear ones, there's been an unprecedented challenge at every turn.

Yet, we have risen to the occasion, as a nation.

With the collective resolve of a billion people, we have looked adversity in the eye, and we have overcome.

At TVS Srichakra, one of India's largest manufacturers and exporters of Two and Three-wheeler and Off-Highway Tyres, the journey in the year gone by may have started off with uncertainty, but went on to acquire a positive note as the year passed by.

Thanks to the unwavering support of our customers, employees and partners, we have bravely negotiated every turn.

Even as you read this, the economy is poised for a revival, and people are back on the roads again.

As our sales numbers steadily rose from September 2020, we outdid targets for 3 months at a stretch, with the numbers peaking this fiscal in March.

Now, we have a renewed focus for the journey ahead, without forgetting an important lesson from the year gone by. Whatever the challenges around the corner, every turn takes us forward.

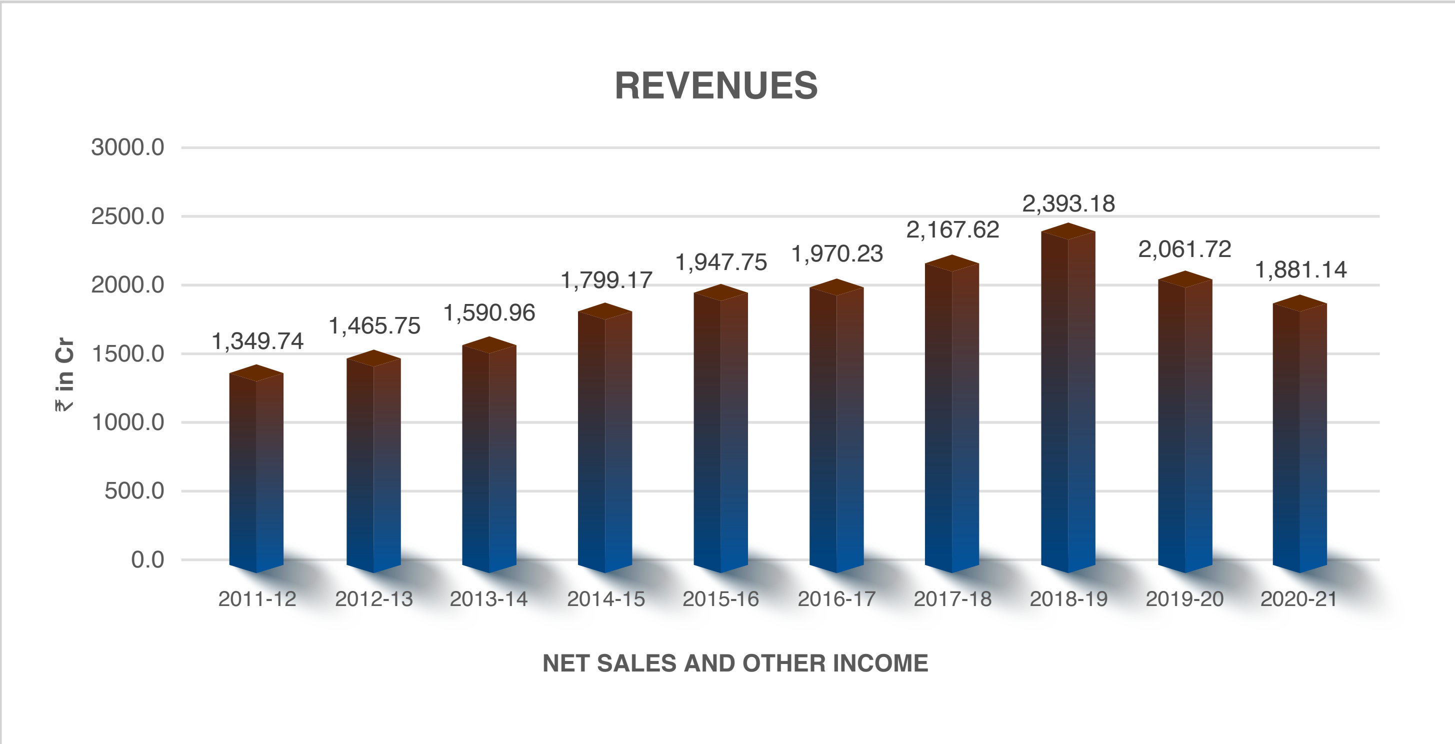
CONTENTS

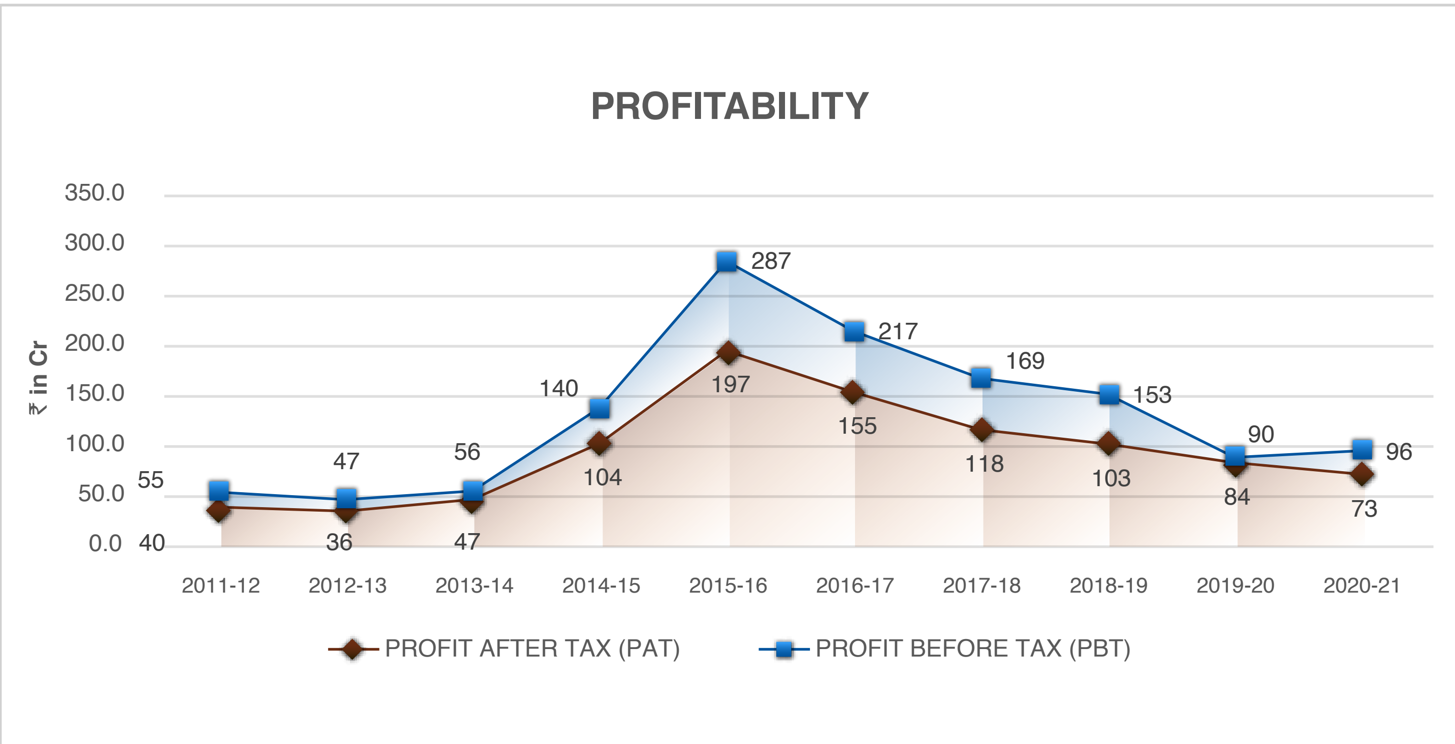
CORPORATE INFORMATION

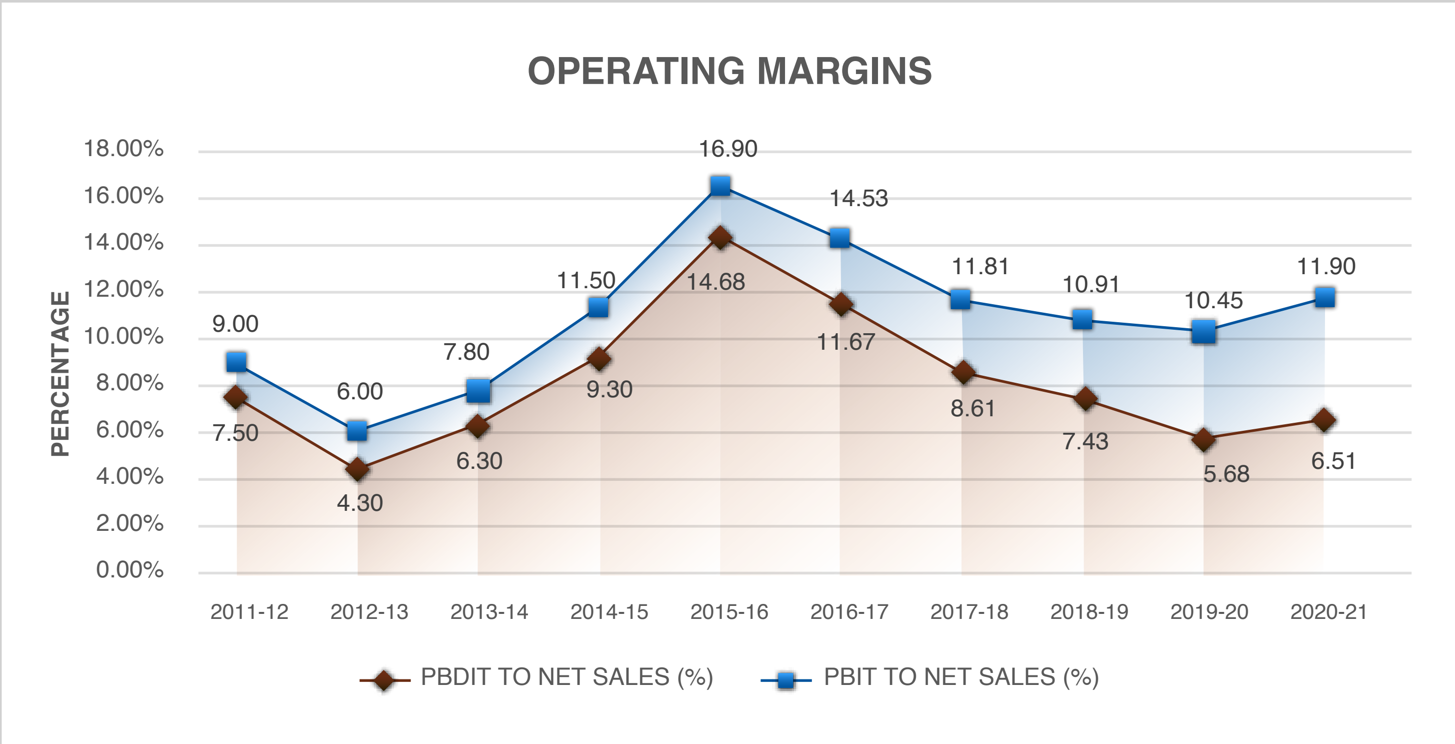
Board of Directors	R. Naresh Executive Vice Chairman Shobhana Ramachandhran Managing Director M. S. Viraraghavan P. Vijayaraghavan (Till 8th July, 2020) H. Janardana Iyer V. Ramakrishnan Rasesh R Doshi V Anantha Nageswaran S.V.Mathangi (From 1st April, 2020) S. Ravichandran (From 13th August, 2020) P. Srinivasavaradhan (From 13th August, 2020)
Audit Committee	M.S. Viraraghavan Chairman H. Janardana Iyer Rasesh R Doshi S. Ravichandran
Nomination and Remuneration Committee	M. S. Viraraghavan Chairman H. Janardana Iyer Rasesh R Doshi
Stakeholders Relationship Committee	V. Ramakrishnan Chairman Shobhana Ramachandhran S.V. Mathangi
Corporate Social Responsibility Committee	Shobhana Ramachandhran Chairman Rasesh R Doshi V. Ramakrishnan
Borrowing and Investment Committee	R. Naresh Chairman Shobhana Ramachandhran P. Srinivasavaradhan S. Ravichandran

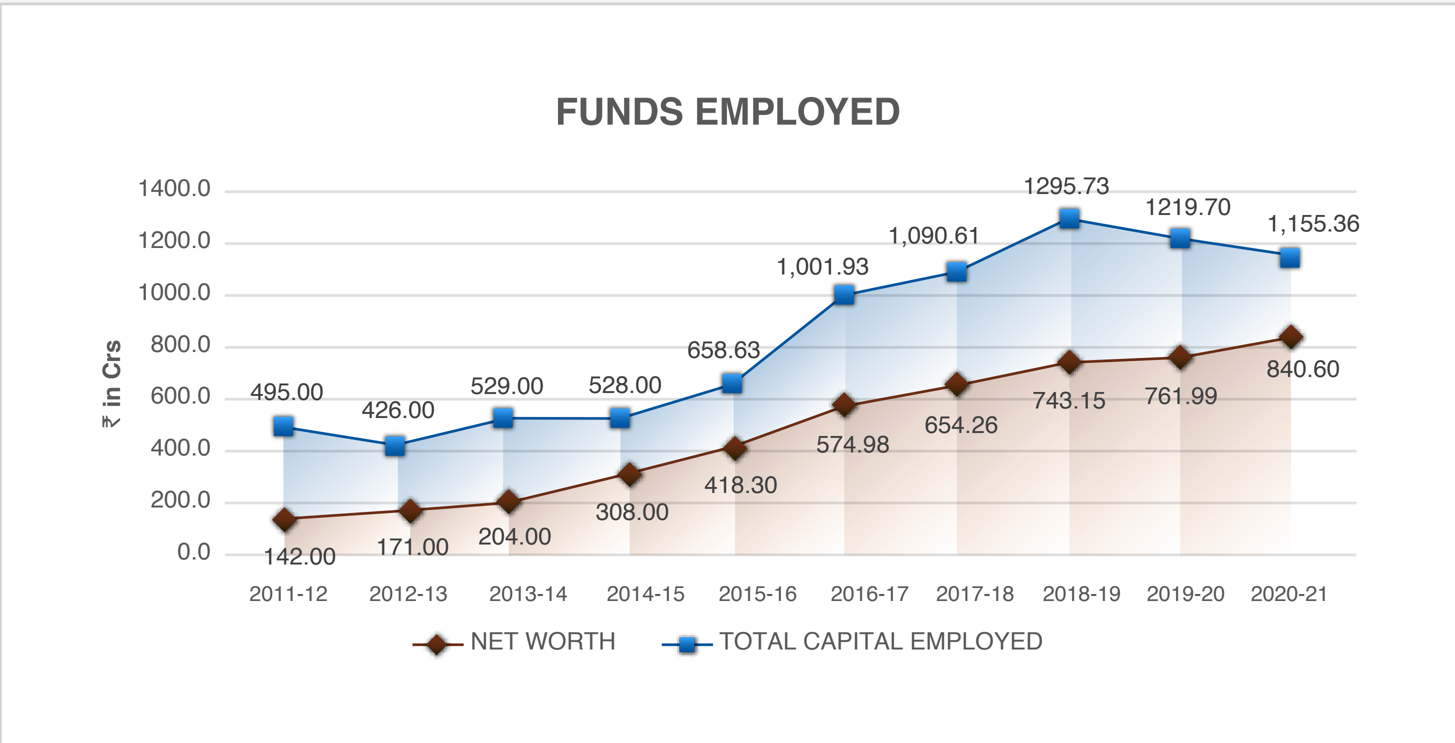
Registered Office	TVS Building, 7-B West Veli Street, Madurai 625 001, Tamil Nadu
Plant Location	**Madurai** Vellaripatti Village, Melur Taluk, Madurai 625 122, Tamil Nadu Narasingampatti Village Therkutheru, Melur Taluk Madurai 625 122, Tamil Nadu **Uttarakhand** Plot No. 7, Sector - 1, IIE, SIDCUL Pant Nagar 263153, Rudrapur Tehsil - Kichha, Uttarakhand
Administrative Office	No. 10 Jawahar Road Madurai 625 002, Tamil Nadu Tel: 0452 2443300 Email: secretarial@tvstyres.com investorgrievances@tvstyres.com Website: www.tvseurogrip.com
Subsidiary Companies	TVS Srichakra Investments Limited (TSIL) TVS Sensing Solutions Private Limited (TSSPL) (Subsidiary of TSIL) Fiber Optic Sensing Solutions Private Limited (Subsidiary of TSSPL)
Statutory Auditors	PKF Sridhar & Santhanam LLP Chartered Accountants KRD Gee Gee Crystal No. 91-92, 7th Floor Dr. Radhakrishnan Salai Mylapore, Chennai 600 004
Listing of Shares with	BSE Limited National Stock Exchange of India Limited
Bankers	State Bank of India HDFC Bank Limited
Registrar and Share Transfer Agent	Integrated Registry Management Services Private Limited “Kences Towers”, II Floor, No. 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai 600 017, Tamil Nadu. Tel: 044 28140802 e-mail: corpserv@integratedindia.in

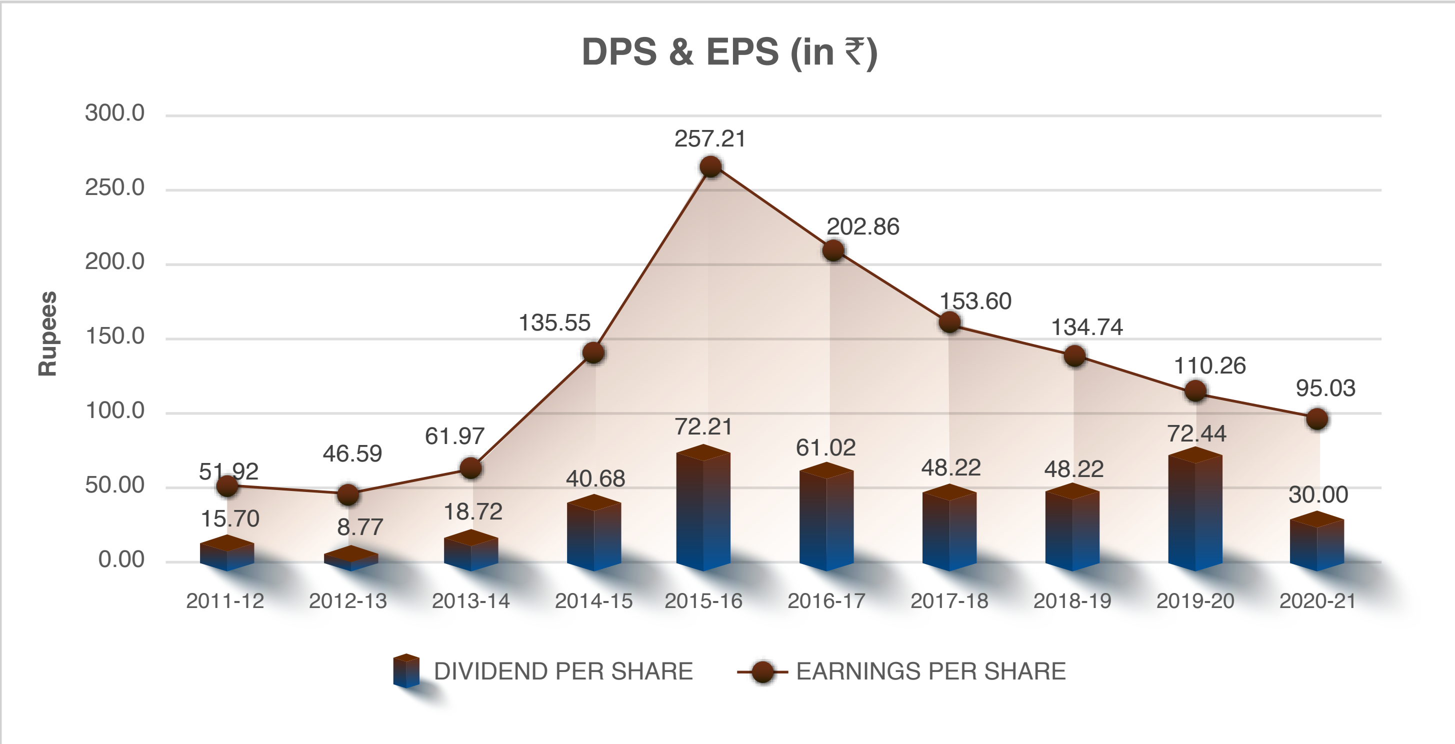
FINANCIAL HIGHLIGHTS

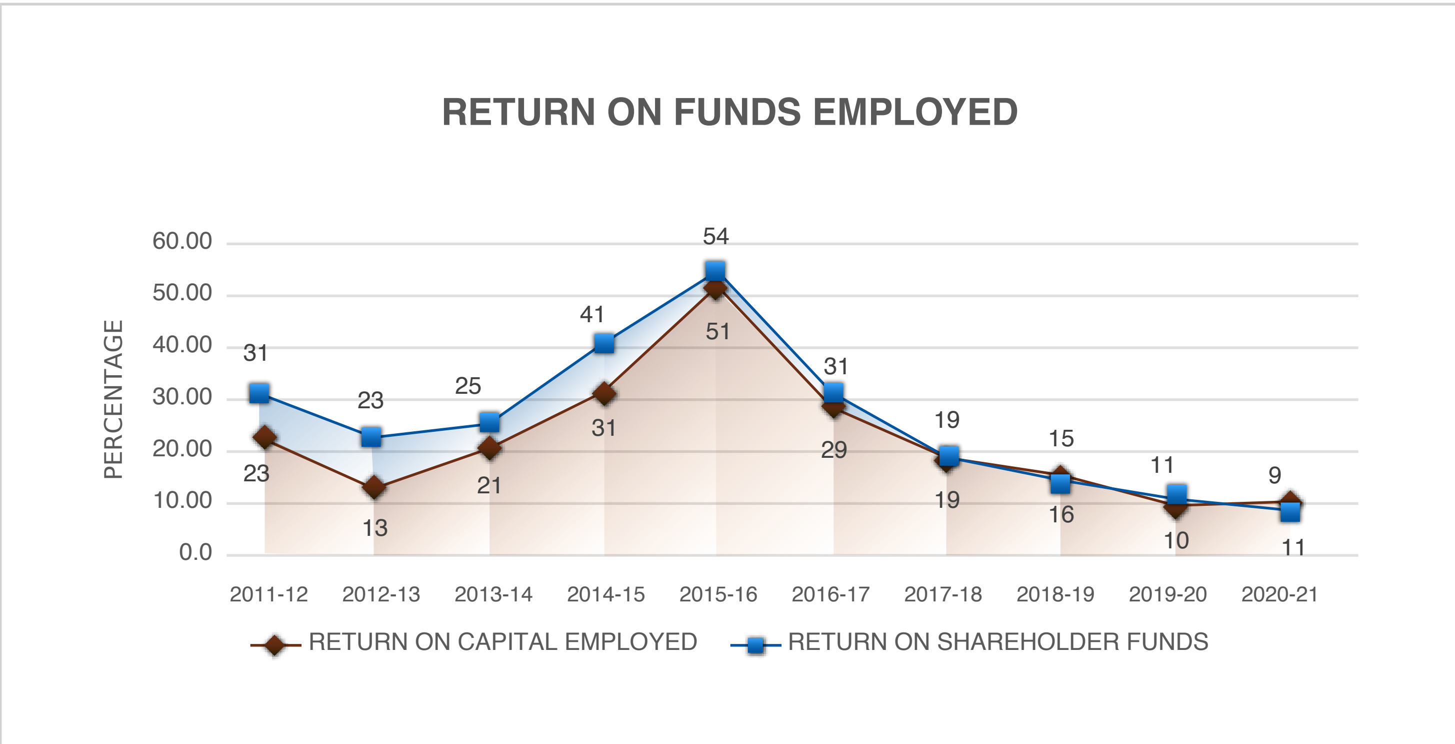

REVENUES
3000.0
2500.0
2000.0
1500.0
1000.0
500.0
0.0
₹ in Cr
1,349.74
1,465.75
1,590.96
1,799.17
1,947.75
1,970.23
2,167.62
2,393.18
2,061.72
1,881.14
2011-12
2012-13
2013-14
2014-15
2015-16
2016-17
2017-18
2018-19
2019-20
2020-21
NET SALES AND OTHER INCOME


PROFITABILITY
350.0
300.0
250.0
200.0
150.0
100.0
50.0
0.0
₹ in Cr
55
40
47
36
56
47
140
104
287
197
217
155
169
118
153
103
90
84
96
73
2011-12
2012-13
2013-14
2014-15
2015-16
2016-17
2017-18
2018-19
2019-20
2020-21
PROFIT AFTER TAX (PAT)
PROFIT BEFORE TAX (PBT)


OPERATING MARGINS
PERCENTAGE
18.00%
16.00%
14.00%
12.00%
10.00%
8.00%
6.00%
4.00%
2.00%
0.00%
9.00
7.50
6.00
4.30
7.80
6.30
11.50
9.30
16.90
14.68
14.53
11.67
11.81
8.61
10.91
7.43
10.45
5.68
11.90
6.51
2011-12
2012-13
2013-14
2014-15
2015-16
2016-17
2017-18
2018-19
2019-20
2020-21
PBDIT TO NET SALES (%)
PBIT TO NET SALES (%)


FUNDS EMPLOYED
₹ in Crs
1400.0
1200.0
1000.0
800.0
600.0
400.0
200.0
0.0
495.00
142.00
426.00
171.00
529.00
204.00
528.00
308.00
658.63
418.30
1,001.93
574.98
1,090.61
654.26
1295.73
743.15
1219.70
761.99
1,155.36
840.60
2011-12
2012-13
2013-14
2014-15
2015-16
2016-17
2017-18
2018-19
2019-20
2020-21
NET WORTH
TOTAL CAPITAL EMPLOYED


DPS & EPS (in ₹)
Rupees
300.0
250.0
200.0
150.0
100.0
50.00
0.00
257.21
202.86
153.60
134.74
110.26
95.03
135.55
61.97
51.92
46.59
15.70
8.77
18.72
40.68
72.21
61.02
48.22
48.22
72.44
30.00
2011-12
2012-13
2013-14
2014-15
2015-16
2016-17
2017-18
2018-19
2019-20
2020-21
DIVIDEND PER SHARE
EARNINGS PER SHARE


RETURN ON FUNDS EMPLOYED
PERCENTAGE
60.00
50.00
40.00
30.00
20.00
10.00
0.0
54
51
41
31
31
23
23
13
25
21
31
29
19
19
15
16
11
10
9
11
2011-12
2012-13
2013-14
2014-15
2015-16
2016-17
2017-18
2018-19
2019-20
2020-21
RETURN ON CAPITAL EMPLOYED
RETURN ON SHAREHOLDER FUNDS

TEN YEAR PERFORMANCE AT A GLANCE

Rupees in Crores

	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
A. OPERATING RESULTS	NET INCOME (EXCLUDING ED AND DISCOUNTS) &&	1,349.74	1,465.75	1,590.96	1,799.17	1,947.75	1,970.23	2,167.62	2,393.18	2,061.72	1,881.14
	PROFIT BEFORE DEPN. INT. & TAX	126.89	128.67	123.83	209.34	345.06	292.51	267.16	270.63	223.36	228.60
	PROFIT BEFORE INT. & TAX	106.10	104.45	100.16	169.46	302.74	236.84	198.95	187.80	125.70	127.46
	PROFIT BEFORE TAX (PBT)	54.75	47.27	55.92	139.57	286.99	216.71	169.25	153.30	89.77	96.46
	PROFIT AFTER TAX (PAT)	39.75	35.68	47.45	103.79	196.95	155.33	117.61	103.17	84.42	72.76
	DIVIDENDS $	10.34	5.74	12.25	25.88	45.94	38.82	30.63	30.63	46.03	22.97
	DIVIDEND TAX $	1.68	0.98	2.08	5.27	9.35	7.90	6.30	6.30	9.44	-
	PROFIT AFTER DIVIDEND	27.73	28.96	33.12	72.64	141.66	108.61	80.68	66.24	28.95	49.79

$ to be approved by shareholders in AGM

B. FINANCIAL STATUS	GROSS FIXED ASSETS	293.00	303.00	370.00	446.00	580.59	782.60	939.66	1,046.73	1,145.15	1,223.31
	NET FIXED ASSETS	199.00	216.00	250.00	283.00	403.10	568.66	621.24	656.07	694.83	689.46
	INVESTMENTS	20.00	19.00	19.00	32.00	87.28	89.42	110.57	150.33	153.08	162.90
	NET CURRENT ASSETS	276.30	190.60	260.00	186.80	86.23	260.28	274.26	404.99	371.79	302.99
	SHARE CAPITAL	7.66	7.66	7.66	7.66	7.66	7.66	7.66	7.66	7.66	7.66
	RESERVES AND SURPLUS	134.00	163.00	196.00	300.00	410.64	567.32	646.60	735.49	754.33	832.94
	NET WORTH	142.00	171.00	204.00	308.00	418.30	574.98	654.26	743.15	761.99	840.60
	LOAN FUNDS	340.00	233.00	304.00	204.00	130.71	306.60	308.47	412.69	336.27	198.40
	DEFERRED TAX LIABILITY (NET)	13.00	23.00	22.00	15.00	27.60	36.78	43.35	55.54	32.99	29.61
	TOTAL CAPITAL EMPLOYED @	495.00	426.00	529.00	528.00	658.63	1,001.93	1,090.61	1,295.73	1,219.70	1,155.36

C. KEY RATIOS	PBDIT TO NET SALES (%) *	9.00	6.00	7.80	11.50	16.90	14.53	11.81	10.91	10.45	11.90
	PBIT TO NET SALES (%) *	7.50	4.30	6.30	9.30	14.68	11.67	8.61	7.43	5.68	6.51
	PBT TO NET SALES (%) *	3.60	0.20	3.50	7.60	13.86	10.63	7.21	5.97	3.92	4.86
	PBIT TO AV. CAPITAL EMPLOYED (%) *	22.90	13.20	20.70	31.40	51.41	28.53	19.01	15.74	9.99	10.73
	RETURN ON AVERAGE NET WORTH (%)	31.13	22.86	25.36	40.57	54.24	31.28	19.13	14.77	11.22	9.08
	EARNINGS PER SHARE (Rs.)	51.92	46.59	61.97	135.55	257.21	202.86	153.60	134.74	110.26	95.03
	DIVIDEND PER SHARE (Rs.) # $	15.70	8.77	18.72	40.68	72.21	61.02	48.22	48.22	72.44	30.00
	DIVIDEND PAY OUT (%) # $	30.22	18.83	30.21	30.01	28.07	30.08	31.40	35.79	65.71	31.57
	BOOK VALUE PER SHARE (Rs.)	184.90	222.72	265.96	402.22	546.29	750.92	854.46	970.55	995.15	1,097.81
	DEBT EQUITY RATIO (NO. OF TIMES)	2.40	1.37	1.49	0.66	0.31	0.53	0.47	0.56	0.44	0.24

*Excluding other income
# Including dividend tax
$ to be Approved by Shareholders in AGM
&& Figures from 2011-12 have been regrouped/reclassified in accordance with IND AS Disclosures
Previous years figures have been regrouped to conform to the Current year's classification.
@ Reclassified

BOARD'S REPORT

Dear Members,

The Board of Directors submit the report of the business and operations of your Company (hereinafter referred as "Company" or "TVS Srichakra") along with the audited financial statements, for the financial year ended March 31, 2021. The consolidated performance of the Company and its subsidiaries has been referred to, wherever required.

RESULTS OF OUR OPERATIONS AND STATE OF AFFAIRS

₹ in Crores

Particulars	Standalone		Consolidated	
	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2021	Year ended 31st March 2020
Sales & Other Income	**1,881.14**	2,061.72	**1,944.42**	2,113.93
Profit before finance cost and depreciation	**228.83**	223.36	**233.86**	225.48
Less: Finance Cost	**31.00**	35.93	**32.05**	37.88
Depreciation	**101.14**	97.66	**103.81**	100.17
Profit after finance cost and depreciation	**96.69**	89.77	**98.00**	87.43
Less: Exception items	**0.23**	-	**0.23**	-
Profit before taxation	**96.46**	89.77	**97.77**	87.43
Less: Provision for				
Income tax	**30.29**	27.75	**30.66**	27.63
Deferred tax	**(6.59)**	(22.40)	**(6.71)**	(22.47)
Profit after tax	**72.76**	84.42	**73.82**	82.27
Profit/ (Loss) attributable to the Non-Controlling Interest	**-**	-	**(0.10)**	(0.07)
Profit/ (Loss) attributable to the owners	**-**	-	**73.92**	82.34
Surplus brought forward from Previous Year	**686.91**	668.07	**667.29**	650.61
Re-measurement of post-employment benefit obligation (net of tax)	**3.81**	(0.46)	**3.83**	(0.54)
Dividend paid	**-**	(46.01)	**-**	(46.01)
Dividend Tax paid	**-**	(9.46)	**-**	(9.46)
Impact of IND AS 116 - Lease Rentals	**-**	(9.65)	**-**	(9.65)
Balance carried to Balance Sheet	**763.48**	686.91	**745.04**	667.29

During the year under review, your Company's focus was on developing the aftermarket and increasing market share, consolidating and increasing its presence with OEMs - particularly in the premium segments and building its presence in the export markets. With this in mind, numerous branding activities were initiated in all major markets. Your Company also showcased its Research & Development capabilities with OEMs and other customer segments, in order to expand the range and reach towards fulfilment of its objectives.

Your Company has successfully designed, developed, produced, and tested tyres for vehicles used in competitive racing. Your Company continues to stress the importance of application of contemporary technology in its new product development program.

Various modernization initiatives were initiated and are being implemented in the Company's manufacturing facilities, targeted at enhancing agility and flexibility, to meet dynamic and evolving market requirements.

Towards the end of the year, your Company, like others, was impacted by the onset and brisk spread of COVID 19 pandemic. Timely efforts taken by the Company, backed by consistent and continuous review of the various metrics and measures announced by the Government, helped the Company to tide over the situation as best as possible and restart the operations in a safe mode and in a phased manner.

Standalone Performance

During the year under review, on standalone basis, your Company recorded a net revenue from operations of ₹1875.83 crores, a decrease of 8.60% over last year. The Company achieved a net profit of ₹72.76 crores during the current year, representing a decrease of 13.81% compared to last year.

CONSOLIDATED PERFORMANCE

On a consolidated basis, your Company registered a turnover of ₹1939.21 crores, a decrease of 7.82%. The Company's consolidated net profit stood at ₹73.82 crores as against the previous year's net profit of ₹82.27 crores, a reduction of 10.27%.

TURNOVER OF

₹1939.21 CR

Highlights of performance of subsidiaries and their contribution to the overall performance of the Company

TVS Srichakra Investments Limited (TSIL), a wholly owned subsidiary of your Company recorded a net loss of ₹0.87 crores (previous year net loss of ₹1.35 crores). Interest on Optionally Convertible Debentures (OCDs) was waived during the year ended 31st March, 2021.

TVS Sensing Solutions Private Limited (TSSPL), a wholly owned subsidiary of TSIL recorded a net operational turnover of ₹63.05 crores during the year under review, showing an increase of ₹11.37 crores compared to the previous year. TSSPL recorded a EBITDA of ₹6.67 crores as against ₹3.53 crores for the previous year.

Fiber Optic Sensing Solutions Private Limited (FOSSPL), a subsidiary of TSSPL recorded a net operational turnover of ₹0.59 crore.

FOSSPL also made an EBIDTA of ₹(0.97) crore during the first year of its operations and its accounts have been consolidated with that of TVS Srichakra Limited.

Subsidiary/Associate companies

The audited accounts of the following subsidiary companies have been consolidated with the Company as on 31st March, 2021.

TVS Srichakra Investments Limited (TSIL)	TVS Sensing Solutions Private Limited (TSSPL) (formerly known as ZF Electronics TVS (India) Private Limited) - subsidiary of TSIL	Fiber Optic Sensing Solutions Private Limited - subsidiary of TSSPL

Your Company had invested ₹44.59 crore by subscribing to 4,45,900 Optionally Convertible Debentures (OCDs) of ₹1000 each in TVS Srichakra Investments Limited (the wholly owned subsidiary) in the year 2016. As per the terms and conditions of the issue, the OCDs along with interest accrued, were converted into 40,42,092 equity shares, during the year.

The consolidated financial statements of the Company for the year ended 31st March 2021 are prepared in compliance with the applicable provisions of the Companies Act, 2013 (Act) Indian Accounting Standards and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). The audited consolidated financial statements along with all relevant documents and the Auditor's Report thereon form part of Annual Report and may be accessed on the Company's website www.tvseurogrip.com.

Pursuant to Section 129(3) of the Act, a statement containing salient features of the financial statement of the subsidiaries in the prescribed Form AOC-1 is attached as Annexure 1.The Financial Statements of the subsidiary companies are available for inspection by the Members at the Registered Office of the Company pursuant to the provisions of Section 136 of the Act. The Company shall provide free of cost, a copy of the financial statement of its subsidiary companies to the Members upon their request. The financial statements of the subsidiary companies are also available on the website of the Company at www.tvseurogrip.com.

AWARDS & RECOGNITION

Your Company was certified for Occupational Health & Safety Standard ISO 45001. This is in addition to the Certification of Quality (IATF 16949) & Environmental (ISO 14001) Management Standards.

GLOBAL HEALTH PANDEMIC FROM COVID-19

In fiscal 2020, when the COVID-19 pandemic first broke, the Company reacted immediately to provide support to all its stakeholders including workforce, clients and the community, at large.

The health and safety of the employees and workers became a priority and bearing that in mind, your Company had temporarily suspended operations at its plants and other locations, as per the directives of the Government.

The nation-wide lock down which followed, affected the business operations and performance, globally.

India is now experiencing a massive second wave of a more severe Covid-19 infection.

At TVS Srichakra, even amidst an unprecedented global crisis, we continue to balance success as a business with exemplary governance and responsiveness to the needs of all our stakeholders. Your Company has periodically assessed the impact of COVID-19 on business performance and disclosed to the extent possible, the impact in its quarterly results, in line with the directions of SEBI.

Dividend

The Company has a robust track record of rewarding its shareholders with a generous dividend pay-out. For the Financial Year 2020-21, the Board has recommended a final dividend of ₹30/- (300%) per equity share.

The Dividend recommendation is in accordance with the Dividend Distribution Policy of the Company, and available at the Investors Section of the Company's website at https://www.tvseurogrip.com/wp-content/uploads/2019/11/DIVIDEND-DISTRIBUTION-POLICY.pdf

The final dividend which will result in a total pay out of ₹22.97 crores, if approved at the ensuing Annual General meeting, shall be paid to the eligible members within the prescribed timelines.

Transfer to Reserves

The Company does not propose to transfer any amount to general reserve in respect of financial year 2020-21.

Deposits

The Company has neither accepted nor renewed any deposits in terms of Chapter V of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 during the Financial Year 2020-21.

Related Party Transactions

The Policy on Related Party Transactions has been uploaded on the website of the Company at https://www.tvseurogrip.com/wp-content/uploads/2019/11/Related-Part-Transactions-Policy.pdf

During the Financial Year ended March 31, 2021, all transactions with the Related Parties as defined under the Companies Act, 2013 read with Rules framed thereunder were in the 'ordinary course of business' and 'at arm's length' basis.

During the year under review, there has been no materially significant Related Party Transactions having potential conflict with the interest of the Company. Details of the transactions with Related Parties, if any, as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure 2 in Form AOC-2 and forms part of this Report.

Further, your Company does not have a 'Material Subsidiary' as defined under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Particulars of Loans, Guarantees or Investments

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in the Annual Report.

Risk Management

The risk in the current business environment is changing rapidly as well as dynamically, including the dimensions of cyber security, information security, business continuity, data privacy and large deal execution. Your Company has deployed a robust risk management framework, which helps to proactively identify, prioritize, and mitigate risks.

Material changes and commitments affecting the financial position between the end of the financial year and the date of the report.

No material changes and commitments have occurred between the end of the financial year and the date of this Report which affect the financial position of the Company in respect of the reporting year.

BUSINESS ACTIVITIES

Overall, the Industrial Relations in all our manufacturing units have been harmonious and cordial. Both production and productivity were maintained at desired and satisfactory levels throughout the year in all plants.

Capital Expenditure	During the year under review, the Capital Expenditure for FY 2020-21 was ₹78.19 Crores.
Finance	Your Company has a robust working capital management process that facilitates continuous monitoring and control over receivables, payables, and other parameters. Cash and cash equivalent as of 31st March, 2021 was ₹2.97 Crores. Your Company has listed its Commercial Paper for ₹200 crores in BSE Ltd in July 2020 and repaid & redeemed the same in September 2020.
Change in nature of business	There has been no change in the nature of business of the Company during the year under review.
Share capital	There is no change in the capital structure of the Company and the paid-up capital of the Company is ₹7,65,70,500 comprising of 76,57,050 equity shares of ₹10 each fully paid up.
Issue of equity shares with differential rights	The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.

TVS Srichakra promotes a collaborative, transparent and participative organization culture, duly rewarding merit and sustained high performance.

Particulars of Employees and Related Disclosures

In terms of the first proviso to Section 136 of the Act, these Reports and Accounts are being sent to the shareholders excluding the information required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any shareholder interested in obtaining the same may write to the Company Secretary.

The said information is available for inspection by the Members at the Registered Office of the Company on any working day of the Company up to the date of the 38th Annual General Meeting. The statement containing information as required under the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure-3 and forms part of this Report.

Prevention of sexual harassment at workplace

TVS Srichakra is known for providing a safe and secure environment to its women employees across its functions and other women stakeholders, as women are considered as an integral and important part of the organization. In terms of provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, your Company has duly adopted a Policy and has also constituted an Internal Complaints Committee (ICC) to consider and resolve sexual harassment complaints reported by women.

The ICC has worked extensively on creating awareness through campaigns across all its manufacturing units, warehouses and office premises to encourage its employees to be more responsible and alert while discharging their duties. During the year, there was no complaint of sexual harassment received by the ICC.

Issue of sweat equity shares and Employee stock options

The Company has not issued shares to the employees of the Company under any scheme (sweat equity or stock options).

CORPORATE GOVERNANCE

Our corporate governance practices are reflective of the culture of the organization grown over the years to deliver optimum shareholder value legally and ethically. The Company adheres to Corporate Governance requirements set out by the Securities and Exchange Board of India (SEBI), in letter and spirit. Our *Corporate governance report* for fiscal 2021 forms part of this Annual report.

Board diversity

The Company embraces the importance of a diverse Board in its success. The details on Board diversity are available in the *Corporate governance report* that forms part of the Annual Report.

Meetings of the Board

An annual calendar of Board and Committee Meetings for the fiscal 2021 was circulated in advance to the Directors. The Board of Directors met 9 (nine) times during the year ended 31st March, 2021. The details of the Board Meetings and the attendance of the Directors are provided in the *Corporate Governance Report*, forming part of this Report.

Remuneration Policy

The details of Board and Committee composition, tenure of directors, areas of expertise and other details are available in the Corporate Governance Report that forms part of the Annual Report. On the recommendation of the Nomination and Remuneration Committee (NRC), the Board has adopted and framed a policy on Director's appointment and remuneration, including remuneration for Senior Management, covering Key Managerial Personnel and other employees, in line with the provisions of Companies Act, 2013 and SEBI (LODR) Regulations which is available on our website at https://www.tvseurogrip.com/wp-content/uploads/2020/05/Remuneration-Policy.pdf

We affirm that the remuneration paid to Executive/ Independent Directors is in line with the above policy and Non-Executive Directors are compensated by way of profit-sharing commission and sitting fees for attending the Board/Committee Meetings.

Declaration by Independent Directors

The Company has received necessary declaration from independent directors under Section 149 (7) of the Companies Act, 2013 and SEBI (LODR) Regulations (including statutory reenactment(s) thereof for the time being in force) that they meet the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013 and SEBI (LODR) regulations.

Board Evaluation

As per the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, the evaluation process for the performance of the Board, its Committees and Individual Directors was carried out internally. The evaluation process *inter alia* comprises of parameters like attendance of Directors at Board, Committee Meetings and Annual General Meeting, effective participation, domain knowledge etc. The performance evaluation of the Chairman and Non-Independent Directors was carried out by Independent Directors. The evaluation parameters and the process have been explained in the Corporate Governance Report.

Familiarization Programme for Independent Directors

All new Independent Directors inducted into the Board are oriented through periodic presentations on business strategy and updates on the performance of the Company. This apart, various programmes are organized to familiarize Independent Directors with the Company, their responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters. The details of the familiarization programme are provided in the Corporate Governance Report.

Re-appointment

During the year under review, shareholders, vide postal ballot (through e-voting) dated 20th July, 2020, approved the re-appointment of Mr. R Naresh, Managing Director (designated as Executive Vice Chairman) of the Company for a period of three (3) years with effect from 16th June, 2020 and Ms. Shobhana Ramachandhran, as Managing Director of the Company for a period of five (5) years with effect from 25th August, 2020.

DIRECTORS AND KMP

Inductions

Ms. S V Mathangi (DIN:02596421), was appointed to the Board as an Independent Director effective 1st April 2020 for a period of 3 (three) consecutive years, duly approved by the members through postal ballot. In the opinion of the Board, she brings valuable experience, expertise, integrity and proficiency. She has passed the online proficiency self-assessment test conducted by the Institute notified under sub-section (1) of Section 150.

Mr. S. Ravichandran (DIN:01485845) and Mr. P. Srinivasavaradhan (DIN:08701214) were appointed as Non-Executive Non-Independent Directors of the Company duly approved by the members of the Company at its Annual General Meeting held on 16th September, 2020.

Director liable to retire by rotation

As per the provisions of the Companies Act, 2013, Mr S Ravichandran, (DIN:01485845), Director of the Company, whose office is liable to retirement at the ensuing AGM, being eligible, seeks reappointment. Based on performance evaluation and the recommendation of the Nomination and Remuneration Committee, the Board recommends his reappointment. The notice convening the 38th Annual General Meeting sets out the details.

Cessation

Mr. P. Vijayaraghavan, Non-Executive Non Independent Director of the Company, ceased to be the Director of the Company with effect from 8th July, 2020 owing to his sudden demise. The Directors place on record their deep appreciation for the invaluable contribution and guidance received during his tenure as a Director on the Board and as Member of various Committees of the Board. During the year under review, there were no changes in the positions of Key Managerial Personnel other than the disclosure made under Reappointment of Directors.

Vigil Mechanism

Over the years, your Company has established a reputation of doing business with integrity and displays zero tolerance towards any form of unethical behaviour. "Whistle Blower Policy" (WBP) is the vigilance mechanism instituted by the Company to report concerns about unethical behaviour in compliance with the requirements of the "the Act" and "SEBI LODR" and provides adequate safeguard against victimization of persons who use such mechanism. The whistle-blower policy is put on the Company's website and can be accessed at: https://www.tvseurogrip.com/wp-content/uploads/2020/02/WHISTLE-BLOWER-POLICY.pdf

No instances were reported under this mechanism and details about this policy are available in the *Corporate Governance Report*.

COMMITTEES OF BOARD

Audit Committee

The Audit Committee comprises of 4 (four) members. The Chairman of the Committee is an Independent Director. The Committee met 8 (eight) times during the year. The Committee comprises of Mr M S Viraraghavan as Chairman, Mr H Janardana Iyer, Mr Rasesh R Doshi and Mr. S. Ravichandran as members. The Company also constituted certain Committees of Directors as per the mandatory requirements of SEBI (LODR) Regulations, details of which are disclosed in the Corporate Governance Report. During the year, all recommendations made by Committees were approved by the Board.

Managerial Remuneration

Neither the Managing Director nor the Managing Director designated as Executive Vice Chairman of the Company receive any remuneration or commission from any of its subsidiaries.

Internal Financial Controls and its adequacy

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. These controls include well documented procedures, covering financial and operational functions. These controls are assessed on a regular basis by Internal Audit for its adequacy.

Significant and Material Orders

No significant or material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future. There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016. There was no instance of onetime settlement with any Bank or Financial Institution.

Reporting of Frauds by Auditors

During the year under review, none of the Statutory Auditors, Internal Auditor, Cost Auditor and Secretarial Auditor have reported to the Audit Committee, under Section 143 (12) of the Act, any instances of fraud committed against the Company by its officers or employees.

Annual Return

In accordance with the Act, the annual return in the prescribed format is available at www.tvseurogrip.com.

Secretarial Standards

The Company complies with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Listing on stock exchanges

The Company's shares are listed on BSE Limited and the National Stock Exchange Limited. The Company has paid listing fees for the Financial Year 2020-21 to the stock exchanges, where its equity shares are listed.

Investor Education and Protection Fund (IEPF)

During the year, the Company has transferred the unclaimed and un-encashed dividends of ₹13,51,515/-. Further 7,427 shares on which dividends were unclaimed for seven consecutive years were transferred as per the requirements of the IEPF Rules. The details of such shares are uploaded on IEPF website and are also available on our website at www.tvseurogrip.com

Directors' Responsibility Statement

In terms of Section 134(5) of the Act, your Directors to the best of their knowledge and belief, state that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any.
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors had prepared the annual accounts on a going concern basis.
- The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effecitvely, and
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Audit Reports and Auditors

The Auditors' Report for fiscal 2021 does not contain any qualification, reservation or adverse remark. The Report is enclosed with the financial statements in this Annual Report.

The Secretarial Auditors' Report for fiscal 2021 does not contain any qualification, reservation or adverse remark. The Secretarial Auditors' Report is enclosed as **Annexure 4** to the Board's report.

The Auditor's certificate confirming compliance with conditions of corporate governance as stipulated under SEBI (LODR) Regulations, for fiscal 2021 is attached to the report on Corporate Governance.

Auditors

Statutory Auditors

Under Section 139 of the Act, and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the provisions of the Companies Act, 2013. In line with the requirements of the Companies Act, 2013, M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants, (Firm Registration No. 003990S/S200018) was appointed as the statutory auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of the 34th AGM until the conclusion of 39th AGM of the Company. The requirement for annual ratification of auditors' appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on 7th May, 2018.

During the year, the statutory auditors have confirmed that they satisfy the independence criteria required under the Companies Act, 2013.

Cost Auditors

In terms of Section 148 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, cost records are made and maintained by the Company as specified by the Central Government under sub-section (1) of Section 148 of the Act.

Dr I Ashok, Practicing Cost Accountant, is appointed as Cost Auditor of the Company for Fiscal 2022 by the Board, based on the recommendation of the Audit Committee, as required under Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time. A resolution seeking Members' ratification for the remuneration payable to the Cost Auditor forms part of item 4 of the Notice of 38th AGM and the same is recommended for your consideration and ratification.

A Certificate from Dr. I Ashok, Cost Accountant, has been received to the effect that his appointment as Cost Auditor of the Company, if made, would be in accordance with the limits specified under Section 141 of the Act and Rules framed thereunder.

Secretarial Auditors

Mr N Balachandran, Practicing Company Secretary, is appointed as Secretarial auditor of the Company for fiscal 2021, as required under Section 204 of the Companies Act, 2013 and Rules thereunder.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility (CSR) initiatives of the Company are aimed at inclusive development of the community at large, through a range of social interventions, enhancing skills and building social infrastructure to improve the livelihood of the beneficiaries. The CSR Committee constituted in accordance with Section 135 of the Companies Act, 2013 has developed and implemented the Corporate Social Responsibility policy. The CSR Committee comprises of Ms. Shobhana Ramachandhran, Mr V. Ramakrishnan and Mr. Rasesh R Doshi. The Committee, inter alia, monitors the CSR activities.

The Company's CSR policy is available on our website, at
https://www.tvseurogrip.com/wp-content/uploads/2021/04/CSR-POLICY.pdf

The Annual Report on our CSR Activities is appended as Annexure 5 to the Board's report. The Company undertakes CSR initiatives in compliance with Schedule VII to the Act.

During the fiscal 2021, the Company spent the entire budgeted CSR spend of ₹2.75 crores. The highlights of the initiatives undertaken by the Company form part of this report.

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

The particulars as prescribed under Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are enclosed as Annexure 6 to the Board's report.

Business Responsibility Report (BRR)

The SEBI (LODR) Regulations mandate the inclusion of the BRR as part of the Annual Report of top 1,000 listed entities based on market capitalization. In compliance with the said Regulations, we have integrated BRR disclosures into our Annual Report.

Management Discussion and Analysis Report

Management Discussion and Analysis of financial conditions and results of operations of the Company is provided in the Management Discussion and Analysis Report which forms part of the Annual Report.

Acknowledgement

We thank our clients, vendors, investors, bankers, employees for their continued support during the year. We place on record our deep appreciation for the contribution made by our employees at all levels in an unprecedented challenging year. We owe our success to their dedicated hard work, perseverance, loyalty, and commitment to the organization.

We thank the governments across all states where we have our operations. We thank the Government of India and its Ministries, the Central Board of Direct Taxes, the Central Board of Indirect Taxes and Customs, GST authorities, the Reserve Bank of India, Securities and Exchange Board of India and other Government agencies for their support and look forward to their continued support in the future.

For and on behalf of the Board

R NARESH	**SHOBHANA RAMACHANDHRAN**
EXECUTIVE VICE CHAIRMAN	MANAGING DIRECTOR
(DIN: 00273609)	(DIN: 00273837)

Madurai
June 15, 2021

ANNEXURES TO BOARD'S REPORT

ANNEXURE 1 TO BOARD'S REPORT

FORM AOC 1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries / associate companies / joint ventures

Part A: Subsidiaries
(information in respect of each subsidiary to be presented with amounts in ₹)

₹ in Crores

Sl. No	1	2	3
Name of the Subsidiary	**TVS Srichakra Investments Limited**	**TVS Sensing Solutions Private Limited (Formerly known as "ZF Electronics TVS India Pvt Ltd")**	**Fiber Optic Sensing Solutions Private Limited**
The date since when subsidiary was acquired	05.02.2010	04.06.2018	08.08.2019
Reporting period for the subsidiary concerned, if different from Holding Company's reporting period	NA	NA	NA
Reporting currency and exchange rate as on the last date of relevant financial year in case of Foreign subsidiaries	NA	NA	NA
Share Capital	6.64	1.78	0.01
Reserves and Surplus	43.48	20.98	(1.67)
Total Assets	50.80	45.50	1.56
Total Liabilities	0.68	22.74	3.22
Investments	25.35	2.01	-
Turnover	0.29	63.81	0.59
Profit before Taxation	(0.87)	3.38	(1.31)
Provision for Taxation	-	0.57	(0.33)
Profit after Taxation	(0.87)	2.81	(0.98)
Proposed Dividend	-	-	-
Extent of Shareholding (in percentage)	100%	100%	90%

Notes:
1. Names of subsidiaries which are yet to commence operations : Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year : Not Applicable
3. Part B of the Annexure is not applicable as there are no Associate Companies/Joint ventures of the Company as on 31st March, 2021
4. TVS Sensing Solutions Private Limited is subsidiary of TVS Srichakra Investments Limited
5. Fiber Optic Sensing Solutions Private Limited is subsidiary of TVS Sensing Solutions Private Limited

SHOBHANA RAMACHANDHRAN
Managing Director
DIN: 00273837

Place: Madurai
Date: June 15, 2021

B RAJAGOPALAN
Chief Financial Officer

Place: Chennai
Date: June 15, 2021

R NARESH
Executive Vice Chairman
DIN: 00273609

P SRINIVASAN
Secretary
Membership No. A10129

Place: Madurai
Date: June 15, 2021

As per our report attached
PKF SRIDHAR & SANTHANAM LLP
Chartered Accountants
Firm Registration No. 003990S/S200018

T V BALASUBRAMANIAM
Partner
M. No. 027251

Place: Chennai
Date: June 15, 2021

ANNEXURE 2 TO BOARD'S REPORT

FORM NO. AOC-2

(Pursuant to clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis.

   All transactions entered into by the Company during the year with related parties were on an arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis.

   The transactions entered into by the Company during the year with related parties on an arm's length basis were not material in nature.

SHOBHANA RAMACHANDHRAN
Managing Director
DIN: 00273837

R NARESH
Executive Vice Chairman
DIN: 00273609

B RAJAGOPALAN
Chief Financial Officer

P SRINIVASAN
Secretary
Membership No. A10129

ANNEXURE 3 TO BOARD'S REPORT

Disclosure pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) & (ii)
The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sl. No	Name of the Directors / Key Managerial Personnel	Ratio to Median Remuneration (times)	Percentage Increase / (Decrease) in Remuneration
1	Mr. R Naresh Executive Vice Chairman	71.62	(12.65)
2	Ms. Shobhana Ramachandhran Managing Director	77.58	12.35
3	Mr. M S Viraraghavan	3.01	28.79
4	Mr. P Vijayaraghavan (Demised on 8.7.2020)	0.86	20.04
5	Mr. H Janardana Iyer	3.05	33.33
6	Mr. V Ramakrishnan	1.98	24.44
7	Mr. Rasesh R Doshi	3.03	26.67
8	Dr. V Anantha Nageswaran	1.95	26.44
9	Ms. S. V. Mathangi (Appointed w.e.f 1.4.2020)	1.97	NA
10	Mr. S. Ravichandran (Appointed w.e.f 13.8.2020)	1.88	NA
11	Mr. P. Srinivasavaradhan (Appointed w.e.f 13.8.2020)	1.37	NA
12	Mr. P Srinivasan Company Secretary	NA	0.66
13	Mr. B. Rajagopalan Chief Financial Officer	NA	(12.97)

iii) The percentage increase in the median remuneration of employees in the financial year - 9.99%

iv) The number of permanent employees on the rolls of Company - 2740

v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
The average increase in salaries of employees other than managerial personnel in 2020-21 was 4.67%. Percentage increase in the managerial remuneration for the year was - 8.05%.

vi) Affirmation that the remuneration is as per the remuneration policy of the Company:
It is affirmed that the remuneration is as per the remuneration policy of the Company.

ANNEXURE 4 TO BOARD'S REPORT

N. Balachandran B.Com., A.C.S.,
Company Secretary in Practice

C/2 Yamuna flats, 16th street,
Nanganallur, Chennai - 600061
Phone no.: 22670412
Cell: 9444376560

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
TVS SRICHAKRA LIMITED
CIN: L25111TN1982PLC009414
TVS Building,
No 7B, West Veli Street,
Madurai - 625001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by TVS SRICHAKRA LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the year under audit covering the financial year ended on 31.03.2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2021 according to the provisions of:

(I) The Companies Act, 2013 (the Act) and the rules made there under;

(II) The Securities Contracts (Regulation) Act,1956 ('SCRA') and the rules made there under;

(III) The Depositories Act, 1996 and the Regulations and By-Laws framed there under;

(IV) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowings;

(V) The Following Regulation and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act'):-

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

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

c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(VI) Other laws specifically applicable to the Company

a. Public Liability Insurance Act, 1991,

b. Hazardous Wastes (Management and Handling) Rules, 1989 and amendment Rules 2003,

c. Energy Conservation Act, 2001,

d. Consumer Protection Act, 1986,

e. Legal Metrology Act, 2009,

f. Trade Marks Act, 1999,

g. Patents Act, 1970,

h. Designs Act, 2000,

i. Indian Boilers Act, 1923

j. Special Economic Zones Regulations

I have also examined compliance with the applicable clauses of the following:

(I) The Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India as notified by the Ministry of Corporate Affairs, effective form 1st day of July 2015, in respect of the Board Meetings and the previous Annual General Meeting for which notices have been issued after the said date;

(II) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited pursuant to the Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR)]

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

I further report that adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

I further report that there are adequate systems and processes in the Company commensurate with size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the year under audit, there were no instances of :

a. Public/Rights/Preferential issue of shares / Debentures/ sweat equity.

b. Redemption / Buy Back of securities.

c. Merger/ Amalgamations/ reconstruction.

d. Foreign Technical collaborations.

Place: Chennai **Signature: sd/-**
Date: June 14th, 2021 Name of Company Secretary in Practice: **N Balachandran**
ACS No.: A5113 C P No: 3200
UDIN Number: A005113C000455970

Note: This Report is to be read with the letter of even date by the secretarial auditor, which is enclosed with this Report.

ANNEXURE A TO SECRETARIAL AUDIT REPORT OF EVEN DATE

To

The Members
TVS SRICHAKRA LIMITED
CIN: L25111TN1982PLC009414
TVS Building,
No 7B, West Veli Street,
Madurai - 625001.

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to be the future viability of the Company not the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The opinion expressed in the present report is based on the limited information, facts and inputs made available to me through electronic means by the Company Management.
8. I wish to highlight that due to the COVID 19 induced restrictions on physical movement, I could not visit the Company for carrying out the audit process in a fullfledged manner in order to submit conclusive report including but not limited to:
   - Inspection, observation, examination and verification of the original documents/ files/books/registers
   - Examination of the Inspection/visit reports of the statutory officials and their Observations coupled with response of the Company
   - Observations with regard to access controls and data security
   - Physical verification of investments

Place: Chennai
Date: 14/06/2021

Signature: sd/-
Name: **N Balachandran**
Designation: Practising Company Secretary
M. No.: A 5113 CP No.: 3200
UDIN: A005113C000455970

ANNEXURE 5 TO BOARD'S REPORT

Annual Report on CSR Activities to be Included in the Board's Report for Financial Year 2020-21

1. Brief outline on CSR Policy of the Company.

To carry out the CSR programs and activities focused on Education, Intellectual & Skill Development, Health Care & Sanitation, Covid-19 Relief Measures, Women Empowerment, Livelihood Enhancement, Strengthening Village level Organisation, Disaster Management, Ensuring environmental sustainability, Conservation and maintenance of natural resources and Protection of natural heritage, sports, arts and cultures.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Shobhana Ramachandhran	Managing Director	1	1
2	Mr. Rasesh R Doshi	Independent Director	1	1
3	Mr. V. Ramakrishnan	Independent Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company https://www.tvseurogrip.com/wp-content/uploads/2021/04/CSR-POLICY.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) - **Not Applicable**

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

6. Average net profit of the Company as per Section 135(5) - **₹137.50 Crores**

7.

a) Two percent of average net profit of the Company as per Section 135(5) - **₹2.75 Crores**

b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - **NIL**

c) Amount required to be set off for the financial year, if any - **NIL**

d) Total CSR obligation for the Financial Year (7a+7b-7c) - **₹2.75 Crores**

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

Total Amount Spent for the Financial Year. (in ₹Crores)	Amount Unspent (in ₹in Crores)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2.75	NIL	N.A.	N.A.	N.A.	N.A.

(b) Details of CSR amount spent against ongoing projects for the financial year - **NIL**

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

Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes / No)	Location of the project.		Amount spent for the project (in ₹in Crores).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Health Care Project	Sch. VII(i) Promoting Health care	Yes	Madurai, Tamil Nadu		0.50	No	Arogya Welfare Trust	CSR00001641
2.	Intellectual Development	Sch. VII(ii) Promoting Education	Yes	Madurai, Tamil Nadu		0.15	No	Arogya Welfare Trust	
3.	Maintenance of Community infrastructure, Strengthening Village level organization, Livelihood Enhancement, Environmental Development, Protection of National Heritage	Sch. VII(i) Promoting Health care	Yes	Madurai, Tamil Nadu		0.07	No	Arogya Welfare Trust	
4.	PM CARES Fund	Sch. VII(viii) Promoting Health care	--	--		1.00	Direct	--	N.A.
5.	Chief Minister's Public Relief Fund	Sch. VII(i) Promoting Health care	--	--		1.00	Direct	--	N.A.
	Total					**2.72**			

(d) Amount spent in Administrative Overheads ₹0.03 cr

(e) Amount spent on Impact Assessment, if applicable Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) ₹2.75 cr

(g) Excess amount for set off, if any - Nil

Sl. No.	Particular	Amount ₹ In Crores)
(i)	Two percent of average net profit of the Company as per Section 135(5)	2.75
(ii)	Total amount spent for the Financial Year	2.75
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

a) Details of Unspent CSR amount for the preceding three financial years: **NIL**

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

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year - **NIL**

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

R NARESH
EXECUTIVE VICE CHAIRMAN
(DIN: 00273609)

Place: Madurai
Date: June 15, 2021

SHOBHANA RAMACHANDHRAN
CHAIRPERSON CSR COMMITTEE /
MANAGING DIRECTOR
(DIN: 00273837)

ANNEXURE 6 TO BOARD'S REPORT

Conservation of Energy/Technology Absorption/Foreign Exchange Earnings & Outgo

Information pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY:

In spite of the instability caused by the COVID-19 lockdowns, the Company has continued to focus on improvements on all fronts, the following measures have been taken on the energy front

- Power cost of the Madurai and Uttarakhand plants were reduced through energy conservation initiatives and by optimizing the power mix.
- The fuel cost of the Madurai and Uttarakhand plants were reduced through improvement in the key parameter of Specific Fuel Consumption.
- Renewable energy, in the form of wind energy, accounts for almost 50% of our total energy consumption at our Madurai plant.
- The Company has installed a pilot roof top solar plant. Company plan to substantially increase the roof top solar capacity in the FY22.
- The Company also pursues the practice of TQM and LEAN manufacturing principles, in an effort to further conserve materials by reduction in consumption of raw material per unit of finished goods.

B. TECHNOLOGY ABSORPTION:

1. Efforts made towards technology absorption
   a. Developed 25 products for European market for various platforms.
   b. We have filed 22 Provisional patents and 15 Final patents, in the area of Materials, compounds, Tyre technology and manufacturing in total.
   c. Established joint collaboration work with leading Educational University to enhance capability.
2. Benefits derived like product improvement, cost reduction, product development or import substitution
   a. R&D activity initiated by our Company led to launch of 14 new products in standard Cross ply technology.
   b. With our continued focus on OE segment, we received over 12 New Product Approvals from our OE customers.
   c. Upgradation of process equipment to cater to next generation high performance tyre development.
3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable.
4. Expenditure on Research & Development

₹ In Crores

a.	Capital	9.98
b.	Recurring	13.80
c.	Total	23.78
d.	Total R&D expenditure as a percentage of Total Turnover	1.26%

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

₹ In Crores

Exports Earnings	219.85
Outgo	219.39

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MANAGEMENT DISCUSSION & ANALYSIS

Company Profile

TVS Srichakra Limited (hereinafter referred as "the company" or "your company") is one of India's largest manufacturers and exporters of two wheeler, three wheeler and Off-Highway tyres. Domestically, the company is a leading supplier of tyres to Original Equipment Manufacturers (OEM) as well as the replacement market through a network of depots, distributors and retailers. The company also accesses international markets through sales to more than 70 countries world-wide across all the major continents.

The company manufactures tyres in two manufacturing sites - one in Tamil Nadu and the second in Uttarakhand. Products are precision engineered to provide superior performance in different conditions. Product range includes two and three wheeler tyres, industrial pneumatic tyres, farm and implement tyres, floatation and other multi-purpose tyres. The company's tyres are designed to global standards and are sold under the brand name of "TVS Eurogrip".

Global Economy & Outlook

The calendar Year (CY) 2020 was impacted by the outbreak of the COVID-19 pandemic. More than a year into the pandemic, global outlook and prospects are still volatile and uncertain. While vaccines provide a ray of optimism, new deadlier mutations and the rising human toll are a cause of concern. IMF has pegged global growth at 6% in CY 2021 *(source: IMF)*, whereas UN estimates are conservative and predict 5.4% growth in 2021*(source: UN)*. Growth would subsequently moderate between 4.4 to 4.7% during CY 2022. Higher growth during 2021 is attributable to fiscal support announced by governments in large economies. Vaccine enabled recovery is expected during second half of 2021.

According to the UN Department of Economic and Social Affairs, US and China are expected to grow at 6.2% and 8.2% in CY 2021. However, average growth rates in many developing economies are likely to be lower because of the effects of the pandemic. Overall, surging Covid cases and inadequate availability of vaccines on an equitable basis worldwide may impact broad-based recovery.

Indian Economy & Outlook

During FY 2020-21, the focus of the Indian Government was to save lives and livelihoods consequent to the COVID-19 pandemic that ravaged India. The wide spread and comprehensive national lock-down imposed by the Government was implemented during March-April'20 and the pandemic growth curve flattened by late September'20.

A ₹20 trillion package was announced by the Government of India during 2020, to aid economic recovery. A V-shaped recovery in the latter half of the year; calibrated fiscal and monetary support and favorable monetary policy cushioned the vulnerable sectors and sections of society. Overall, the economy contracted by 7.3% during FY 2020-21.

However, the country witnessed record agricultural production, net FPI inflows of USD 9.8 billion and improved GST collection over the year, fueling optimism.

The GDP forecast for FY2021-22 was pegged at 10.5% by the Government *(source: Reuters)*. The onslaught of the second wave of the pandemic has resulted in increasing number of cases and fatalities in most States, resulting in intense localized lockdowns, restricted inter-state and inter district movements, lower sales of automobiles, increased unemployment and subsequent revision of GDP forecast. Most revised estimates peg the GDP to grow between 7.3 - 9.5% *(source: Reuters)*. Discretionary spending is likely to remain subdued during the year.

With the second wave expected to abate soon, the negative effects in the economy may be limited to the first quarter. According to economists, recovery during the rest of the year is dependent on pace of vaccination, growth stimulated by reforms and schemes, pent-up demand and proposed fiscal spending on building assets and infrastructure.

The automobile, ancillary and tyre industries are likely to benefit as the economic growth reaches pre-covid levels.

Global Automobile Industry

Global motor vehicle production declined by 15.4% *(source: knoema)* during CY'20 due to reduced mobility, travel restrictions and overall reduction in economic activity due to COVID-19. Passenger car production had a steeper fall at 16.9% compared to commercial vehicle production drop which was at 11.6%. Electric Vehicles (EV) recorded a growth in sales of 39% during CY'20.

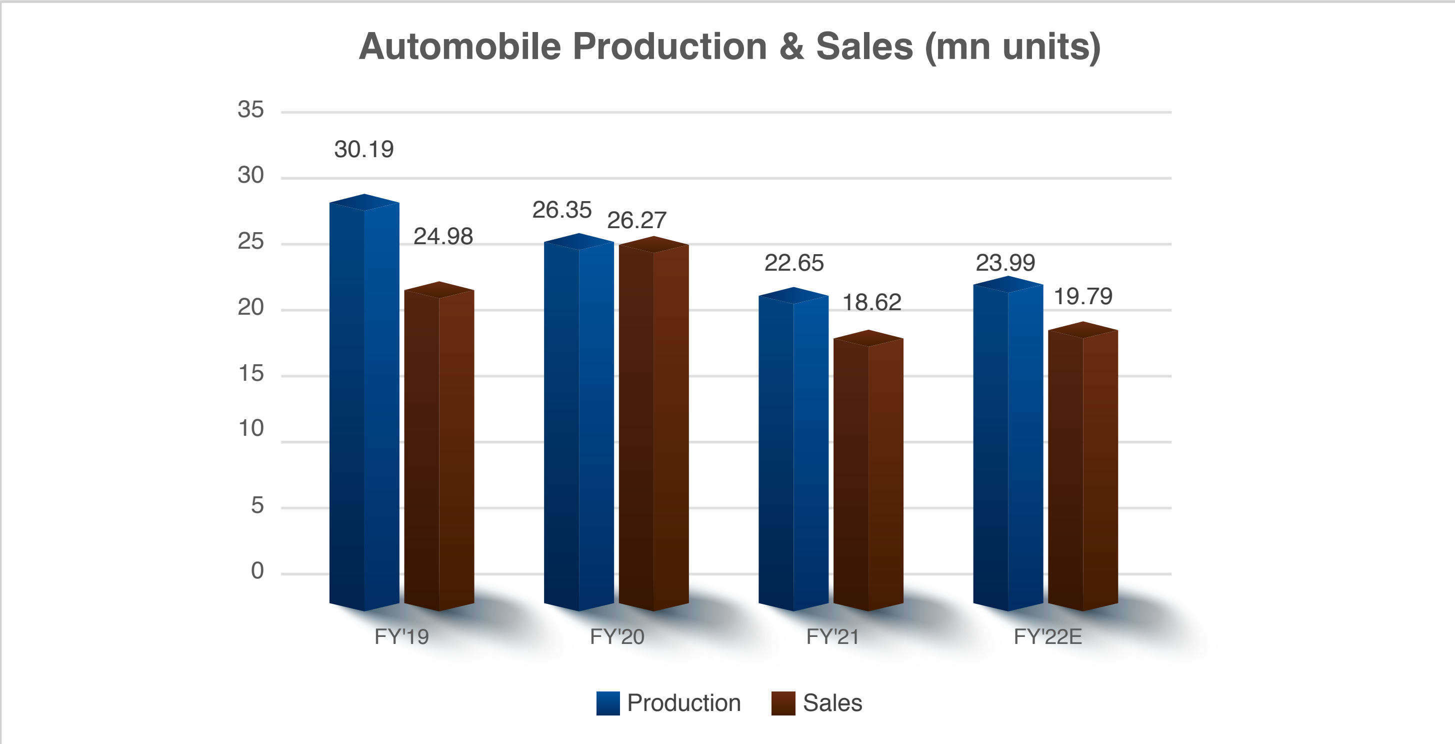
Global automobile sales are likely to grow by 8 - 10% *(source: S&P)* in the next two years. Volumes are likely to reach pre-covid levels by 2023 factoring in macro-economic effects.

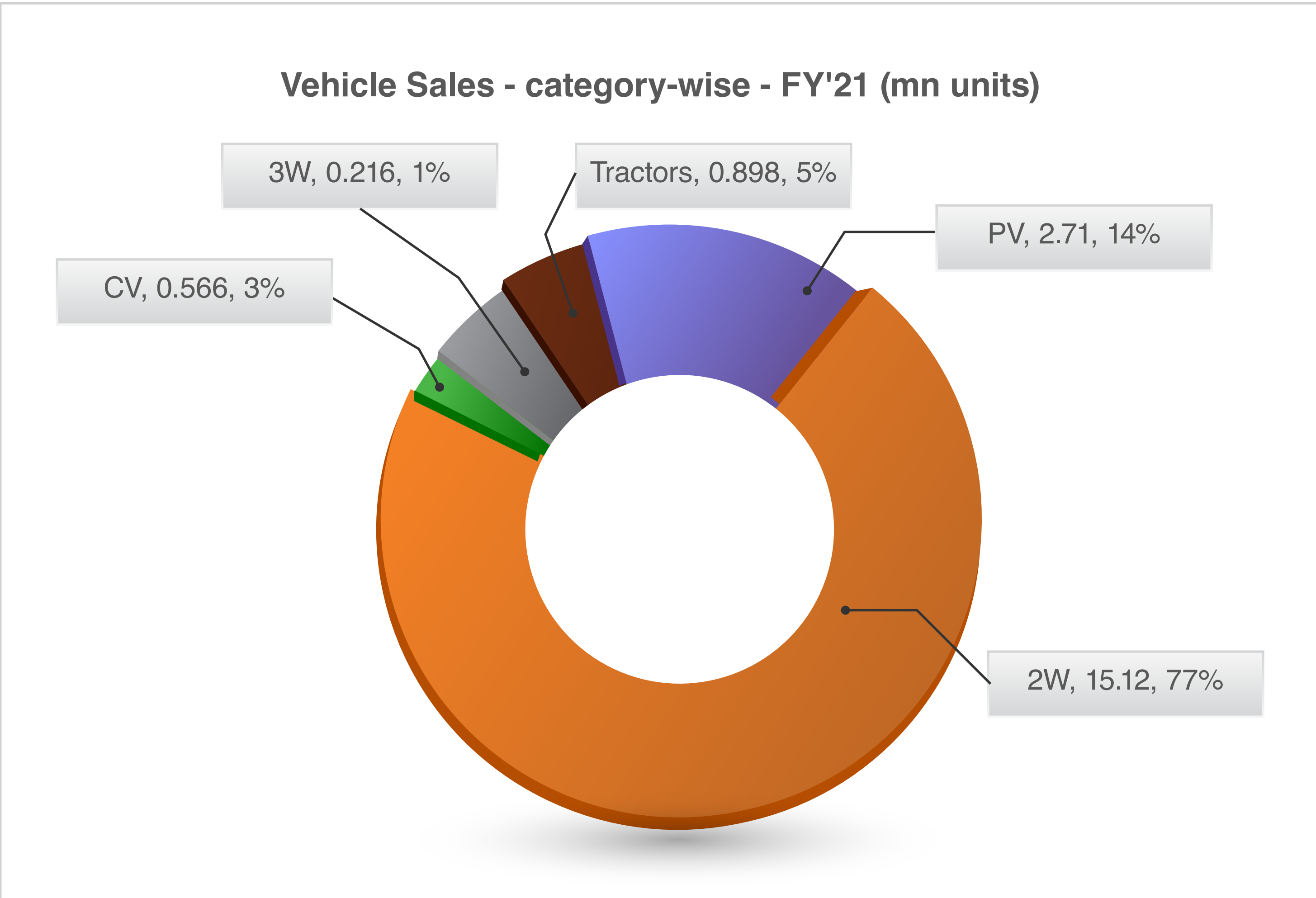
Global motorcycle sales dropped by 14% during CY'20 compared to previous year due to higher drop in sales volume experienced in India, Indonesia, Philippines and Vietnam. A significant shift to Electric Vehicle (EV) is expected in the coming years on account of increasing petrol prices, eco-friendliness, incentives and subsidies. EVs are expected to grow at CAGR 32% in the next seven years *(source: prnewswire.com)*

Indian Automobile Industry & Outlook

India is the fifth largest automobile market in the world. Growth in the Indian market is attributable to: (i) Rise in middle class income and young population, (ii) 10 - 25% cost advantage in production compared to Europe and Latin America, (iii) higher cumulative FDI inflow at USD 25.40 billion in automobile sector in the past twenty years *(source: IBEF)*.

Automobile sales witnessed declining sales for the past two years and the situation is likely to continue in the current fiscal too.


Automobile Production & Sales (mn units)
35
30
25
20
15
10
5
0
30.19
24.98
26.35
26.27
22.65
18.62
23.99
19.79
FY'19
FY'20
FY'21
FY'22E
Production
Sales


Vehicle Sales - category-wise - FY'21 (mn units)
3W, 0.216, 1%
Tractors, 0.898, 5%
PV, 2.71, 14%
CV, 0.566, 3%
2W, 15.12, 77%

EV sales market in India is estimated at USD 7.09 billion (₹50,000 crores) by 2025. EV sales witnessed a growth of 20% and has reached 1.56 lakhs units in FY 20 driven by two wheelers *(source: IBEF).*

Automobile sector is expected to play a crucial role in India's aspirations to become a USD 5 trillion economy. Further, automobile industry is expected to attract USD 8 to 10 billion of foreign investments in the next two years.

Opportunities for growth in the domestic automobile industry are attributable to: (i) Electric Vehicles, (ii) Government's focus on developing India as a R&D hub, (iii) Voluntary vehicle scrappage policy introduced in the recent budget and (iv) Focus on making India a manufacturing hub *(source: IBEF report)* and introduction of Productivity Linked Scheme (PLI Scheme) for Automotive Sector in November 2020.

Two-wheeler market, initially predicted to grow at 16 - 18%, is likely to grow by 10 - 12% during FY '21-22 due to the effects of the second wave of pandemic which has spread faster, wider and deeper into rural hinterlands *(source: ICRA)*. As a consequence, two-wheeler market is likely to be affected the most, as it impacts near-term automobile purchases due to reduction in discretionary spending, erosion in saving and reduced purchasing power of the consumer.

Global Tyre Industry

(source: Smithers.com, Expert Market Research Report)

Globally, tyre sales volumes were at 3.38 billion units during CY'20 and is estimated to grow at CAGR 4% between 2021-26. Asian tyre industry volume is 1.3 billion units valued at USD 97.4 billion. Top three of the four largest tyre markets in the world are in Asia, viz., China, Japan and India. Together, they constitute 70% of APAC market.

The global tyre industry has also been impacted by the pandemic. Volumes are disrupted due to the pandemic and real recovery is expected from CY 2022. The industry is estimated to reach CY 2019 sales levels by CY 2023.

Overall, the industry is expected to grow at the rate of 3.6% (CAGR) till 2025. More than 80% of the demand will continue to be from general tyres. Aircraft, specialty and OTR segments are likely to grow faster. Specialty tyres are dominated by premium tyres in passenger car, LCV, T&B and two wheelers. Premium motorcycle tyres are at a nascent stage in the product life cycle in India and provides an opportunity for volume and value growth.

Indian Tyre Industry, Outlook & Company Performance

Indian tyre industry achieved a volume of 169 million units during FY 2020-21 (source: ATMA). Tyre industry sales demonstrate a decelerating trend since the second quarter of FY'19 and for the first time turned negative during second quarter of FY'20 (source: Nirmal Bang). Overall OE demand across all segments is expected to grow at CAGR 18-20% over '21-'23 due to an improving economy and consumer sentiments (source: Nirmal Bang). Replacement demand continues to remain strong. Long-term two/three-wheeler tyre volume have maintained a CAGR of 9% and export volumes have grown by 6.8%. During FY'21, two/three-wheeler tyre volumes reduced by 6% over FY'20. Replacement market volume (as % of total volume) has increased in the past three years, which reduces dependence on OEMs to a certain extent.

Bargaining power of OEMs and suppliers is high; while competitive intensity, threat of substitutes and entry barriers are low to moderate. India imported tyres valued at ₹19.55 billion. Two-wheeler tyres accounted for 36% by volume and 8% by value.

The two-wheeler tyre industry is therefore estimated to grow on the back of the forecasted OE growth of 10-12% and a moderate growth in the aftermarket.

COMPANY INITIATIVES DURING 2020-21

Overall

During 2020-21, your company sustained market share to remain the leader in the OE segment despite intense competition, and gained share in the replacement market.

During the year, TVS-Eurogrip outperformed competition in a fiercely competitive market. Export volume of two-wheeler tyres recorded significant growth despite fall in overall export volume. Your company is focusing on growing the OHT segment given that this segment has significant potential for growth.

Product Development

Your company introduced several new products in the two-wheeler and three-wheeler category including tubeless tyres for motorcycles, scooter as well as tyres for e-rickshaw segment. These products have been well accepted by the trade and distribution channel partners alike.

Your company also commenced production of racing tyres.

Market Development

Significant investment in digitization of business processes enabled better and faster connectivity across the value chain and facilitated market development during the pandemic. These include End-to-end digitization of distribution process (company - distributors - retailers), Mobile apps (Click2order, Click2connect) developed for contactless ordering and warranty claim settlement.

Retail outreach initiative was launched during the year to engage retail partners. This resulted in your company adding large number of retail partners to the distribution network.

Channel Development

Distributor numbers increased by 6% over FY 20 resulting in increasing sales volume. Retail distribution was expanded by 25% over FY 20, consistently spread over 650 districts across the country.

Raw Material Trends

Owing to COVID-19, with virtually all economic activities halted except essentials, crude oil price dropped down to over a decade low of $26/bbl in April and May'20 but quickly moved up above $40/bbl by the end of the quarter ended June'20 and closed the year above $65/bbl. An unstable situation, slow recovery followed by vagaries of extreme weather during winter in western countries affected plant operations and specifically petrochemical products output. This led to high volatility in the prices of the key raw materials throughout the year with demand and supply mismatches, low volume of business leading to container shortage and a surge in ocean freight charges in excess of 3-5 times.

Butyl resin and tackifier resin suppliers were developed during the year to ensure availability of raw materials at competitive prices. Sound procurement strategy coupled with input linked pricing mechanism with the suppliers, helped the company manage the steep rise in the raw material prices, thus facilitating controlled raw material costs.

Pent up demand with the start of the festive season in the country created a huge demand supply gap for all the raw materials in H2 of FY 2020-21. Availability of key raw materials, migrant labour shortage, abnormal delay in the shipment and arrival of imports after the recovery posed significant challenges to the operations of the company. Taking advantage of its long-term relationship with suppliers your Company effectively managed the situation thus ensuring adequate inventory holding right through the financial year.

Your Company worked towards import substitution in raw materials thus enabling ease of availability and cost-saving, apart from continued focus on sustainability thus facilitating increased usage of green materials.

Capacity Expansion

During the year, no augmentation of production capacity was undertaken.

Technology, Research & Development

During 2020-21, your company undertook a number of technology related initiatives, including viz., establishment of a technical centre at Milan, Italy, development of advanced tyre technology and products for global markets, development and launch of premium tyres in the Indian and European market, development of Low Rolling Resistance (LRR) tyres for OEMs with focus on developing sustainable technologies and reducing carbon footprint.

Further, twenty-two patents have been filed, including advancement in the area of nano materials, energy efficient processes amongst others.

Quality Assurance

Your company continued to sustain zero customer complaints from OEMs during the year. Your company is committed to 100% “First time Right” to ensure high quality of manufactured products and is now rolling it out to include new product launch. Statistical methods are being adopted for continuous process improvement, maintaining consistency and reducing inherent variability in production processes to deliver products that can perform to expectations, consistently.

Your company is working continuously on warranty complaints reduction with periodic reviews and action to eliminate repeated complaints. Horizontal deployment across sites is underway to transfer learnings and improve products and processes to meet customer delight and improve the brand image. Your company has won three Platinum awards at the national level CII Kaizen competition.

Opportunities

Though the automobile sector is undergoing significant challenges due to the pandemic, opportunities exist in the market for this industry given that it is an important contributor and force multiplier to the economy.

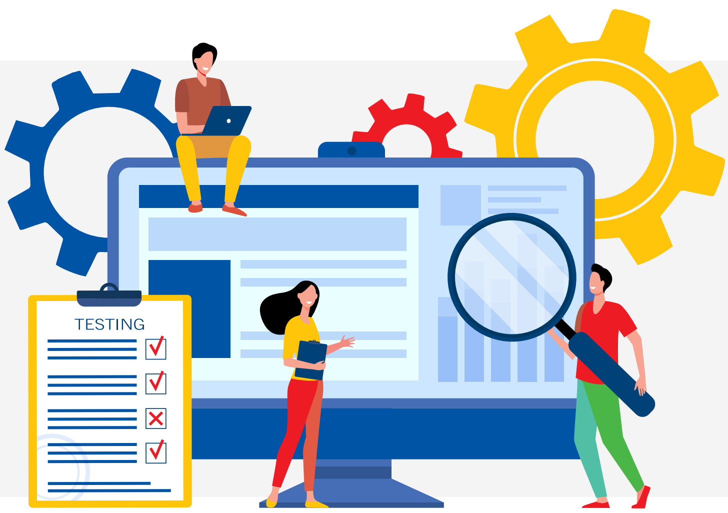
Increased opportunities are expected in the two-wheeler segment due to the pandemic, as consumers are expected to adopt personal mobility for safety reasons. Historic growth in the two wheeler sales in the recent past is expected to provide opportunities for volume growth in the replacement market when the tyre replacement cycle kicks in.

With Government encouraging electric vehicles and consumers adopting EVs enthusiastically, significant volume opportunities exist in this segment. OE exports have witnessed growth, and this provides opportunity for increasing tyre sales in export markets to service replacement demand created by two wheeler exports.

Threats

The second wave of COVID-19 has dampened sentiment impacting volumes and this effect is likely to persist in the short run due to consumers postponing discretionary purchases. Volatility in input prices, availability of raw materials combined with surplus capacity in the industry affecting prices is likely to compress margins.

Concerns on traffic congestion in larger cities, increased pollution levels and expansion of metro rail networks in major cities may result in shared mobility limiting the market growth.



Risk Management

Risk management process in your company begins with the identification of risks assessment of their impact and ranking the major risk elements. These assessments are based on past trends, analysis of plausible scenarios and future projection. Measures for mitigation of these risks are identified and action plans are implemented. These risks are periodically monitored for progress *vis a vis* action plan for mitigation. These include:

Business Concentration Risk

The company has a large presence in the two and three wheeler OEM segment The company risks being impacted by volatility in these segments.

To mitigate against this risk, the company has been expanding its presence in the two and three wheeler after market and export segments. In addition, the company has a growing and meaningful presence in the OHT tyre segment, with plans to expand this further.

Competition Risk

The two and three wheeler tyre industry is a competitive segment, with supplies exceeding demand. The company continues to work on its overall offering, led by superior technology and backed by operating excellence, to maintain competitive leadership. The company has also been working to strengthen its brand, to further create differentiation.

External Risk

The industry in which the company operates could be subject to risks from the changing environment in which it functions. One such is the increasing adoption of electric vehicles. The company sees the new markets and customers that this change may bring about as an opportunity and is well placed to address the changing nature of demand that this evolution will bring.

Business Continuity Risk

The disruptions caused by the pandemic have brought about an increased perception of business continuity risks that companies, including your company, face. This is a continuing risk. While the second wave of infections is seen to be abating, a third wave is a distinct possibility, with its attendant disruptions. The company has established a process to deal with these volatilities and uncertainties in an effort to minimise these disruptions.

Energy

On the energy front, power cost at plants were reduced through energy conservation initiatives and optimizing the power mix. Key specific fuel consumption parameters were improved at both the plant sites. Renewable energy in the form of wind power accounts for substantial energy consumption at the company's Madurai plant. Additionally, roof top solar plants have been installed. Overall, increased renewable energy usage has enhanced sustainable operations. A continued emphasis on TQM and LEAN manufacturing principles is being pursued to reduce raw material and energy consumption per unit of finished goods.

ENVIRONMENT, OCCUPATIONAL HEALTH & SAFETY

The year gone by saw the most significant health crisis of our lives in the form of the ongoing COVID-19 pandemic. Your company instituted work practices in line with the guidelines published from time to time, and in many cases adopted enhanced safety practices beyond the prescribed guidelines to secure health and safety of its employees. The "new normal" way of working is monitored on an ongoing basis, with improvements as necessitated periodically. Your company has strived to achieve a target of "ZERO ACCIDENTS, ZERO HEALTH HAZARDS AND ZERO LIQUID DISCHARGE".

Your company has been conducting internal audit and third-party audits at regular intervals for identification and elimination of unsafe acts/working conditions. At the manufacturing plants, the practice of operator self-certification of all safety devices at the beginning of the shift has been initiated, to further enhance safety consciousness.

Your company continuously conducts safety awareness programs on the shop floor through safety talks, fire & life support training (including using visual control displays), and by capturing "near-miss" incidents. Safety training is mandated for employees.

Your company is successfully maintaining ISO 1400:2015 (Environmental Management System) certification and ISO 4500:2018 (Occupational Management System) certification at its manufacturing plants.

Your company implemented a project on reduction in freshwater consumption aimed at environmental protection to achieve 'zero liquid discharge', duly reckoning the principles of "Reduce, Reuse and Recycle".

Your company maintains fire safety systems including wet fire hydrant systems, automatic sprinkler systems, portable fire extinguishers across its manufacturing facilities, to handle any potential fire hazard.

HUMAN RESOURCES HIGHLIGHTS AND INITIATIVES

An important objective during 2020-21, was to safeguard employees from pandemic and support them and their families. Your company constituted a Covid Care Committee to provide support to the employees and their families. Processes were documented and action plans were implemented in line with the set protocols.

Factory premises and offices were periodically sanitized, and social distancing was followed in workplace. Work from Home policy for employees was implemented. Employees voluntarily took a salary cut at all levels during the pandemic which was restored back to normal levels once the situation improved. During the year, performance management process was digitized. Online Learning and Development initiatives were implemented for employees at all levels.

As part of its Corporate Social Responsibility initiatives, your company implemented sanitization and health related measures at villages in the vicinity of manufacturing locations.

Internal Control & Systems

Your company maintains risk management processes, protocols and maintains adequate internal controls to safeguard stakeholders' interest and the company's assets. Processes exist to identify, evaluate and manage risks that impede the realization of the company's objectives.

The Company has also established an Internal Financial Control Framework which addresses internal controls over financial reporting and operating controls. This framework is duly supported by well-defined policies, processes, and procedures.

This control framework is reviewed periodically by the management, audited by an Independent Internal Audit team, and placed before the Audit Committee and the Board. The CEO and CFO Certification provided in the Annual Report also discusses in detail the adequacy of Internal control systems and procedures.

Financial Performance

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is required to give details of significant changes in key financial ratios. The company has identified the following as key financial ratios:

Particulars	Units	31st March, 2021	31st March, 2020
(i) Debtors Turnover	Ratio	8.74	7.88
(ii) Inventory Turnover	Ratio	3.18	3.15
(iii) Interest Coverage Ratio	Ratio	4.11	3.50
(iv) Current Ratio	Ratio	1.27	1.19
(v) Debt Equity Ratio	Ratio	0.24	0.44
(vi) Operating Profit Margin	%	12.19	10.88
(vii) Net Profit Margin	%	3.88	4.11
(viii) RONW	%	8.66	11.08

The company's revenue from operations declined from ₹2052.24 Crores in the previous year to ₹1875.83 Crores in the current year, a decrease of 8.60% over the previous year. Despite COVID situation your company has increased its profit before tax from ₹89.77 crores to ₹96.46 crores, an increase of 7.45% year on year. Your company has substantially reduced its borrowings from ₹336 Crores in the previous year end to ₹198 crores during the current year end coupled with an increase in the net worth, which has resulted in a significant reduction in the Debt Equity ratio. Finance cost has reduced from ₹35.93 Crores to ₹31.00 Crores a reduction of 13.72%.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's views, projections and expectations may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions, geopolitical uncertainties, macro-economic conditions, global and domestic supply and demand situations, input prices and their availability, changes in government regulations, tax laws and other factors such as industrial relations, economic developments among others. This may influence the company's operations or performance in the final analysis.

REPORT ON CORPORATE GOVERNANCE

The Board of Directors present the Report on Corporate Governance of your Company (hereinafter referred as "Company" or "TVS Srichakra") for the year ended 31st March, 2021.

I. Corporate Governance Philosophy

The Company strongly believes in establishing and being committed to highest standards of corporate governance in all its operations, to increase its operational efficiency and to ensure long term value creation for all its stakeholders. The Company constantly endeavours to operate in a fair, transparent and ethical manner and holds itself accountable and responsible to the society where it belongs and operates. The Company considers it imperative to abide by the laws and regulations of the land in letter and spirit.

Our Corporate Governance philosophy ensures transparency in all dealings and in the functioning of the Management/Board and focuses on enhancement of long-term shareholder value, without compromising on integrity, social obligations and regulatory compliances.

The Company has complied with the requirements of Corporate Governance specified in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company's Governance structure comprises of the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This structure ensures a harmonious blend in governance, as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve the corporate objectives within the set framework, thus ensuring sustainable growth.

II. Board of Directors

The Board of Directors play a pivotal role in ensuring that the Company's business practices are sound and ethical and that its resources are optimally utilized, thereby ensuring sustainable growth. The Board of Directors operate within the framework of a well-defined responsibility matrix which enables it to safeguard the interests of the Company, maintain fairness in the decision making process and ensure integrity and transparency with its stakeholders.

1. Management Structure

The Management Structure of the Company ensures appropriate delegation of powers and responsibilities, for smooth functioning of the business.

2. Board of Directors

The Board of Directors (the Board), consists of people with considerable professional expertise and experience and provides leadership and guidance to the management, thereby enhancing stakeholders' value.

3. Size and composition of the Board

As on 31st March, 2021, the Board consists of ten (10) Directors with the Executive Vice Chairman and Managing Director being Executive Directors and the remaining Directors being Non-Executive Directors.

In line with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, more than fifty per cent of the Company's Directors are Non-Executive Directors. Out of the eight Non-Executive Directors, six Directors are Independent Directors viz., Mr. M. S. Viraraghavan, Mr H. Janardana Iyer, Mr. Rasesh R Doshi, Mr. V Ramakrishnan, Dr. V Anantha Nageswaran and Ms. S.V. Mathangi.

The Company has appointed Ms. S.V. Mathangi, as a Non-Executive Independent Director with effect from 1st April, 2020 in order to comply with the requirement laid under Section 149(1) of the Companies Act, 2013 ("Act") and the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations").

Thus the composition of the Company's Board is in conformity with the Act and SEBI (LODR) Regulations.

4. Directors' Profile

The Board comprises of highly renowned professionals from diverse fields with a wide range of skills and experiences, which enhances the quality of the Board's decision making process.

5. Core Skills/Expertise/Competencies available with the Board

The Board comprises of qualified members who possess the following skills/expertise/competencies that have been identified for the effective functioning of the Company.

- Knowledge on Company's Business & Policy
- Behavioural Skills
- Business Strategy and Decision Making
- Governance and Regulations
- Financial and Management Skills
- Technical and Professional Skills

The Core Expertise of Directors of the Company are given below:

Name of the Director	Area of expertise
Mr. R Naresh	Technology and Engineering
Ms. Shobhana Ramachandhran	Business Strategy & Administration
Mr. M S Viraraghavan	Financial and Management; Governance and Regulatory
Mr. H Janardhana Iyer	Commercial; Financial and Management
Mr. Rasesh R Doshi	Sales & Marketing, Financial and Management
Mr. V Ramakrishnan	Business Strategy, Financial and Management
Dr. V Anantha Nageswaran	Macro-economics; Capital Markets including Foreign Exchange and Investment Strategy
Ms. S.V Mathangi	Finance, Management and Regulations
Mr. S. Ravichandran	Supply Chain Management, Digital & Operational excellence and Merger & Acquisition
Mr. P. Srinivasavaradhan	Product, Process Engineering & Operations

There are no inter-se relationships between the Board members, except Mr. R. Naresh and Ms. Shobhana Ramachandhran, who are related to each other.

6. Availability of information to Board members

The Board has unrestricted access to all Company-related information, including that of employees. Information is provided to the Board members on a continuous basis for their review, inputs and approval. The Company regularly places, the following information, wherever applicable, as required under SEBI (LODR) Regulations, before the Board:

- Annual Operating Plans and updates.
- Capital Expenditure Budget and its Quarterly Updates.
- Quarterly/Annual Results.
- Comprehensively drafted notes for each agenda item along with background materials, wherever necessary, are circulated well in advance to the committee/Board, to facilitate the directors in making value addition as well as exercising their business judgment in the committee/Board meetings.
- Minutes of meetings of the Board and Committees of the Board.
- Information on recruitment and remuneration of Senior Executives including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, Demand, Prosecution Notices and Penalty Notices which are materially important.
- Fatal accidents, dangerous occurrences.
- Any material effluent or pollution problems.
- Material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Public or Product liability claims of substantial nature.
- Significant labour problems, Significant development in Human Resources,
- Sale of investments.
- Quarterly details of Foreign Exchange exposures, Risk Management and Mitigation measures.
- Legal updates, Minutes of the Material Subsidiary Companies.
- Non-compliance of any regulatory, statutory or listing requirements, if any.
- Shareholder service such as non-payment of dividend, delay in share transfer etc., if any.
- Report on compliance of all laws applicable to the Company and steps taken by the Company to rectify instances of non-compliances, if any.

7. Appointment/Re-appointment of Directors

Pursuant to SEBI (LODR) Regulations, the following information of a director who is proposed to be appointed/ re-appointed are provided in the notice convening the ensuing Annual General Meeting (AGM) of the Company.

- Brief Resume
- Nature of their expertise in specific functional areas
- Their other Directorships and Committee Memberships
- Their shareholdings and relationship with other Directors

8. Familiarisation programme for Independent Directors

The Company has in place a familiarization programme for Independent Directors with regard to their roles & responsibilities, rights and duties in the Company, nature of the industry in which the Company operates, the business models of the Company etc. During the year, presentations on strategy of the company were made to Directors to familiarize them with the industry, organization structure, Board processes, major risks and risk management strategy, expansion and future business projections of the Company etc. Details of the familiarization programs of the Company are available at www.tvseurogrip.com. Based on the disclosures received from all the Independent Directors, the Board opines that the Independent Directors fulfill the conditions specified in the Act and the SEBI (LODR) Regulations and are independent of the Management.

9. Meeting of independent directors

Pursuant to the provisions of the Act, the meeting of Independent Directors was held on 10th February, 2021, with the attendance of all Independent Directors and without the presence of Non-Independent Directors.

The following items were discussed in the meeting:

- Evaluation of the performance of Non-Independent Directors (including Chairman of the Company)
- Evaluation of the performance of the Board of Directors as a whole
- Evaluation of the quality and content of flow of information between the management and the Board which is necessary for the Board perform its duties effectively and reasonably.

10. Board Meetings

a) Scheduling and selection of agenda items for Board meetings

The Company, in consultation with the Directors, prepares and circulates a tentative annual calendar for the meetings of the Board/Committees for the next financial year in order to facilitate and assist planning of the Directors' schedules in advance and to ensure their participation in the meetings. Video/teleconferencing facilities are also provided to Directors to facilitate their participation.

b) Board Meetings, Attendance and other Directorships

During the Financial year 2020-21, 9 (Nine) Board Meetings were held on 20.5.2020, 11.6.2020, 26.6.2020, 13.8.2020, 12.11.2020, 4.12.2020, 25.1.2021, 11.2.2021 and 24.3.2021. The gap between two meetings did not exceed 120 days. Details of Director's attendance at the Board meetings held during the year and at the last Annual General Meeting (AGM) held through Video Conferencing (VC)/Other Audio Visual Means (OAVM) on 16th September, 2020 with the details of number of other Directorships and Committee memberships/ Chairmanships as on 31st March 2021 are as follows:

Name of the Director	Category	Attendance Particulars		Directorships in other Companies*		Committees of other companies in which Director is a Chairman/Member of other Companies	
		Board Meetings	AGM	Chairman	Director	Chairman	Member
Mr. R Naresh DIN 00273609	EVC	9	Yes	3	5	-	-
Ms. Shobhana Ramachandhran DIN 00273837	MD	9	Yes	-	10	-	2
Mr. M S Viraraghavan DIN 00249874	NE-I	8	Yes	-	-	-	-
Mr. P Vijayaraghavan # DIN 00633205	NE	3	NA	-	2	-	-
Mr. H Janardana Iyer DIN 02688787	NE-I	9	Yes	-	4	-	5
Mr. V Ramakrishnan DIN 00002931	NE-I	9	Yes	-	1	-	-
Mr. Rasesh R Doshi DIN 00538059	NE-I	9	Yes	-	3	-	3
Dr. V Anantha Nageswaran DIN 00760377	NE-I	9	Yes	-	5	-	-
Ms. S V Mathangi $ DIN 02596421	NE-I	9	Yes	-	1	-	-
Mr. S Ravichandran @ DIN 01485845	NE	6	Yes	-	9	1	5
Mr. P Srinivasavaradhan @ DIN 08701214	NE	6	Yes	-	2	-	-

* Includes Private Limited companies # Demised on 8th July, 2020 @ Appointed w.e.f., 13th August, 2020 EVC - Executive Vice Chairman
MD - Managing Director NE - Non Executive Director NE-I - Non Executive - Independent Director $ - Appointed w.ef., 1st April, 2020

i. None of the Directors of the Company

- Serve as Director in more than 10 (Ten) Public Limited companies
- Serve as an Independent Director in more than 7 (Seven) Listed Companies
- Is a member of more than 10 (Ten) Committees
- Is a Chairman of more than 5 (Five) Committees across all Companies.

Further none of the Directors who is serving as a Whole Time Director/Managing Director in any listed entity is an independent Director in not more than three listed entities.

c) Details of Directorship and the Category of Directorship held by the Directors of the Company

As per the disclosures made by the Directors, Chairmanship/Membership of Committees include only Audit and Stakeholders' Relationship Committee as covered under SEBI (LODR) Regulations. The details of Directorship and the Category of Directorship held by the Directors of the Company is given below:

Sl. No.	Name of the Director	Name of the listed entities in which the concerned Director is a Director	Category of Directorship
1	Mr. R Naresh	-	-
2	Ms. Shobhana Ramachandhran	M/s Sundaram Finance Limited	Non-Executive Independent Director
		M/s Sundaram Finance Holdings Limited	Non-Executive Independent Director
		M/s Sundaram Brake Linings Limited	Non-Executive Director
3	Mr. M S Viraraghavan	-	-
4	Mr. H Janardana Iyer	-	-
5	Mr. V Ramakrishnan	-	-
6	Mr. Rasesh R Doshi	M/s India Motor Parts & Accessories Limited	Non-Executive Independent Director
7	Dr. V Anantha Nageswaran	-	-
8	Ms. S V Mathangi	-	-
9	Mr. S Ravichandran	-	-
10	Mr. P Srinivasavaradhan	-	-

11. Access to information and updation to Board

The Board periodically reviews the information placed before it for discussion and consideration at its meetings in terms of SEBI (LODR) Regulations, which are submitted either as a part of the agenda papers circulated in advance of the Board Meetings or are tabled during the Board Meetings.

In addition, the Board reviews the following information:

- Declarations made by the Managing Director/ Chief Financial Officer and Secretary of the Company regarding compliance of all applicable laws on quarterly basis
- Strategy, Annual Business Plan, Business Performance of the Company and its subsidiary companies
- Capex Budget
- Expansion and new projects
- Risk Management
- Safety
- Business Sustainability and Environmental matters.

12. Materially significant related party transactions

All transactions entered into with Related Parties as defined under the Act, and SEBI (LODR) Regulations, during the financial year 2020-21 are:

- In the ordinary course of business
- On an arm's length basis
- Not materially significant
- Not in conflict with the interest of the Company and
- Do not attract the provisions of Section 188 of the Act.

Suitable disclosure as required by the IND AS 24 has been made in the notes to the Financial Statements. The Company has a Policy on Related Party Transactions, approved by the Board which is available at www.tvseurogrip.com.

13. Details of total fees paid to Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part are as follows:

₹ in crores

Type of Service	2020-21
Audit Fees	0.34
Others	0.21
Total	**0.55**

III. Committees of the Board

The Board of Directors constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee to ensure focus on various facets of the business.

The Board determines and reviews the Terms of Reference of these Committees from time to time. Each of these Committee meetings are convened by the respective Committee Chairman who briefs the Board about the discussions held in the Committee meetings. The minutes of the Committee meetings are sent to the respective Members individually and circulated at the next Board meeting for their noting.

During the Financial Year 2020-21, the Board has accepted all the recommendations made by its Committees.

1. Audit Committee

The Company, pursuant to the provisions of Act, and SEBI (LODR) Regulations, constituted an Audit Committee which is guided by the Terms of Reference (as given below) duly approved by the Board which covers the areas mentioned in Section 177 of the Act and SEBI (LODR) Regulations.

a) Composition, names of Members and Chairperson

The Composition of the Committee is in accordance with Section 177(2) of the Act and SEBI (LODR) Regulations.

The Audit Committee consists of the following members:
- Mr. M S Viraraghavan, Chairman
- Mr. H. Janardana Iyer
- Mr. Rasesh R Doshi
- Mr. S Ravichandran

The Company Secretary acts as the Secretary of the Audit Committee.

As per Regulation 18 (1) (d) of the SEBI (LODR) Regulations, the Chairperson of this Committee shall be present at the Annual General Meeting of the Company. Accordingly, The Chairman of the Audit Committee was present at the last AGM held on 16th September, 2020 through Video Conferencing (VC)/Other Audio Visual Means (OAVM).

b) Roles and responsibility of Audit Committee

1. Effective Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
   b. Changes, if any, in accounting policies and practices and reasons for the same
   c. Major accounting entries involving estimates based on the exercise of judgment by management
   d. Significant adjustments made in the financial statements arising out of audit findings
   e. Compliance with listing and other legal requirements relating to financial statements
   f. Disclosure of any related party transactions
   g. Modified opinion(s), if any, in the draft audit report.

5. Reviewing, with the management, quarterly financial statements before submission to the Board for approval.

6. Reviewing, with the management, statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Review and monitor the auditor's independence and performance and effectiveness of audit process.

8. Approval or any subsequent modification of transactions of the Company with related parties.

The Committee may make omnibus approval for related party transactions proposed to be entered into by the Company where the need cannot be foreseen and requisite details are not available subject to their value not exceeding ₹1 crore per transaction. In case any transaction involving any amount not exceeding rupees one crore is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee and the director or concerned officer shall indemnify the Company against any loss incurred by the Company.

9. Scrutiny of inter-corporate loans and investments.

10. Valuation of undertakings or assets of the Company, wherever it is necessary.

11. Evaluation of internal financial controls and risk management systems.

12. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

14. Discussion with internal auditors of any significant findings and follow up there on.

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

18. To review the functioning of the Whistle Blower mechanism.

19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience & background etc. of the candidate.

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

21. Reviewing the utilization of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding ₹100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

22. Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and verification of systems for internal control to ensure that they are adequate and are operating effectively.

23. Such other roles and responsibilities as may be defined by the applicable laws.

c) Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information

1. Management discussion and analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management
3. Management letters/letters of internal control weaknesses issued by the Statutory Auditors
4. Internal Audit Reports relating to internal control weaknesses and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
6. Statement of deviations:
7. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of SEBI LODR Regulations.
8. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of SEBI LODR Regulations.

d) Subsidiary Companies

The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary companies.

e) Internal Controls and Governance Processes

Reviewing the adequacy and effectiveness of the Company's system, internal controls and discuss with the management, Company's major financial risk exposures and steps taken by the management to monitor and control such exposure. Oversee and review the functioning of a vigil mechanism and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.

f) Particulars of the meetings and attendance by the members of the Audit Committee are given below:

As per Regulation 18 (2) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Committee shall meet at least four times in a year and not more than 120 days shall elapse between two meetings. Accordingly, In the Financial Year 2020-21, the meetings of the Audit Committee were held on the following days 20.5.2020, 26.6.2020, 13.8.2020, 30.10.2020, 12.11.2020, 27.1.2021, 11.2.2021 and 24.3.2021, In the meeting held on 20.5.2020, the Chairman of the Committee alone was not present. All members of the Committee were present for all other meetings. Senior Management Personnel were also invited to the meetings as and when required.

2. Nomination and Remuneration Committee (NRC)

In accordance with provisions of Section 178 of the Act and SEBI (LODR) Regulations, the Company constituted the Nomination and Remuneration Committee.

a) Composition, names of Members and Chairperson

- Mr M S Viraraghavan, Chairman
- Mr H Janardana Iyer
- Mr Rasesh R Doshi

The Company Secretary acts as the Secretary of the NRC.

As per Regulation 19 (3) of the SEBI (LODR) Regulations, 2015, the Chairperson of this committee in his/her absence, shall appoint/authorise any other member of the Committee to attend the General Meeting of the Company. Accordingly, Chairman of the Nomination and Remuneration Committee was present at the last AGM held on 16th September, 2020 through Video Conferencing (VC)/Other Audio Visual Means (OAVM)

b) Roles and responsibility of Nomination and Remuneration Committee

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.

2. Formulation of criteria for evaluation of performance of independent directors and the Board of Directors.

3. Devising a policy on diversity of Board of Directors.

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.

5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

6. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

7. Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. Such other roles and responsibilities as may be defined by the applicable laws.

c) The particulars of meetings and the attendance by the members of the Nomination and Remuneration Committee are given below:

As per Regulation 19 (3A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Committee shall meet at least once in a year. Accordingly, In the Financial Year 2020-21, the Nomination and Remuneration Committee meetings were held on 11.6.2020, 26.6.2020, 7.8.2020, and 11.11.2020. All the members of the Committee attended all the meetings.

d) Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board carried out an Annual Evaluation of Performance of the Board as a whole, Individual Directors and of its committees.

Broad Performance indicators based on which the Annual evaluation was carried out is listed below:

- Attendance
- Participation in deliberations
- Understanding Company's business and that of the industry
- Guiding the Company in decisions affecting the business

Evaluation of performance of Independent Directors of the Company includes the following indicators in addition to those specified above.

- Leadership qualities
- Management Skills & Professionalism
- Industry Knowledge & Experience
- Relationship & Communication
- Contribution & Commitment
- Guidance & Support
- Attendance & Assessment
- Impartiality & Judgment
- Personal attributes.

e) Remuneration Policy

In accordance with provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has put in place the Policy which defines the selection of Directors & remuneration guidelines and key terms of employment for Directors, Key Managerial Personnel, Senior Management and other employees of TVS Srichakra Limited with the object of attracting, retaining and motivating talent which is required to run the Company successfully.

The overall guiding principle is that the remuneration and terms of employment shall be with the intent that the Company will be able to attract and retain Directors, Key Managerial Personnel, Senior Management and other employees of high caliber and talent. The remuneration and terms of employment envisaged under the policy is competitive and in line with prevalent Industry standards.

The Policy of Company is reproduced below which is also available at https://www.tvseurogrip.com/wp-content/uploads/2020/05/Remuneration-Policy.pdf

i. Board Diversity

It will be the endeavor of the Company to attract people to be on the Board as Directors from variety of backgrounds which are appropriate to the business interests of the Company.

ii. Criteria for selection of Non-Executive Directors

1. The Non-Executive Directors shall be of high integrity with relevant expertise and experience to have a diverse Board with Directors having expertise in the various fields.

2. In case of appointment of Independent Directors, the Nomination and Remuneration Committee (NRC) shall satisfy itself with regard to the independent nature of the Directors vis-a-vis the Company so as to enable the Board to discharge its function and duties effectively.

3. The NRC shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act 2013.

4. The NRC shall consider the following attributes / criteria whilst recommending to the Board the candidature for appointment as Director.

- Qualification, expertise and experience of the Directors in their respective fields
- Personal, professional or business standing
- Diversity of the Board

5. In case of re-appointment of Non-Executive Directors, the Board shall, take into consideration the performance evaluation of the Director and his engagement level.

iii Remuneration of Non-Executive Directors

The non-executive directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

- A non-executive director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- A non-executive director will also be entitled to receive commission on an annual basis of such sum as may be approved by the Board on the recommendation of the Nomination and Remuneration Committee.
- The total commission payable to those Directors shall not exceed 1% of the net profit of the Company.
- The Commission shall be payable on pro-rata basis to those Directors who occupy office for part of the year.

In addition to the above, non-executive director shall be compensated for services rendered by such Director which are professional in nature and in the opinion of NRC such Director possesses requisite qualification for the practice of the profession.

Apart from receiving Directors Remuneration, none of the Non-Executive Directors have any pecuniary relationships or transactions vis-a-vis the Company, except Mr. P Srinivasavaradhan, who has been paid a consultancy fee of ₹57 Lakhs during the year, which was approved by the shareholders at their meeting held on 16th September, 2020.

Being a related party, the pecuniary details are disclosed in notes to the accounts.

iv. Criteria for selection / appointment of Executive Director

For the purpose of selection of the Managing Director, the NRC shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and qualifications as laid down under the Act or other applicable laws.

v. Remuneration of Executive Director

1. At the time of appointment or re-appointment, the Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination and Remuneration Committee and the Board of Directors) and the Managing Director within the overall limits prescribed under the Act.
2. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
3. The remuneration of the Managing Director is broadly divided into fixed and variable component. The fixed compensation shall comprise salary, allowances, perquisites, amenities and retirement benefits. The variable component shall comprise of commission.
4. In determining the remuneration (including the fixed increment and commission) the NRC shall consider the following:
   a. The relationship of remuneration and performance benchmarks is clear;
   b. Balance between fixed and commission payment reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
   c. Responsibility required to be shouldered by the Managing Director and the industry benchmarks and the current trends;
   d. The Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs/ KPIs.

vi. The remuneration payable to Key Managerial Personnel (other than Executive Director), Senior Management and other employees ("Executive") shall consist of

1. Fixed Compensation

An Executive shall have a fixed compensation which will be a function of his responsibility, accountability, span of control and overall impact on the business.

2. Variable Compensation

The Variable Compensation of an Executive will be paid based on performance for the year and that of the Company in the fiscal under consideration and shall be in addition to the Fixed Compensation. It is proposed that this will be up to a maximum of 60% of the Fixed Compensation. The performance rating of an Executive will be based on the extent, one fulfills his/her Key Performance Indices (KPI's) as has been discussed and agreed to between the Manager and the Executive at the beginning of the fiscal.

The decision to pay the Variable Compensation will be based on the achievement of the Company's acceptable threshold business and financial parameters as may be decided by the Management and the decision to increase, decrease or abrogate the Variable Compensation in part or in full is solely vested with the Management.

3. Other benefits, Provident Fund, Termination of Employment and separation compensation

3.1 Non-monetary benefits

Senior Management will be entitled to benefits such as Company car/leasing car facility, Fuel reimbursement and Driver reimbursements as per Company policy. Other entitlements include subsidised medical hospitalization health care policy in line with defined limits, currently at ₹ 1 Lakh per family per annum (for the coverage term). An Executive is also entitled to land telephone, cell and data card as per defined limits covered under the Company's Personnel policies.

3.2 Provident Fund, Superannuation & Gratuity

Executives are also entitled to Provident Fund, Superannuation (for executives who joined till end 2012) and gratuity facility as per the terms of the Law in force currently.

3.3 Termination of Employment and separation compensation for Executives

All Executives are entitled to a separation compensation of 3 months of their salary (excludes the Variable Compensation) either way.

4. Authority to decide on any deviation from the Policy

Any deviation from the policy can be only decided by the Managing Director and shall be final and binding.

vii. Implementation of the Policy

The Nomination and Remuneration Committee shall take suitable steps to issue guidelines, procedures and such other steps as may be considered appropriate from time to time, for effective implementation of this Policy.

viii. Remuneration Paid to Non-Executive Directors

The details of remuneration (₹In Lakhs) paid to Non-Executive Directors and their shareholding is as follows:

(a) Sitting Fees paid (b) Commission paid (c) Total (d) No. of shares

Mr M S Viraraghavan (a) 2.00 (b) 15.00 (c) 17.00 (d) 900, Mr P Vijayaraghavan (a) 0.80 (b) 4.07 (c) 4.87 (d) 150, Mr H Janardhana Iyer (a) 2.20 (b) 15.00 (c) 17.20 (d) Nil, Mr V Ramakrishnan (a) 1.20 (b) 10.00 (c) 11.20 (d) Nil, Mr. Rasesh R Doshi (a) 2.10 (b) 15.00 (c) 17.10 (d) Nil,
Dr V Anantha Nageswaran (a) 1.00 (b) 10.00 (c) 11.00 (d) Nil, Ms S V Mathangi (a) 1.10 (b) 10.00 (c) 11.10 (d) Nil, Mr S Ravichandran (a) 1.10 (b) 9.49 (c) 10.59 (d) 5,
Mr P Srinivasavaradhan* (a) 1.40 (b) 6.33 (c) 7.73 (d) 800

*In addition, consultancy fee of ₹ 57 Lakhs paid vide shareholders resolution passed at their meeting held on 16th September, 2020.

ix. Remuneration Paid to Executive Directors

Particulars of remuneration paid to Executive Vice Chairman and Managing Director during the financial year 2020-2021:

(a) Designation (b) Salaries & Allowances (c) Commission (d) Perquisites (e) Total [₹ in lakhs]

Ms. Shobhana Ramachandhran (a) Managing Director (b) 225.93# (c) 211.90 (d) Nil (e) 437.83;
Mr. R Naresh (a) Executive Vice Chairman (b) 86.40 (c) 317.84 (d) Nil (e) 404.24
includes contribution to Provident and superannuation fund

3. Stakeholders’ Relationship Committee (SRC)

In conformity with provisions of Section 178 (5) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board constituted the Stakeholders’ Relationship Committee (SRC).

a) Composition, names of Members and Chairperson

- Mr. V Ramakrishnan, Chairman of the Committee
- Ms. Shobhana Ramachandhran
- Ms. S V Mathangi

The Company Secretary acts as the Secretary of the SRC. As per Regulation 20 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Chairperson of this Committee/any other member of the Committee authorised by him/her, in his/her absence, shall attend the Annual General Meeting/General Meeting of the Company.

b) Roles and responsibilities of Stakeholders’ Relationship Committee shall include

1. The Stakeholders Relationship Committee shall consider and resolve the grievances of security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate share certificates, general meetings etc.

2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to service standards adopted by the company in respect of various services being rendered by the Registrar & Share Transfer Agent.

4. Review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company. Such other roles and responsibilities as may be defined by the applicable laws.

During the year, no complaints were received from the security holders of the Company. All queries received during the fiscal 2021 were duly redressed and no queries were pending for resolution on this date. All requests for dematerialization of shares were carried out within the stipulated period and no share certificate was pending for dematerialization.

c) Particulars of meetings and attendance by the members of the SRC

As per Regulation 20 (3A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Committee shall meet at least once in a year. Accordingly, During the Financial Year 2020-21, Stakeholders’ Relationship Committee met on 11.11.2020, in which all the members except Ms. Shobhana Ramachandhran were present.

4. Corporate Social Responsibility (CSR) Committee

The Company, pursuant to the provisions of Section 135 of Companies Act, 2013 Board has formed a Corporate Social Responsibility Committee.

a) Composition, names of Members and Chairperson

- Ms. Shobhana Ramachandhran, Chairman
- Mr. Rasesh R Doshi
- Mr. V Ramakrishnan

The Company Secretary acts as the Secretary of the CSR Committee.

b) Roles and responsibilities of Corporate Social Responsibility shall include

1. To frame the CSR Policy and its review from time-to-time.
2. To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.
3. To ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

c) Particulars of meetings and the attendance by the members of the CSR Committee

During the Financial Year 2020-21, Corporate Social Responsibility Committee met on 10.2.2021 in which all the members of the Committee were present.

IV. Shareholder Information

1. General Body Meeting / AGM

The details of Annual General Meetings of the Company held in the last three years is as follows:

A	B	C
YEAR - 2017-18	**YEAR - 2018-19**	**YEAR - 2019-20**
Date of Meeting: 27th September 2018	**Date of Meeting:** 11th September 2019	**Date of Meeting:** 16th September 2020
Time of Commencement: 10:30 AM	**Time of Commencement:** 10:30 AM	**Time of Commencement:** 10:00 AM
Location: Lakshmi Sundaram Hall, 15-A Gokhale Road, Madurai 625 002	**Location:** Lakshmi Sundaram Hall, 15-A Gokhale Road, Madurai 625 002	**Location:** Madurai, (meeting held via Video Conferencing/ Other Audio Visual Means (VC/OAVM)

2. Details of Special Resolutions passed in AGMs held in the last three years

a) In the Annual General Meeting held for the financial year 2017-18, four special resolutions were passed. Three special resolutions were relating to appointment of Mr. M S Viraraghavan, Mr. H Janardana Iyer and Mr. Rasesh R Doshi as Independent Director for a term of 5 years and the fourth special resolution was for payment of commission to Directors.

b) In the Annual General Meeting held for the Financial Year 2018-19, no special resolution was passed.

c) In the Annual General Meeting held for the Financial Year 2019-20, no special resolution was passed.

d) During the Financial Year 2020-21, two special resolutions were passed through Postal Ballot which was relating to re-appointment of Mr. R Naresh as Executive Vice Chairman and Ms. Shobhana Ramachandhran as Managing Director. Postal ballot was carried out as per the provisions of Section 108, 100 and all other applicable provisions of the Act, read with the Rules framed thereunder, read with the Circular no.14/2020 dated 8/4/2020 and circular no.17/2020 dated 13/4/2020 issued by Ministry of Corporate Affairs. The voting pattern of Postal Ballot is furnished below.

Mr N Balachandran, Company Secretary in Practice, was appointed as Scrutinizer for the said Postal Ballot.

Resolution No. 1	Re-appointment of Mr R Naresh as Managing Director - designated as Executive Vice Chairman for a further period of three (3) years from 16.6.2020
Resolution Required	Special Resolution
Whether promoter/promoter group are interested in the agenda/resolution?	YES

Category	**Mode of voting**	**No. of shares held**	**No. of votes polled**	**% of votes polled on outstan-ding shares**	**No. of votes-in favour**	**No. of votes-against**	**% of votes in favour on votes polled**	**% of votes against on votes polled**	**No. of votes invalid**	**% of votes invalid**
		1	2	3 = {(2)/(1)} *100	4	5	6 = {(4)/(2)} *100	7 = {(5)/(2)} *100		
Promoter & Promoter Group	E-voting	3473561	3041854	87.57	3041854	0	100.00	0.00	0	0
	Poll (Not Applicable)		0	0.00	0	0	0.00	0.00	0	0
	Postal Ballot		0	0.00	0	0	0.00	0.00	0	0
Institution	E-voting	529401	441085	83.32	413888	27197	93.83	6.17	0	0
	Poll (Not Applicable)		0	0.00	0	0	0.00	0.00	0	0
	Postal Ballot		0	0.00	0	0	0.00	0.00	0	0
Public	E-voting	3654088	25517	0.70	24332	1185	95.36	4.64	0	0
	Poll (Not Applicable)		0	0.00	0	0	0.00	0.00	0	0
	Postal Ballot		0	0.00	0	0	0.00	0.00	0	0
		7657050	3508456	45.82	3480074	28382	99.19	0.81	**0**	**0**

Resolution No. 2	Re-appointment of Ms Shobhana Ramachandhran as Managing Director for a further period of five (5) years from 25.8.2020
Resolution Required	Special Resolution
Whether promoter/promoter group are interested in the agenda/resolution?	YES

Category	Mode of voting	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes-in favour	No. of votes-against	% of votes in favour on votes polled	% of votes against on votes polled	No. of votes invalid	% of votes invalid
		1	2	3 = {(2)/(1)} *100	4	5	6 = {(4)/(2)} *100	7 = {(5)/(2)} *100		
Promoter & Promoter Group	E-voting	3473561	3041854	87.57	3041854	0	100.00	0.00	0	0
	Poll (Not Applicable)		0	0.00	0	0	0.00	0.00	0	0
	Postal Ballot		0	0.00	0	0	0.00	0.00	0	0
Institution	E-voting	529401	441085	83.32	413888	27197	93.83	6.17	0	0
	Poll (Not Applicable)		0	0.00	0	0	0.00	0.00	0	0
	Postal Ballot		0	0.00	0	0	0.00	0.00	0	0
Public	E-voting	3654088	25517	0.70	24334	1183	95.36	4.64	0	0
	Poll (Not Applicable)		0	0.00	0	0	0.00	0.00	0	0
	Postal Ballot		0	0.00	0	0	0.00	0.00	0	0
		7657050	3508456	45.82	3480076	28380	99.19	0.81	**0**	**0**

No special resolution is proposed to be conducted through postal ballot in the ensuing Annual General Meeting.

3. Transfer of Unclaimed Dividend Shares to Investor Education and Protection Fund Authority (IEPF Authority)

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules) read with Section 124 of the Act, intimations have been sent to concerned shareholders requesting them to encash their unclaimed dividends failing which the unclaimed dividends and the corresponding shares held by them be transferred to IEPF Authority.

Pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Company has transferred 7,427 equity shares, in respect of which dividend has not been claimed by the shareholders for seven consecutive years from the financial year ended 31st March, 2013, to the Investor Education and Protection Fund Authority (IEPF Authority) during the financial year 2020-21.

Details of shares transferred have been uploaded on the website of IEPF as well as the Company's website www.tvseurogrip.com.

4. Disclosures with respect to demat suspense account / unclaimed suspense account.

a) Unclaimed Share Certificates

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the unclaimed and returned undelivered share certificates were dematerialized and transferred to "Unclaimed Suspense Account" with M/s Geojit BNP Paribas Financial Services Limited, Kochi, after the Company has sent reminder letters to the respective shareholders and received no replies.

As and when the shareholder approaches the Company with required documents, the Company shall credit the shares lying in the suspense account to the demat account of the shareholder.

Number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year		Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	Number of shareholders to whom shares were transferred from suspense account during the year	Number of shareholders and the outstanding shares in the suspense account lying at the end of the year	
No. of shareholders	No. of shares in the suspense account			No. of shareholders	No. of shares in the suspense account
3	105	--	--	3	105

Voting rights on the shares outstanding in the suspense account as on 31/3/2021 shall remain frozen till the rightful owner of such shares claims the shares.

b) Timely encashment of dividends

Shareholders are requested to encash their dividends promptly to avoid hassles of revalidation/losing your right to claim owing to transfer of unclaimed dividends beyond seven years to Investors Education and Protection Fund (IEPF).

As required by SEBI, shareholders are requested to furnish details of bank account number and name and address of the bank to enable the Company to credit the dividend proceeds directly to their bank account, with intimation to the shareholder thereby avoiding wrong credits to/by unauthorized persons.

Shareholders who have not encashed their dividend warrants in respect of dividend declared for the financial year ended 31st March, 2014 and for any financial year thereafter may contact the Company and surrender their warrants for payment.

Information in respect of the unclaimed dividend of the Company with due date for remittance to IEPF is given below:

Financial Year	Date of declaration	Date of transfer to special account	Proposed Date of transfer to IEPF
31.03.2014	11.09.2014	17.10.2014	15.11.2021
31.03.2015	23.09.2015	29.10.2015	26.11.2022
31.03.2016	17.02.2016	13.03.2016	10.04.2023
31.03.2016	21.03.2016	16.04.2016	14.05.2023
31.03.2017	23.08.2017	22.09.2017	19.08.2024
31.03.2018	27.09.2018	26.10.2018	24.11.2025
31.03.2019	11.09.2019	11.10.2019	10.11.2026
31.03.2020	18.03.2020	09.04.2020	07.05.2027

V. General Shareholder Information

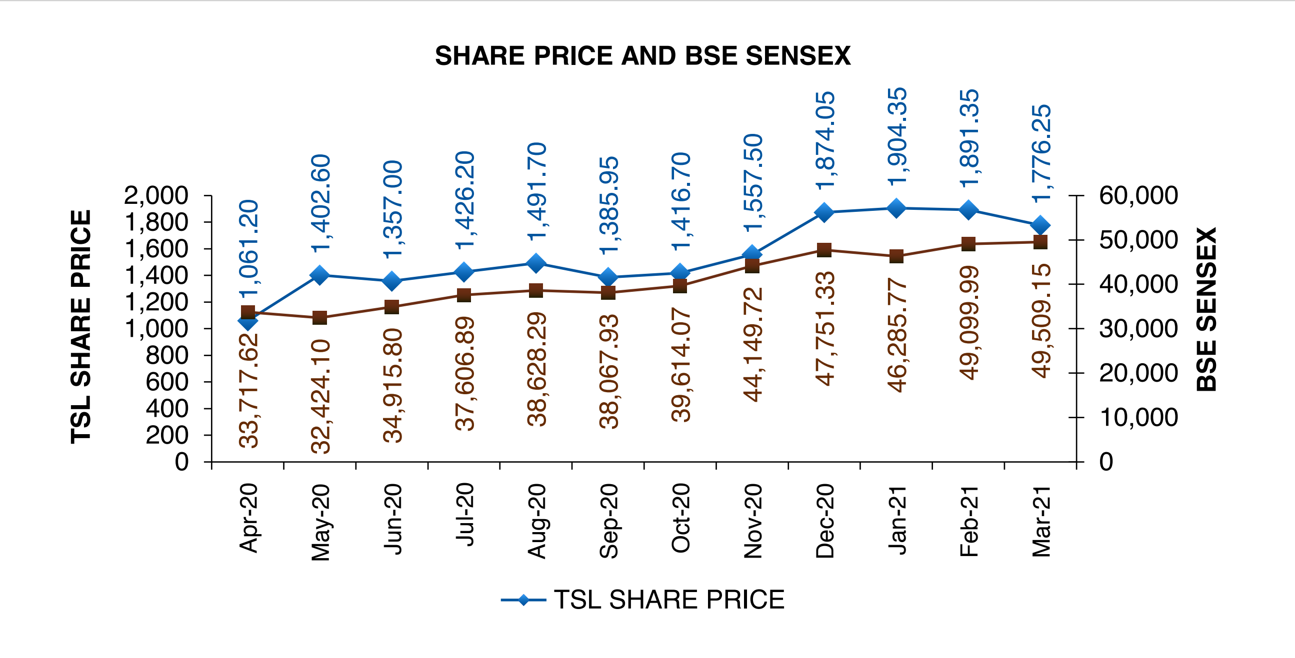
1. Annual General Meeting to be held in FY 2020-21

a)	**Annual General Meeting, Date, Time and Venue**	Date : 09th September 2021(09/09/2021) Time : 10:00 AM Mode : Video Conference / Other Audio Visual Means (OAVM)
b)	**Financial Year**	1st April to 31st March
	Financial reporting for the quarter ending	Financial calendar 2021-22 (tentative)
	30th June 2021	Before 14th August, 2021
	30th September, 2021	Before 14th November, 2021
	31st December, 2021	Before 14th February, 2022
	31st March, 2022	Before 30th May, 2022
c)	**Dividend Payment date**	The dividend, if declared at AGM, will be paid on or after 14th September, 2021
	Book Closure Dates	From 27th August 2021 to 9th September 2021 (both days included)
d)	**Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of Annual listing fee to each of such Stock Exchange(s)**	
e)	**Name of the Stock Exchange**	Stock code / Symbol
	BSE Ltd	509243
	National Stock Exchange of India Ltd	TVSSRICHAK
	ISIN allotted by Depositories (Company ID Number)	INE421C01016
	Annual listing fees and custodial charges for the year 2020-21 were duly paid to the above Stock Exchanges and to the Depositories.	

2. Market price data- high, low during each month in last financial year

Month	BSE Ltd (BSE)		National Stock Exchange of India Ltd (NSE)	
	High	Low	High	Low
April 2020	1151.95	881.00	1149.70	882.00
May 2020	1530.00	980.10	1530.00	973.80
June 2020	1550.65	1330.00	1550.00	1331.00
July 2020	1561.00	1362.25	1533.95	1360.00
August 2020	1676.95	1401.00	1668.35	1,405.00
September 2020	1591.40	1324.80	1595.00	1,327.10
October 2020	1540.00	1365.00	1545.00	1,362.45
November 2020	1616.95	1384.25	1616.00	1,375.15
December 2020	2130.00	1544.95	2128.95	1,545.00
January 2021	2137.45	1786.20	2140.00	1,785.70
February 2021	2272.85	1884.80	2271.00	1,881.15
March 2021	2184.00	1674.55	1989.85	1,664.55

3. Performance in comparison to broad-based indices such as BSE Sensex



4. Registrar to an Issue and Share Transfer Agents

M/s Integrated Registry Management Services Pvt. Limited, Chennai, is the common agency for all investor servicing activities relating to both electronic and physical segments. Their address is: M/s Integrated Registry Management Services Pvt. Limited, “Kences Towers” II Floor, No.1, Ramakrishna Street, North Usman Road, T Nagar, Chennai 600017

Phone: 044-28140802-803   Fax: 044-28142479   Email: corpserv@integratedindia.in

5. Share Transfer System

All requests for dematerialization of securities received in the Financial Year 2020-21 are processed and the confirmation is given to the Depositories within three days from the receipt of such request. Grievances received from shareholders and other miscellaneous correspondence on change of address, mandates, etc., are processed by the Share Transfer Agent of the Company within three days.

The following Certificates issued by a Company Secretary-in-practice are being obtained and submitted to Stock Exchanges:

- On a quarterly basis, for timely dematerialization of shares of the Company and for reconciliation of the share capital of the Company, as required under SEBI (Depositories and Participants) Regulations, 1996.
- On half-yearly basis, due compliance of share transfer formalities by the Company within the due dates, in terms of Regulation 40(9) SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 with Stock Exchanges.

As per SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the e-mail IDs, viz., Sec.investorgrievances@tvstyres.com; Secretarial@tvstyres.com were hosted on the Company's website for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances thereafter.

Shareholders are, requested to correspond with the Share Transfer Agent for transfer/transmission of shares, change of address and queries pertaining to their shareholdings, dividends, etc., at the address given in this report.

6. Distribution of Equity Shareholding as on 31st March 2021

No.of Shares Held	Shareholders		Shares held	
	Number	%	Number	%
Upto 500	31698	97.73	1850050	24.16
501 - 1000	455	1.40	332730	4.35
1001 - 2000	162	0.50	237323	3.10
2001 - 3000	41	0.13	103687	1.35
3001 - 4000	16	0.05	55844	0.73
4001 - 5000	9	0.03	39080	0.51
5001 - 10000	12	0.04	93700	1.22
10001 and above	40	0.12	4944636	64.58
Total	**32433**	**100.00**	**7657050**	**100.00**

7. Dematerialization of shares and liquidity

Out of the 41,83,489 shares held by persons other than promoters, 37,83,243 shares have been dematerialized as on 31st March, 2021 accounting to 90.43% The Company has already achieved 100% of promoter group's shareholding in dematerialized form consisting of 34,73,561 equity shares of face value of ₹10/- each.

Details of public funding obtained in the last three years - No capital has been raised in the last three years. The Company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instrument, which is likely to have impact on the Company's equity.

8. Credit Rating

The Company has obtained rating from the following agency:

Nature of Instrument/Bank facilities	Rating agency	Rating assigned with outlook
Fund-based working capital limits	India Ratings & Research	IND AA-/Stable/IND A1+
Non-Fund-based working capital limits	India Ratings & Research	IND AA-/Stable/IND A1+
Term loans	India Ratings & Research	IND AA-/Stable
Short-term loan	India Ratings & Research	IND A1+

9. Code of Conduct

The Company has a Code of Conduct for Business and Ethics, for its Board of Directors and Senior Management Personnel, duly approved by the Board. All Members of the Board and Senior Management Personnel have complied with the Code for the year ended 31st March, 2021. A declaration to this effect signed by the Managing Director is annexed to this report. The Code of Conduct for Business and Ethics of the Company are available at www.tvseurogrip.com.

10. Whistle Blower Policy

To address, prevent and mitigate the risks of fraud and misconduct in the Company, the Audit Committee has laid down a Whistle Blower Policy and has established necessary Vigil Mechanism to ensure fraud free work environment. The Whistle Blower policy of the Company allows Directors, Employees, Vendors and Customers to raise their genuine concerns internally about unethical behavior, actual or suspected fraud, or violation of the Code of Conduct. It also provides for adequate safeguards against the victimization of employees who avail the mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases.

During the year, no person was denied access to the Audit Committee and no instance was reported under this policy. The Whistle Blower Policy of the Company is available at www.tvseurogrip.com.

11. Sexual Harassment at workplace

During the year under review, the Company has not received any complaints in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. As stipulated by SEBI, the status of complaints received on sexual harassment is as below:

- Number of complaints filed during the Financial Year - Nil
- Number of complaints disposed off during the Financial Year - Nil
- Number of complaints pending as on end of the Financial Year - Nil

12. Prevention of Insider Trading

Company has adopted a Code of Conduct to regulate, monitor and report trading by designated persons and their immediate relatives as per SEBI (Prohibition of Insider Trading) Regulations, 2015. It governs all the Directors and designated persons who could have access to Unpublished Price Sensitive Information of the Company are governed by the said Code.

An annual declaration as per SEBI (Prohibition of Insider Trading) Regulations, 2015 was provided by the Directors and designated persons, as at the end of the year.

The Company closes the trading window from the end of every quarter till 48 hours after the declaration of financial results during which the Designated persons are advised not to trade in Company's securities.

13. Subsidiary Companies

Though the Company does not have any material subsidiary as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a policy on material subsidiary(s) has been formulated by the Company.

The Material Subsidiary Policy of the Company is available on our website at https://www.tvseurogrip.com/wp-content/uploads/2019/11/MATERIAL-SUBSIDIARY-POLICY.pdf

The minutes of the Board Meetings of unlisted subsidiary Companies are periodically placed before the Board. The Board is also informed about all significant transactions and arrangements entered into by the unlisted subsidiary.

The Audit Committee reviews the financial statements of subsidiaries.

14. Disclosure of Accounting Treatment

The Company while preparing Financial Statements for the year 2020-21 has followed all relevant Accounting Standards as notified by the Companies (Indian Accounting Standards) Rules, 2015.

15. Risk Management

The Company has laid down various procedures to update the Board about the risk assessment and mitigation procedures, which provides a defined framework for the Board to manage risks effectively.

16. Commodity Price Risk/Foreign Exchange Risk

Volatility in commodity prices are managed by combining a robust price forecast mechanism by fine tuning the procurement policies. The Company has been effectively managing its securities to mitigate the after effects of such volatility.

In respect of Foreign Exchange price fluctuations, the Company has a well-defined Board approved Hedging Policy. The Company is in compliance with the rules, regulations and guidelines, as applicable and as prescribed by the Reserve Bank of India from time to time in this behalf.

17. Plant Locations

a) Tamil Nadu	b) Uttarakhand
i Perumalpatti Road, Vellaripatti Village, Melur Taluk, Madurai District, Pin 625 122	i Plot No.7, Sector - 1, Integrated Industrial Estate, SIDCUL, Pantnagar 263153, Rudrapur, Tehsil - Kichha, District Udham Singh Nagar, Uttarakhand
ii Narasingampatti Village, Therkutheru, Melur Taluk, Madurai District, Pin 625 122	

18. Address for communication

TVS Srichakra Limited, No.10, Jawahar Road, Madurai 625 002
Phone: 0452 2443300 | Email: Sec.investorgrievances@tvstyres.com;
Secretarial@tvstyres.com; investorgrievances@tvstyres.com | Website: www.tvseurogrip.com

19. Compliance Officer

Mr. P Srinivasan, Secretary,
TVS Srichakra Limited, 10 Jawahar Road, Madurai 625 002
Phone: 0452 - 2443300 | Email id: Srinivasan.P@tvstyres.com

20. Means of communication

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approved Quarterly, Half-Yearly and Annual Financial Results of the Company are reported to and uploaded in the website of National Stock Exchange of India Ltd. and BSE Ltd. The results are simultaneously published in Business Line and Dinamalar newspapers and posted on the website of our Company at www.tvseurogrip.com.

21. Instances of non-compliance(s), if any

In the Financial Year 2020-21,

- There were no instances of non-compliances by the Company
- No penalties and strictures were imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on any matter related to the capital markets during the last three years.

22. Complaince(s) with mandatory / non-mandatory requirements

The Company has complied with all mandatory requirements in terms of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015. The nonmandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.

VI. MANAGEMENT REVIEW AND RESPONSIBILITY

1. Certificate from Practicing Company Secretary

The Secretarial Auditor of the Company has given a certificate stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by SEBI / Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this report as an Annexure.

The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. CEO and CFO certification

The Managing Director and the Chief Financial Officer (CFO) of the Company have certified on financial and other matters in accordance with Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 for the financial year ended 31st March, 2021. The certificate is enclosed with this report as an Annexure.

3. Auditors' Certificate on Corporate Governance

The Auditor's Certificate confirming compliance with conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for financial year 2020-21 is enclosed with this report as an Annexure.

CHIEF EXECUTIVE OFFICER / CHIEF FINANCIAL OFFICER CERTIFICATION

The Board of Directors
TVS Srichakra Limited

We certify that –

a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2021 and that to the best of our knowledge and belief

i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee that there were

i) No significant changes in internal control over financial reporting during the year;

ii) No significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

iii) No instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

B Rajagopalan
Chief Financial Officer
Chennai
Date: June 15, 2021

Shobhana Ramachandhran
Managing Director
DIN : 00273837

Madurai
Date: June 15, 2021

CERTIFICATE

The Shareholders
TVS Srichakra Limited

I, Shobhana Ramachandhran, Managing Director of the Company, hereby confirm that all the Members of your Board and the Senior Management Personnel of your Company, have confirmed the compliance to the Code of Conduct of the Company, during the year ended 31st March, 2021.

Madurai
Date: June 15, 2021

Shobhana Ramachandhran
Managing Director
DIN : 00273837

AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To

The Board of Directors of TVS Srichakra Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated 16rd March 2021.

2. We have examined the compliance of conditions of Corporate Governance by TVS Srichakra Limited ('the Company') for the year ended 31st March 2021, as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

3. The compliance of Corporate Governance is the responsibility of the Management. The responsibility includes the designing, implementing, and maintaining operating effectiveness of internal controls to ensure compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express an opinion as to whether the Company has complied with the conditions of Corporate Governance as stated in the Paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the relevant records of the Company in accordance with the applicable Standards on Auditing, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI') and the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

Opinion

7. Based on the procedures performed by us and to the best of our information, according to the explanations provided to us and the representation made by the management, in our opinion, the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in the Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2021.

8. We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restrictions on use

9. This certificate is addressed and provided to the Board of Directors of the Company solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For PKF Sridhar & Santhanam, LLP
Chartered Accountants
Firm's Registration No. 003990S/S200018

T V Balasubramanian
Partner
M. No. 027251
UDIN: 21027251AAAADQ8480
Place: Chennai
Date: 15th June 2021

CERTIFICATE FROM THE SECRETARIAL AUDITOR

N. Balachandran B.Com., A.C.S.,
Company Secretary In Practice

C/2 Yamuna Flats,
16th Street, Nanganallur
Chennai - 600061
Ph.no.22670412
Cell: 9444376560

To
Members,
TVS Srichakra Ltd
(CIN: L25111TN1982PLC009414)
TVS Building,
7B, West Veli Street, Madurai - 625001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of TVS SRICHAKRA LIMITED, having CIN: L25111TN1982PLC009414 and having registered office at TVS Building, No 7B, West Veli Street, Madurai- 625001 (hereinafter referred to as' the company'), produced before me by the company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verification (including Directors Identification Number (DIN) status at the www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Signature: sd/-
Name: N Balachandran
Designation: Company Secretary in Practice:
Membership No.: A5113 CP No.: 3200
UDIN No: A005113C000339348

Place: Chennai
Date: 18th May 2021

BUSINESS
RESPONSIBILITY REPORT

Introduction

TVS Srichakra Limited (TSL/Company) is a Company listed in the bourses of BSE Ltd and National Stock Exchange of India Ltd.

TSL presents its Business Responsibility Report (BRR) for the Financial Year 2020-21. The report provides an overview of the initiatives taken by the Company from an environmental, social and governance perspective.

Section A - General Information about the Company

1.	Corporate Identity Number (CIN)	L25111TN1982PLC009414	
2.	Name of the Company	TVS Srichakra Limited	
3.	Registered office address	TVS Building, 7-B West Veli Street, Madurai 625 001	
4.	Website	www.tvseurogrip.com	
5.	E-mail Id	Sec.investorgrievances@tvstyres.com	
6.	Financial Year reported	2020-21	
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Code	Description – As per National Industrial Classification 2008
		Section C	Manufacturing
		Division 22	Manufacture of Rubber & Plastic Products
		Group 221	Manufacture of Rubber Products
		Class 2211	Manufacture of Rubber Tyres & Tubes; Retreading and rebuilding of Rubber Tyres
8.	List three key products / services that the Company manufacture / provides (as in Balance Sheet)	Manufacture and sale of Automotive Tyres, Tubes and related products	

9. Total number of locations where business activity is undertaken by the Company
   i) Number of International Locations (Provide details of major 5) - Nil.
   ii) Number of National Locations
   The Company has two manufacturing locations in India - Madurai (Tamil Nadu) and Rudrapur (Uttarakhand). Additionally, the Company undertakes its business activities in India through a network of depots and sales offices in 48 locations.

10. Markets served by the Company

Local	State	National	International
√	√	√	√

Section B - Financial Details of the Company

1.	Paid up Capital (INR in Crores) (as on 31st March, 2021)	7.66
2.	Total Turnover (INR in Crores) (for FY 2020-21)	1,875.83
3.	Total Profit After Taxes (INR in Crores) (for FY 2020-21)	72.76
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)(for FY 2020-21)	3.78
5.	List of activities in which expenditure in 4 above has been incurred. The major activities in which the above CSR expenditure has been incurred includes - Strengthening Village level organization - Intellectual Development - Health Care - Livelihood Enhancement - Environmental Development - Protection of National Heritage - Disaster Management - Covid 19 Relief	

Section C - Other Details

1.	Does the Company have any Subsidiary Company / Companies?
	Yes. Company has three subsidiaries, namely (i) TVS Srichakra Investments Limited (ii) TVS Sensing Solutions Private Limited [formerly known as ZF Electronics TVS (India) Private Limited] (iii) Fiber Optic Sensing Solutions Private Limited
2.	Do the Subsidiary Company / Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)
	Subsidiary Companies do not participate in the BR initiatives of the Company. At present all the BR initiatives are undertaken at Company level.
3.	Do any other entity / entities (e.g. suppliers, distributors etc) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? (Less than 30%, 30-60%, more than 60%)
	No. At present all the BR initiatives are undertaken at Company level.

Section D - BR Information

1. Details of Director / Directors responsible for BR

a) Details of the Director / Director responsible for implementation of the BR policy / policies.

The Corporate Social Responsibility Committee comprises members of the Board of Directors and are responsible for implementation of CSR and BR Policies.

The Committee comprises of following Directors

Name	Designation	DIN
Ms Shobhana Ramachandhran*	Managing Director	00273837
Mr V Ramakrishnan	Director	00002931
Mr Rasesh R Doshi	Director	00538059

* Chairperson

b) Details of the BR Head

Sl. No.	Particulars	Details
1	DIN	NA
2	Name	Mr B Rajagopalan
3	Designation	Chief Financial Officer
4	Telephone No.	0452 2443300
5	E-mail ID	Rajagopalan.b@tvstyres.com

2. Principle-wise (as per NVGs) BR policy/policies

a) Details of compliance

Sl. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relation
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)*	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy been approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Certain policies are available in Company's website - www.tvseurogrip.com under Investor Relations Section								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have inhouse structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

*Wherever possible, policies are in compliance with specific regulations like ISO - 50001:2009, EnMs certification for Environment and ISO - 9001:2008, ISO - 14001:2004 and ISO/TS - 16949:2009 for Quality, etc.

b) If answer to S. No. 1 against any principle is “NO” please explain why (tick upto 2 options)

1.	The Company has not understood the principles	Not applicable
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	Not applicable
3.	The Company does not have financial or manpower resources available for the task	Not applicable
4.	It is planned to be done within next 6 months	Not applicable
5.	It is planned to be done within the next 1 year	Not applicable
6.	Any other reason (please specify)	Not applicable

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

  Business Responsibility is being reviewed annually by the MD and Senior Management and action taken as and when required.

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

  The Company publishes Business Responsibility Report annually. The same forms part of the Annual Report and is available in the investor relations section of our website www.tvseurogrip.com.

SECTION E - Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relate to ethics, bribery, and corruption cover only the Company? Yes / No Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

TSL has in place a ‘Code of Conduct’ (CoC) in order to ensure ethics, transparency and accountability in all aspects of the business, and create value for its stakeholders through trust, integrity and credibility. All TSL employees are required to adhere to the CoC’s requisites. It outlines good working norms, as well as the process to address any violations.

TSL also has in place a Whistle Blower Policy, for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company’s CoC or ethics policy and any other event which would adversely affect the interests of the Company. In the year 2020-21, no complaints were reported.

The Company has a Separate Code of Conduct prepared under the SEBI LODR Regulations, and Directors and Senior Management are required to abide by the same. A declaration by TSL’s Managing Director that all the Board members and the Senior Management Personnel have fully complied with the provisions of the Code of Conduct during the financial year ended March 31, 2021, is given as part of Corporate Governance Report which forms part of the Annual Report.

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

From	Received and resolved during the year 2020-21
Stakeholders – Other than Customers	NIL
Customers	278

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

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

i) Usage of naturally available Nano fillers in rubber compounds for two wheeler application.
ii) Low Rolling resistance Products (which are supplied to OEMs) with improved Fuel Economy.
iii) Adoption of energy efficient process resulting in reduction in usage of fossil fuel.

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

(a) Reduction during sourcing/production/distribution achieved since previous year throughout the value chain
(b) Reduction during usage by consumers (energy, water) has been achieved since previous year

Despite the impact on account of COVID-19 pandemic followed by lockdowns, the Company has continued to focus on improvements in all fronts. The following measures have been taken on the energy front

- Power cost of the Madurai and Uttarakhand plants were reduced through energy conservation initiatives and by optimizing the power mix.
- The fuel cost of the Madurai and Uttarakhand plants were reduced through improvement in the key parameter of Specific Fuel Consumption.
- Renewable energy, in the form of wind energy, accounts for almost 50% of our total energy consumption at our Madurai plant.
- Roof top solar plant was installed on pilot basis. The Company plans to substantially increase the roof top solar plant capacity in the FY2021-22.

The Company also pursues the practice of TQM and LEAN manufacturing principles, in an effort to further conserve materials by reduction in consumption of raw material per unit of finished goods.

3. Does the Company have procedure in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so

Yes. The Company has elaborate procedures as part of the vendor selection and vendor management process to promote sustainable sourcing. The Company strives enlisting vendors who have been certified to be compliant with environmental / social standards. Contractual obligations are stipulated regarding adherence with various regulatory requirements including environment protection. About 70% of our manufactured inputs (i.e. raw materials) are sourced from vendors who have been certified to be compliant with environmental / social standards. Transportation and logistics optimization is an on-going activity which helps to reduce related environmental impact.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Company has taken initiatives to source engineering consumables and spares through local vendors for execution of activities like servicing and maintenance of machines, mould repair, engineering correction jobs etc.,

Material transfer from warehouses to plant, inter-plant material and intermediates movement and handling of incoming raw materials and outgoing finished goods are few of the services availed through communities surrounding the place of work.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%) Also provide details thereof, in about 50 words or so

Yes, >10% of the wastes are recycled. The solid waste that is generated (including product rejects) are systematically segregated and sold to scrap vendors who either recycle the same or find alternative uses for it. Almost all the solid wastes are disposed in this manner. Effluent and sewage wastes are treated and used within the plant for gardening and washing purposes.

Principle 3: Businesses should promote the wellbeing of all employees

The health of its employees is a vital area of care and concern for the Company. Employee well-being is ensured through provision of regular medical check-ups and other benefits such as providing Group Medical Insurance and personnel accident policy for employees, in accordance with medical needs.

The Company has instituted processes and mechanisms to ensure that issues relating to sexual harassment are effectively addressed.

1. Please indicate the total number of employees - 2740
2. Please indicate the total number of employees hired on temporary/contractual/casual basis - 3263
3. Please indicate the Number of permanent women employees - 27
4. Please indicate the Number of permanent employees with disabilities - Nil
5. Do you have an employee association that is recognized by management - Yes.
6. What percentage of your permanent employees is members of this recognized employee association? - 70%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year - Nil
8. What percentage of your under mentioned employees were given safety & skill up-gradation training, in the last year?

A. Permanent Employees - 100%

B. Permanent Women Employees - 100%

C. Casual / Temporary / Contractual Employees - 100%

D. Employees with disabilities - Not Applicable

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

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

Yes. The policies of the Company provides the approach for identifying and engaging with stakeholders that include shareholders, customers, employees, suppliers, communities, civil society, media and the Government.

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

The Company believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth. The Company has put in place systems and procedures to identify, prioritize, and address the needs and concerns of its stakeholders across businesses and units in a continuous, consistent, and systematic manner, so that the stakeholder priorities and interest are attended to and all their concerns are addressed.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

The Stakeholders Relationship Committee oversees and reviews all matters connected with share transfers, duplicate share certificate, and other issues pertaining to shares. The committee also looks into the redressal of investors' grievances pertaining to transfer of shares, non-receipt of Annual Reports, non receipt of dividends etc., The Company, as a matter of policy, disposes investor complaints within a span of three working days.

All the queries and complaints, if any, received during the financial year ended 31st March, 2021 were duly redressed satisfactorily and no queries were pending for resolution on this date and there were no unresolved complaints for other stakeholders.

As regards other stakeholders, the Company has put in place systems and procedures to identify, prioritize, and address the needs and concerns of its stakeholders across businesses and units in a continuous, consistent, and systematic manner to ensure that stakeholder priorities and interest are attended to and all the concerns are addressed.

Over the years the Company has been involved in a number of community-focused activities under CSR, in the areas of health, education, environment and preservation of the Country's rich culture and heritage. Particularly, promoting preventive and general health care, sanitation and provision of safe drinking water; education by providing financial assistance to deserving educational institutions, meritorious and needy students, including special education and employment enhancing vocation skills; and gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens.

Principle 5 - Businesses should respect and promote human rights

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

The Company has Policies on Human Rights applicable to its employees and its value chains. Further, the Company has adopted policies like Policy on prevention of sexual harassment at work place. There is no gender disparity and child and forced labour is strictly prohibited.

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

There were no complaints on violation of human rights.

Principle 6 - Business should respect, protect and make efforts to restore the environment

1. Does the policy relate to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs / Others?

Yes. The Company's EOHS (Environment Occupational Health & Safety) Policy covers its manufacturing plants and scope extends to employees, contractors, suppliers and customers. Also, the policy addresses compliance with legal, statutory, regulatory and customer specific requirements related to EOHS.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming etc.,

Yes. The Company has initiated steps to reduce emission of pollutants and to manage resources, through implementation and adoption of various advanced technologies like Electro Static Precipitator (ESP), three stage RO in effluent plant, Multiple Effect Evaporator (MEE) to ensure Zero Liquid Discharge (ZLD) etc.

The Company has also installed roof top solar plant on pilot basis, to generate electricity for its captive requirements.

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

Yes. As part of Environmental Management System (EMS), environmental risks are identified and assessed through environmental aspect and impact assessment. Based on outcome of the assessment, Environmental Management Programs (EMP) are initiated to achieve desired environmental objectives and targets and this exercise is being followed on continuous basis

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

Yes. The Company has installed Electrostatic Precipitator (ESP) in the boiler stacks which reduce the Suspended Particulate Matter (SPM) level in the outgoing smoke and maintain it within the prescribed level given by the Tamil Nadu Pollution Control Board.

Regulatory requirements including Consent to Operate are being followed by the Company, ensuring compliance with the Air and Water Pollution control norms. Hazardous wastes are disposed off as per the regulatory authorisations granted. This authorisation has been renewed till 2024.

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

Yes, Details are provided in Annexure 6 to the Boards Report

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

Yes, within the permissible limits.

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

Principle 7 - Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

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

Yes. Major associations in which the Company is a member is given below:

- Confederation of Indian Industry (CII)
- Automotive Tyre Manufacturer Association (ATMA)

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

The Company advocates matters which are for the advancement or improvement of public good.

Principle 8 - Business should support inclusive growth and equitable development

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

Yes.

The Company has constituted a Corporate Social Responsibility (CSR) Committee. Based on the CSR Committee's recommendation, the Board has approved a CSR Policy. The Company undertakes various programmes and projects in pursuance of the CSR policy. Details of the policy and the programmes undertaken are given in the CSR Report forming part of the Board's Report.

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

CSR programmes / projects of the Company are run by in-house team and external NGOs/implementing agencies.

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

The project activities are periodically reviewed by the CSR Committee. Reports are sought from the implementing agencies to understand the impact of the initiatives.

4. What is your company's direct contribution to community development projects?

Amount in INR and the details the projects undertaken.
Details are given in Annexure 5 to Board's Report. During the financial year 2020-21, the Company has spent ₹ 2.75 Cr on CSR initiatives.

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

The Company's CSR projects have been primarily focused on skill development, health care projects, education & livelihood enhancement projects and disaster management. All these projects have achieved its objectives in terms of adoption by the Community. The Company has taken steps to conduct employee engagement and well-being programs like International Women's day, Founder's Day celebration, National safety week celebration, Quality month celebration etc.,

Principle 9 – Business should engage with and provide value to their customers and consumers in a responsible manner

1. What percentages of customer complaints / consumer cases are pending as at the end of financial year?

Consumer case - Nil

Customer complaints - Nil

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

Yes

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so. No case has been filed against the Company regarding unfair trade practices and/or irresponsible advertising during the last five years and pending as on end of financial year.

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

Yes.

B Rajagopalan
Chief Financial Officer
Place: Chennai
Date: June 15, 2021

AUDITOR'S REPORT TO THE SHAREHOLDERS

INDEPENDENT AUDITORS' REPORT

To the Members of TVS Srichakra Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of TVS Srichakra Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of Profit and Loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

1. Revenue Recognition:
a. Description: The Company recognizes revenue of sale of products on the following basis:
<u>(i) OE Manufacturers:</u> Revenue is recognized only on delivery being made at the OE factory site. Price variance for the change in input costs is adjusted through debit / credit notes on the same after being approved by the concerned OE
<u>(ii) After Market:</u> Sales to dealers in the after-market segment is accounted on dispatch being effected from the depots. Credit notes for schemes and discounts are estimated and accounted in the period when the sales revenue is recorded itself as a reduction from the revenue recognized. Actual credit notes issued are adjusted against such provisions made on a periodical basis.

Considering:

- the magnitude and high volume of sales transactions carried out, and
- estimation involved in price variance accounting as well as accruals for discounts and schemes; revenue recognition represented a key audit matter in the audit.

b. Our response: Our audit procedures included verification of existence, completeness, accuracy and cutoff for the sales transactions.

Our tests included performance of an understanding and evaluation of the internal controls over the revenue recognition and a validation of relevant controls. The tests further covered the proper recognition of revenue through testing of samples of sales transactions, obtaining appropriate supporting evidence with specific attention to key contractual terms that regulate the various performance obligations. Our audit procedures included analytical review of sales transactions and accounting of revenue. It also extended to performing confirmation procedures over trade receivables with the objective of validating trade receivable balances, testing samples of credit notes and year-end accruals.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Directors' report, Management Discussion and Analysis Report (MDA), Report on Corporate Governance, Financial Highlights and Business Responsibility Report (BRR) but does not include the standalone financial statements and our auditors' report thereon. These reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. When we read the aforesaid reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions, if required.

Responsibilities of the Management and Those Charged with Governance for Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors’ Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income) , the standalone Statement of Changes in Equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 41 to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2021.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021

3. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No.003990S/S200018

T V Balasubramanian
Partner
M. No. 027251
UDIN: 21027251AAAADM3445

Place: Chennai
Date: 25th May 2021

ANNEXURE A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of TVS Srichakra Limited ("the Company") on the standalone financial statements as of and for the year ended 31 March 2021.

(i) In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of the land and buildings which are freehold, are held in the name of the Company as at Balance Sheet date. In respect of assets taken on lease and disclosed as right of use assets in the standalone financial statements, the lease agreements are in the name of the Company as at Balance Sheet date.

(ii) The inventory, except stocks lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in the books of account.

(iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under Section 189 of the Act and hence 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of making investments. The Company has not provided any guarantees or securities and not granted any loans under Section 185.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company as specified under Section 148(1) of the Act, for maintenance of cost records in respect of the products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

However, we have not, made a detailed examination of cost records with a view to determine whether they are accurate or complete.

(vii)

(a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs, Goods and Services Tax (GST), cess and any other statutory dues as applicable with the appropriate authorities.
According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs, Goods and Services Tax (GST), cess and any other statutory dues were in arrears, as at 31 March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Income-tax, Sales Tax, Service tax, Goods and Services Tax (GST), Duty of customs, Excise duty and Value Added Tax as at 31 March 2021, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the Statute	Nature of the dues	Period to which amounts relates	Forum where dispute is pending	Amount (₹ in crores) *
Central Excise Tax/Customs Act	Excise Duty	Various periods	Dy. Commissioner	0.04
		Various periods	Jt. Commissioner	0.20
		2012-13	High Court	8.95
		2017	High Court	0.52
	Custom Duty	2013-14	Addl Director General (Adjn)	0.78
Goods and Service Tax Act	GST	2018-19	Jt. Commissioner (Appeals)	0.01
		2019-20	State Tax Officer	0.03
Central Sales Tax Act; Tamil Nadu Value Added Tax Act	Sales Tax, VAT, CST	Various periods	Asst. Commissioner	11.02
		Various periods	Dy. Commissioner	0.05
		Various periods	Dy. Commissioner (Appeals)	0.02
		Various periods	Dy. Commissioner (Appeals)	0.40
		2010-2016	The Appellate Dy Commissioner (CT)	0.90

* net of amounts paid under protest.

(viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government or dues to debenture holders.

(ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year. Term loans raised, have been applied for the purpose for which they were raised.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.

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

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause (xii) of the Order are not applicable.

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

(xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment of shares or private placement of shares or fully or partly paid convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable.

(xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.

(xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934. Accordingly, the provisions of clause (xvi) of the Order is not applicable.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No.003990S/S200018

T V Balasubramanian
Partner
M. No. 027251
UDIN: 21027251AAAADM3445

Place: Chennai
Date: 25th May 2021

ANNEXURE B

Referred to in paragraph 2(g) on 'Report on Other Legal and Regulatory Requirements' of our report of even date.

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls with reference to standalone financial statements of TVS Srichakra Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to standalone financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No.003990S/S200018

T V Balasubramanian
Partner
Membership No. 027251
UDIN: 21027251AAAADM3445

Place: Chennai
Date: 25th May 2021

STANDALONE BALANCE SHEET AS AT 31.03.2021

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

Particulars	Note	As at 31.03.2021	As at 31.03.2020
I ASSETS			
i. Non-current assets			
(a) Property, Plant and Equipment	**3**	609.53	625.06
(b) Capital work-in-progress	**3**	42.44	37.38
(c) Other Intangible assets	**4**	2.77	4.08
(d) Right of Use Asset	**5**	14.50	17.51
(e) Intangible assets under development	**4**	20.23	10.80
(f) Financial Assets			
(i) Investments	**6**	162.90	109.11
(ii) Loans	**7**	30.39	73.73
(g) Income tax assets (net)		4.11	9.27
(h) Other non-current assets	**8**	29.83	13.65
ii. Current assets			
(a) Inventories	**9**	416.10	410.51
(b) Financial Assets			
(i) Trade receivables	**10**	232.45	196.98
(ii) Cash and cash equivalents	**11(a)**	2.97	1.61
(iii) Bank balances other than (ii) above	**11(b)**	4.37	9.52
(iv) Others	**12**	21.22	39.04
(c) Other Current Assets	**13**	23.15	51.23
TOTAL ASSETS		1,616.96	1,609.48
II. EQUITY AND LIABILITIES			
1. Equity			
(a) Equity Share capital	**14**	7.66	7.66
(b) Other Equity	**15**	832.94	754.33
2. Liabilities			
i. Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	**16(a)**	102.63	123.88
(ii) Other financial liabilities	**17**	82.63	82.22
(b) Provisions	**18(a)**	7.74	9.54
(c) Deferred tax liabilities (Net)	**19**	29.61	32.99
(d) Other Non-current liabilities	**20**	4.12	4.48
ii. Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	**21**	38.67	194.89
(ii) Trade payables			
a) To Micro and Small Enterprises (Refer Note 42)	**22**	1.95	0.69
b) Others		285.76	210.63
(iii) Other financial liabilities	**23**	190.83	151.69
(b) Other current liabilities	**24**	22.47	23.49
(c) Provisions	**18(b)**	9.95	12.99
TOTAL EQUITY AND LIABILITIES		**1,616.96**	**1,609.48**
Significant Accounting Policies & Notes to Financial Statement	**1-49**		

Shobhana Ramachandhran
Managing Director
DIN: 00273837
Place: Madurai
Date: 25th May, 2021

R Naresh
Executive Vice Chairman
DIN: 00273609

As per our report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No:003990S/S200018

B Rajagopalan
Chief Financial Officer
Place: Chennai
Date: 25th May, 2021

P Srinivasan
Secretary
Membership No. A10129
Place: Madurai
Date: 25th May, 2021

T V Balasubramanian
Partner
M. No: 027251
UDIN: 21027251AAAADM3445

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2021

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

	Particulars	Note	Year ended 31.03.2021	Year ended 31.03.2020
I.	Revenue from operations	25	1,875.83	2,052.24
II.	Other income	26	5.31	9.48
III.	**Total Income (I + II)**		**1,881.14**	**2,061.72**
IV.	Expenses:			
	Cost of materials consumed	27	982.89	1,116.12
	Purchase of Stock-in-trade		0.39	0.66
	Changes in inventories of finished goods, Stock-in-Trade and Work-in-progress	28	23.73	(11.23)
	Employee benefits expense	29	254.34	261.26
	Finance costs	30	31.00	35.93
	Depreciation and amortization expense	45	101.14	97.66
	Other expenses	31	390.96	471.55
	Total expenses		**1,784.45**	**1,971.95**
V.	Profit before exceptional items and tax (III-IV)		96.69	89.77
VI.	Exceptional items	46	0.23	-
VII.	Profit before tax (V - VI)		96.46	89.77
VIII.	Tax Expense:			
	(1) Current Tax	32	30.29	27.75
	(2) Deferred Tax		(6.59)	(22.40)
IX.	Profit for the year (VII-VIII)		72.76	84.42
X	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss Gains on equity through Other Comprehensive Income		3.97	-
	Remeasurement of Net Defined Benefit Liability/Asset		5.10	(0.61)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(3.21)	0.15
	B (i) Items that will be reclassified to profit or loss			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
XI	Total Comprehensive Income for the year (XIII+XIV) (Comprising Profit and Other Comprehensive Income for the year)		**78.62**	**83.96**
XII	Earnings per equity share			
	- Basic & Diluted (FV - ₹10 per share)	33	95.02	110.25

Significant Accounting Policies & Notes to Financial Statement **1-49**

Shobhana Ramachandhran
Managing Director
DIN: 00273837
Place: Madurai
Date: 25th May, 2021

R Naresh
Executive Vice Chairman
DIN: 00273609

As per our report of even date attached
For PKF Sridhar & Santhanam LLP
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Chief Financial Officer
Place: Chennai
Date: 25th May, 2021

P Srinivasan
Secretary
Membership No. A10129
Place: Madurai
Date: 25th May, 2021

T V Balasubramanian
Partner
M. No: 027251
UDIN: 21027251AAAADM3445

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31.03.2021

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

	Particulars	Year ended 31.03.2021		Year ended 31.03.2020	
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Profit before tax		96.46		89.77
	Adjustments for :				
	Depreciation	101.14		97.66	
	Interest paid	31.00		35.93	
	Interest received	(5.27)		(3.20)	
	Loss/(Gain) due to Exchange rate Fluctuations	0.92		(0.40)	
	Advances Written off	3.00		-	
	Proceeds from Sale of Assets	(0.04)			
	Ind AS Adjustment - Lease	-		(9.65)	
	Bad Debts	0.88		-	
	Unrealized changes in Fair Value	9.07		(0.07)	
	Assets Condemned	0.13		-	
			140.83		120.27
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		237.29		210.04
	Adjustments for :				
	Trade Receivables	(36.45)		126.65	
	Other Receivables	70.06		44.34	
	Inventories	(5.59)		78.24	
	Trade and other payables	108.89		(133.24)	
			136.91		115.99
	OPERATING PROFIT AFTER WORKING CAPITAL CHANGES		374.20		326.03
	Cash Generated from Operations		374.20		326.03
	Direct taxes paid		(25.13)		(28.15)
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		349.07		297.88
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of Property, Plant & Equipment	(95.91)		(136.42)	
	Proceeds from disposal of assets	0.04			
	Investments Purchased	(53.79)		(2.18)	
	Interest received	5.27		3.20	
	Bank deposits	5.15		(0.55)	
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)		(139.24)		(135.95)
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Interest paid	(31.00)		(35.93)	
	Proceeds/ (Repayment) from short term borrowings	(156.22)		(167.80)	
	Proceeds/(Repayment) of long term borrowings	(21.25)		91.38	
	Dividend & Dividend tax paid	-		(55.47)	
	NET CASH FLOW FROM FINANCING ACTIVITIES: (C)		(208.47)		(167.82)
	NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**1.36**		**(5.89)**
	OPENING CASH AND CASH EQUIVALENTS		**1.61**		**7.50**
	CLOSING CASH AND CASH EQUIVALENTS [Refer Note 11(a)]		**2.97**		**1.61**

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flow'

Refer Note 16(b) for Net debt reconciliation **1-49**
Significant Accounting Policies & Notes to Financial Statement

Shobhana Ramachandhran
Managing Director
DIN: 00273837
Place: Madurai
Date: 25th May, 2021

R Naresh
Executive Vice Chairman
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T V Balasubramanian
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B Rajagopalan
Chief Financial Officer
Place: Chennai
Date: 25th May, 2021

P Srinivasan
Secretary
Membership No. A10129
Place: Madurai
Date: 25th May, 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2021

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

(a) Equity share capital

Particulars	Amount
Balance as at March 31, 2019	**7.66**
Changes in equity share capital during the year	-
Balance as at March 31, 2020	**7.66**
Changes in equity share capital during the year	-
Balance as at March 31, 2021	**7.66**

(b) Other Equity

	Reserves and Surplus						
Particulars	**Capital Reserve**	**Securities Premium Account**	**General Reserve**	**Amalgamation Reserve**	**Retained Earnings**	**Equity Instrument through Other Comprehensive Income**	**Total**
Balance as at March 31, 2019	**0.01**	**0.93**	**31.01**	**0.46**	**668.07**	**35.01**	**735.49**
Other Comprehensive income for the year	-	-	-	-	(0.46)	25.67	**25.21**
Dividends including Dividend Distribution Tax	-	-	-	-	(55.47)	-	**(55.47)**
IND AS 116 - Transferred to Retained earnings					(9.65)		
Transfer to Retained Earnings from Profit & Loss	-	-	-	-	84.42	-	**84.42**
Balance as at March 31, 2020	**0.01**	**0.93**	**31.01**	**0.46**	**686.91**	**35.01**	**754.33**
Other Comprehensive income for the year	-	-	-	-	3.81	2.04	5.85
Dividends including Dividend Distribution Tax	-	-	-	-	-	-	-
IND AS 116 - Transferred to Retained earnings					-		-
Transfer to Retained Earnings from Profit & Loss	-	-	-	-	72.76	-	72.76
Balance as at March 31, 2021	**0.01**	**0.93**	**31.01**	**0.46**	**31.01**	**37.05**	**832.94**

Significant Accounting Policies & Notes to Financial Statement **1-49**

Shobhana Ramachandhran
Managing Director
DIN: 00273837
Place: Madurai
Date: 25th May, 2021

R Naresh
Executive Vice Chairman
DIN: 00273609

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B Rajagopalan
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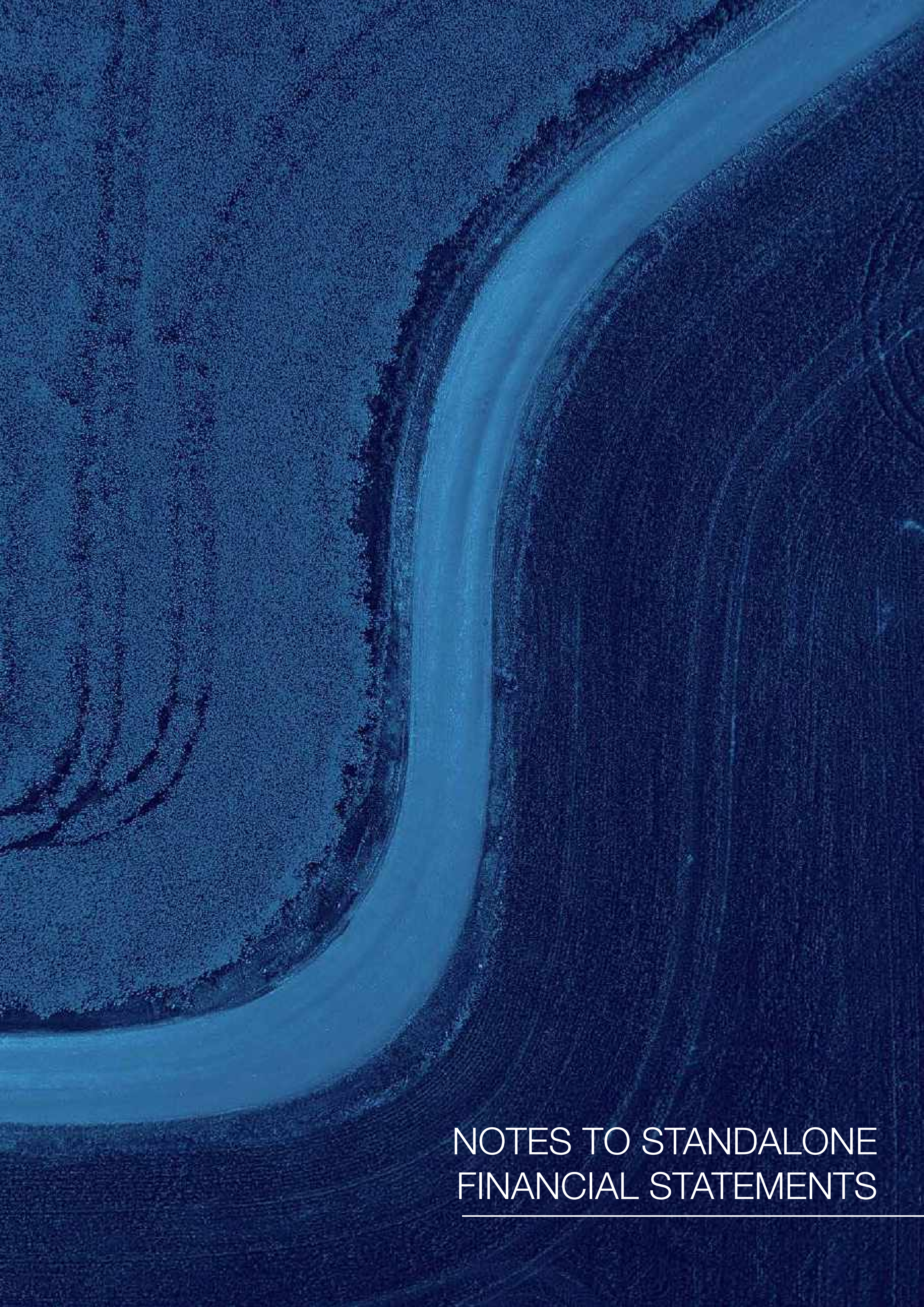


NOTES TO STANDALONE FINANCIAL STATEMENTS

1. Corporate Information

TVS Srichakra Limited ('TSL' or 'the Company') is a public limited company domiciled and incorporated in India having its registered office at TVS Building, 7-B West Veli Street, Madurai 625001. The Company is engaged in the business of two-wheeler, three-wheeler and other industrial tyre manufacturing.

The Company's shares are listed and traded on Bombay Stock Exchange and National Stock Exchange in India. The standalone financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on May 25,2021.

2. Significant Accounting Policies

a) Basis of preparation

The financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis of accounting, except for items in Statement of Cash Flow and certain items of Assets and Liabilities that have been measured on fair value basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. GAAP comprises Indian Accounting standards ("Ind AS") as specified in Section 133 of the Act read together with rule 4 of Companies (Indian Accounting Standard) Rules 2015 and relevant amendment Rules issued thereafter to the extent applicable, pronouncements of regulatory bodies applicable to the Company, guidelines issued by SEBI and other provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to existing accounting standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on a periodic basis.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Note 2(w). Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

b) Statement of Compliance with Ind AS

The Financial Statements comprising Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity, Statement of Cash Flow together with notes for the year ended March 31, 2021 have been prepared in accordance with Ind AS as notified above.

c) Changes in Accounting Standards

There were certain amendments to the Accounting Standards on miscellaneous issues. Such changes include clarification/guidance on:

- Ind AS 1 Presentation of Financial Statements - Substitution of the definition of term 'Material'
- Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors - In order to maintain consistency with Ind AS 1, the respective changes have been made to Ind AS 8 also.
- Ind AS 10 Events after the Reporting Period - Clarification on the disclosures requirements to be made in case of a material non- adjusting event.

- Ind AS 34 Interim Financial Reporting - In order to maintain consistency with the amendments made in other Ind AS, respective changes have been made to Ind AS 34.
- Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - Clarification on the accounting treatment for restructuring plans.
- Ind AS 103-Business combination-Detailed guidance on term 'Business' and 'business combinations' along with providing an optional test to identify concentration of fair value.
- Ind AS 107 Financial Instruments: Disclosures - Clarification on certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.
- Ind AS 109 Financial Instruments - Clarification on temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.
- Ind AS 116 Leases - Clarification on whether rent concessions as a direct consequence of COVID-19 pandemic can be accounted as lease modification or not.

None of these amendments have any significant effect on the company's standalone financial statements.

d) Changes in Accounting Standards that may affect the Company after 31st March 2021

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

e) Functional and Presentation Currency

Items included in financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian rupee is the functional currency of the Company.

The Financial Statements are presented in Indian Rupees which is company's presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest Crore (Cr) with two decimals except where otherwise indicated.

f) Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in hich the estimates are revised and in future periods which are affected.

Critical Judgments in applying accounting policies

i. Classification of investment in TVS Automobile Solutions Private Limited
The Company holds investments in equity shares of TVS Automobile Solutions Private Limited ("TVS ASPL"). In the opinion of the management, TVS ASPL is not considered to be an associate of the Company. Accordingly, the investment in their shares have been designated as investment at FVTOCI.

ii. Lease
The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain.

The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Assumptions and Key Sources of Estimation Uncertainty

i. Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 2(v).

ii. Provisions for liabilities and charges

The value of provisions recognized in the Financial Statements represent the best estimate to date made by management for a range of issues. This estimate entails the adoption of assumptions which depend on factors that may change over time and which could therefore have a significant impact on the current estimates made by management in preparing the Financial Statements.

iii. Useful life of Property, Plant & Equipment (PPE)

The Company reviews the estimated useful lives of PPE at the end of each reporting period.

iv. Employee Benefits - Defined Benefit Obligations (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

v. Estimation of uncertainties relating to the global health pandemic from COVID-19:

On March 11, 2020, the World Health Organization declared Covid-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020, and extended from time to time thereafter. The business has been impacted during the year on account of COVID-19. The Company witnessed softer revenues due to the lockdown imposed during the first six months of the year. With the unlocking of restrictions, the Company's business gradually improved. During the second half of the year, the Company witnessed signs of recovery and is back on track. Whilst there has been a second wave of the COVID-19 pandemic in the last few months in some States, there has also been increased vaccination drive by the Government and the Company continues to closely monitor the situation. The Company has also assessed the possible impact of COVID-19 in preparation of the standalone financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its investments, financial and nonfinancial assets and impact on revenues and costs.

The Company has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets.

g) Financial Instruments

i. **Financial Assets -** Investment in subsidiaries, associates and joint ventures
The Company records the investments in subsidiaries, associates and joint ventures at cost less impairment loss, if any.

ii. **Financial Assets -** Other than investment in subsidiaries, associates and joint ventures
Financial assets comprise investments in equity and debt securities, trade receivables, cash and cash equivalents and other financial assets.

Initial recognition:

All financial assets are recognized initially at Fair value plus transaction costs that are attributable to the Acquisition of the financial asset (In case of financial assets not recorded at FVTPL, transaction costs are recognized immediately in statement of profit and loss). Purchase or sales of financial assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date.

Subsequent measurement:

i. **Financial assets measured at amortized cost:** Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using Effective Interest Rate (EIR) method. The EIR amortization is recognized as finance income in the statement of profit and loss.

The Company while applying above criteria has classified the following at amortized cost

a) Trade receivable

b) Other financial assets

ii. **Financial asset at FVTOCI**
Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial asset and the contractual terms of financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair value movements in financial assets at FVTOCI are recognized in other comprehensive income Equity instruments held for trading are classified as FTVPL. For other equity instruments the Company classifies the same as FVTOCI. The classification is made on initial recognition and is irrevocable. Fair value changes on equity instruments at FVTOCI excluding dividends, are recognized in other comprehensive income (OCI).

iii. **Financial asset at FVTPL**
All fair value changes are recognized in the Statement of Profit and loss.

Derecognition of financial asset

Financial assets are derecognized when the contractual right to cash flows from the financial asset expires or the financial asset is transferred, and the transfer qualifies for Derecognition. On Derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of Derecognition) and the consideration received (including any new asset obtained less any new liability Assumed) shall be recognized in the statement of profit and loss (except for equity instruments designated as FVTOCI).

Impairment of financial asset

Trade receivables, investments in debt instruments that are carried at amortized cost, investments in debt instruments that are carried at FVTOCI are tested for impairment based on the expected credit losses for their respective financial asset.

a) Trade receivable
An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rate reflecting future economic conditions. In this approach, assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

b) Other financial assets
Other financial assets are tested for impairment and expected credit losses are measured at an amount equal to 12 month expected credit loss. If the credit risk on the financial asset has increased significantly since initial recognition, then the expected credit losses are measured at an amount equal to life-time expected credit loss.

iii. Financial liabilities

Initial recognition and measurement

Financial liabilities are initially recognized at fair value plus any transaction cost that are attributable to the acquisition of financial liability except financial liabilities at fair value through profit and loss which are initially measured at fair value.

Subsequent measurement

The financial liabilities are classified for subsequent measurement into following categories

- at amortized cost
- at fair value through the statement of profit and loss

Financial liabilities at amortized cost

The Company is classifying the following under amortized cost;

a) Borrowings from banks

b) Borrowings from others

c) Lease liabilities

d) Trade payables

e) Other Financial Liabilities

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount.

Financial liability at Fair Value through statement of profit and loss

Financial liabilities held for trading are measured at FVTPL.

De-recognition of financial liabilities

A financial liability is de-recognized when and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

iv. Derivative financial instruments

Foreign exchange forward contracts and options are entered into by the Company to mitigate the risk of changes in foreign exchange rates associated with certain payables, receivables and forecasted transactions denominated in certain foreign currencies. These derivative contracts that do not qualify for hedge accounting under Ind AS 109, are initially recognized at fair value on the date the contract is entered into and subsequently measured through statement of profit and loss. Gains or loss arising from changes in the fair value of the derivative contracts are recognized in the statement of profit and loss.

v. Hedge accounting

The company has not designated any hedge instruments and hence requirements under Ind AS 109 in respect of hedge accounting does not arise.

vi. Offsetting of financial assets and liabilities

Financial assets and liabilities are offset, and the net amount is presented in Balance Sheet when, and only when, the Company has a legal right to offset the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

vii. Reclassification of financial assets

The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

h) Share capital and Dividend to Shareholders

Equity Shares are classified as equity. Where any shares are issued, incremental costs directly attributable to the issue of new equity shares or share options will be recognized as deduction from equity, net of any tax effects. Dividend distribution to equity shareholders is distribution to owners of capital in statement of changes in equity, in the period in which it was paid. Final Dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as liability on the date of declaration by the Company's Board of Directors.

i) Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable, accumulated impairment losses. Cost includes expenditure that is directly attributable to acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. When parts of an item of Property, Plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on disposal of an item of property plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and equipment and are recognized net within "other income/other expenses" in the statement of profit and loss.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefit embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognized. The cost of day to day servicing of property, plant and equipment are recognized in statement of profit or loss.

Depreciation

Depreciation is recognized in the Statement of profit and loss under straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased asset are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term.

Assets costing ₹5000 or below acquired during the year considered not material are depreciated in full retaining ₹1 per asset. The Useful life has been considered in line with schedule II except in the following cases which are based on technical estimates.

Estimated useful life in years

Particulars	Useful life
Plant and Machinery other than generator sets	20 years
Electronics	6 years
Moulds / trolleys / weighing balance / drums / PCI stand / Storage stand / motor / pump	6 years

The depreciation method, useful lives and residual value are reviewed at each of the reporting date.

j) Intangible assets

Intangible assets that are acquired by the company, which have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the intangible asset.

Research costs are expensed as incurred. Development expenditures on an individual project/New Product Development are recognised as an intangible asset when the Company can demonstrate:

The technical feasibility of completing the intangible asset so that the asset will be available for use or sale	Its intention to complete and its ability and intention to use or sell the asset	How the asset will generate future economic benefits	The availability of resources to complete the asset	The ability to measure reliably the expenditure during development

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in the statement of profit and loss.

Amortization of intangible asset with finite useful lives.

Amortization is recognized in the statement of profit and loss on a straight line basis over the estimated useful lives of intangible assets from the date that they are available to use based on the estimates made by the management w.r.t the useful life and residual value.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

k) Impairment of Non-financial assets

The carrying amount of the Company's non-financial asset, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing the value in use and its fair value less cost to sell, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to asset. For impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows into continuing use that are largely independent of cash inflows of other assets or group of assets (the cash generating unit).

An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of cash generating unit are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit or group of units on a pro rata basis.

Reversal of impairment loss

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

l) Leases

At the inception of a contract, the Company assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straightline method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement date, discounted using the Company's incremental borrowing rate.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense over the lease term.

m) Inventories

Inventories are measured at the lower of cost (determined using Weighted average method) and net realizable value. Cost comprises the fair value of consideration for the purchase and all directly attributable costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated cost necessary to make the sale.

Cost includes direct material cost, direct labour cost, taxes and duties (other than duties and taxes for which input credit is available), freight, other direct expenses and an appropriate proportion of variable and fixed overhead expenditure.

Cost of the purchased inventory are determined after deducting rebates and discounts. Provision is made for obsolete, non-moving & defective stocks, wherever necessary.

n) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

o) Revenue recognition

Revenue is recognized on their accrual and when no significant uncertainty on measurability or collectability exists.

Revenue from the sale of goods is recognized when the performance obligations towards customers have been met at an amount that reflects the consideration to which the company believes it is entitled to in exchange for the transfer of goods to customers, net of any sales returns and GST. Variable consideration in the form of trade discounts and volume rebates are netted off from revenue. Performance obligations are deemed to have been met when the control of goods has been transferred to the customer, depending on the individual terms of the contract of sale. Considering the general terms of sales, there is no significant financing element included in the sales consideration.

Subsidies on export and other incentives

Government Subsidies and incentives, in the nature of Business Support Subsidy and MEIS are recognized when there is a reasonable assurance that the condition attaching to the incentive would be complied with and incentives will be recognized.

Government grant received relating to assets are treated as Deferred Revenue and are recognized over the period in which the economic benefit is expected from such assets.

p) Employee benefits

Employee benefits are accrued in the period in which the associated services are rendered by employees of the Company, as detailed below:

i. Defined contribution plan (Provident fund)

In accordance with Indian law, eligible employees receive benefit from provident fund, which is a defined contribution plan. Both the employee and employer make monthly contributions to the plan, each equal to a specific percentage of employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company does not have any legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee service in the current and prior periods. Obligation for contributions to the plan is recognized as an employee benefit expense in the statement of profit and loss when incurred.

ii. Defined benefit plan (gratuity)

In accordance with applicable Indian laws, the Company provides for gratuity, which is a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. The Company's net obligation in respect of the gratuity plan is calculated by estimating the amount of future benefits that the employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service cost and the fair value of plan assets are deducted. The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligations. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefit available in the form of any future refunds from the plan or reductions in the future contributions to the plan.

The Company recognizes all re-measurements of net defined benefit liability/asset directly in other comprehensive income and presented within retained earning under equity. The Company has an employees' gratuity fund managed by the ICICI Prudential Life Insurance Company Limited.

iii. Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

iv. Compensated absences

The employees of the Company are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence. The Company recognizes an obligation for compensated absences in the period in which the employee renders the services. The Company provides for the expected cost of compensated absence in statement of profit or loss as additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated based on actuarial valuations carried out by an independent actuary at the balance sheet date.

q) Finance Income and expense

Finance income comprises interest income on funds invested, dividend income, fair value gains on financial assets at fair value through profit or loss. Interest income is recognized using effective interest method. Dividend income is recognized in statement of profit and loss on the date when the company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expense comprises interest expense on loans and borrowings, bank charges, unwinding of discount on provision, fair value losses on financial asset through FVTPL that are recognized in the statement of profit and loss.

r) Borrowing costs

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. Other borrowing costs are recognized as expenses in the period in which they are incurred. To the extent the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowings costs eligible for capitalization by applying a capitalization rate to the expenditure incurred on such asset. The capitalization rate is determined based on the weighted average of borrowing costs applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of qualifying asset. The amount of borrowing costs that the Company capitalizes during a period does not exceed the amount of borrowing costs incurred during that period.

s) Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:

(i) The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss

(ii) Differences relating to investments in subsidiaries and associates to the extent that it is probable that they will not reverse in the foreseeable future.

(iii) Arising due to taxable temporary differences arising on the initial recognition of goodwill, as the same is not deductible for tax purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred taxation arising on investments in subsidiaries and associates is recognized except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxation on temporary differences arising out of undistributed earnings of the equity-method accounted investee is recorded based on the management's intention. If the intention is to realize the undistributed earnings through sale, deferred tax is measured at the capital gains tax rates that are expected to be applied to temporary differences when they reverse. However, when the intention is to realize the undistributed earnings through dividend, the Company's share of the income and expenses of the equity-method accounted investee is recorded in the statement of profit and loss after considering any taxes on dividend payable by equity-method accounted investee or deferred tax is set up in the books if the tax liability is with the Company.

t) Foreign Currency Transactions and balances

Transactions in foreign currencies are initially recognized in the financial statements using exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the relevant functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate prevailing on the date that the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency differences arising on translation are recognized in statement of profit and loss for determination of net profit or loss during the period.

u) Earnings per share

Basic Earnings Per Share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company after adjusting impact of dilution shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

v) Fair value measurements

Ind AS requires the determination of fair value for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1
Unadjusted quoted prices in active market for identical assets and liabilities

Level 2
Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3
Unobservable outputs for the assets and liabilities

For assets and liabilities that are recognized in the financial statement at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and/or disclosures purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Investments in equity and debt securities

The fair value is determined by reference to their quoted price at the reporting period. In the absence of quoted price, the fair value of the financial asset is measured using valuation techniques.

(ii) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. However, in respect of such financial statements, fair value generally approximates the carrying amount due to the short-term nature of such assets. This fair value is determined for disclosure purpose or when acquired in a business combination.

(iii) Lease Security Deposits

Any lease deposits paid by the company to the lessors are discounted to its fair value and thereafter accounted on amortised cost method over the lease period.

(iv) Derivatives

The fair value of forward exchange contracts is based on quoted price. Fair value reflects the credit risk of the instrument and includes adjustments to take account of the credit risk of the Company and the counter party when appropriate.

(v) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flow discounted at the market rate of interest at the reporting date. For leases, the applicable rate of interest is determined by reference to incremental borrowings rate.

w) Current and non-current classification

An asset is classified as current if:

a. It is expected to be realized or sold or consumed in the Company's normal operating cycle;

b. It is held primarily for the purpose of trading;

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

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

All other assets are classified as non-current.

A liability is classified as current if:

a. It is expected to be settled in normal operating cycle;

b. It is held primarily for the purpose of trading;

c. It is expected to be settled within twelve months after the reporting period;

d. It has 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.

x) Statement of Cash Flow

Cash flows are reported using the indirect method, whereby, profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

y) Segment Reporting

Operating segments are identified and reported considering the different risks and returns, the organization structure and the internal reporting systems. The Company's business activity falls within a single reportable business segment, viz, Automotive Tyres, Tubes and Flaps.

z) Warranty

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

3. Property, plant and equipment

The following table presents the changes in PPE during the year Mar 31, 2021

Particulars	Original cost				Depreciation				Net book value	
	As at April 1, 2020	Additions during the year	Deletions during the year	As at 31 March, 2021	As at 31 March, 2020	For the year	Disposals	As at 31 March, 2021	As at 31 March, 2021	As at 31 March, 2020
Freehold Land	42.47	0.36	-	42.83	-	-	-	-	42.83	42.47
Building	224.56	16.62	-	241.18	29.43	9.93	-	39.36	201.82	195.13
Plant and Machinery	471.01	53.95	0.54	521.42	194.19	56.05	0.54	249.70	274.72	276.82
Furniture and Fittings	16.89	0.86	-	17.75	3.86	1.71	-	5.57	12.18	13.03
Vehicles	1.71	0.21	0.33	1.59	0.75	0.19	0.24	0.70	0.89	0.96
Official equipment	21.70	2.51	0.32	23.89	10.67	4.48	0.32	14.83	9.06	11.03
Others (electrical)	172.58	2.33	-	174.91	86.96	19.92	-	106.88	68.03	85.62
Total	**950.92**	**76.84**	**1.19**	**1,026.57**	**325.86**	**92.28**	**1.10**	**417.04**	**609.53**	**625.06**
Capital work in progress	37.38	15.83	10.77	42.44	-	-	-	-	42.44	37.38
Total	**988.30**	**92.67**	**11.96**	**1,069.01**	**325.86**	**92.28**	**1.10**	**417.04**	**651.97**	**662.44**

The following table presents the changes in PPE during the year Mar 31, 2020

Particulars	Original cost				Depreciation				Net book value	
	As at April 1, 2019	Additions during the year	Deletions during the year	As at 31 March, 2020	As at Apr 1, 2019	For the year	Disposals	As at 31 March, 2020	As at 31 March, 2020	As at 31 March, 2019
Freehold Land	42.38	0.09	-	42.47	-	-	-	-	42.47	42.38
Building	197.13	27.43	-	224.56	21.11	8.32	-	29.43	195.13	176.02
Plant and Machinery	432.06	39.18	0.23	471.01	140.48	53.94	0.23	194.19	276.82	291.58
Furniture and Fittings	10.05	6.84	-	16.89	2.73	1.13	-	3.86	13.03	7.32
Vehicles	1.69	0.02	-	1.71	0.56	0.19	-	0.75	0.96	1.13
Official equipment	14.30	7.49	0.09	21.70	6.96	3.80	0.09	10.67	11.03	7.34
Others (electrical)	156.24	16.34	-	172.58	65.36	21.60	-	86.96	85.62	90.88
Total	**853.85**	**97.39**	**0.32**	**950.92**	**237.20**	**88.98**	**0.32**	**325.86**	**625.06**	**616.65**
Capital work in progress	33.24	13.27	9.13	37.38	-	-	-	-	37.38	33.24
Total	**887.09**	**110.66**	**9.45**	**988.30**	**237.20**	**88.98**	**0.32**	**325.86**	**662.44**	**649.89**

1. 'The amount of borrowing cost capitalised during the year ended March 31, 2021 is ₹ 0.40 Crores (March 31, 2020 - NIL). The rate used to determine the amount of borrowing cost eligible for capitalisation was 8.10%, based on the effective interest rate of identified borrowings

2. Refer note 16(a) and 21 for details on pledges and securities of property, plant and equipment provided for borrowings.

3. The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition i.e. 1st April 2015 and hence the carrying amount (net block) as per previous GAAP on that date has been considered as Gross Block Refer below the Gross Block Value and Accumulated Depreciation on 1st of April 2015 under previous year.

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

Particulars	Gross Block as on 1.4.15	Accumulated Depreciation as on 1.4.15	Net Block as on 1.4.15
Freehold Land	1.96	-	1.96
Buildings	87.82	16.06	71.76
Plant & Machinery	265.02	133.57	131.45
Furniture & Fittings	4.80	2.68	2.12
Vehicles	1.55	0.57	0.98
Office Equipments	6.92	3.83	3.09
Others (Electricals)	66.35	16.25	50.10
Total	434.42	172.96	261.46

4. Intangible assets

The following table presents the changes in Intangible Assets during the year Mar 31, 2021

Particulars	Original cost				Amortisation				Net book value	
	As at April 1, 2020	Additions during the year	Deletions during the year	As at 31 March, 2021	As at 31 March, 2020	For the year	Disposals	As at 31 March, 2021	As at 31 March, 2021	As at 31 March, 2020
Computer software	15.71	1.35	-	17.06	11.63	2.66	-	14.29	2.77	4.08
Total	**15.71**	**1.35**	-	**17.06**	**11.63**	**2.66**	-	**14.29**	**2.77**	**4.08**
Intangible assets under development	10.80	12.31	2.88	20.23	-	-	-	-	20.23	10.80
Total	**26.51**	**13.66**	**2.88**	**37.29**	**11.63**	**2.66**	-	**14.29**	**23.00**	**14.88**

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

The following table presents the changes in Intangible Assets during the year Mar 31, 2020

Particulars	Original cost				Amortisation				Net book value	
	As at April 1, 2019	Additions during the year	Deletions during the year	As at 31 March, 2020	As at 1 April, 2019	For the year	Disposals	As at 31 March, 2020	As at 31 March, 2020	As at 31 March, 2019
Computer software	14.36	1.35	-	15.71	8.79	2.84	-	11.63	4.08	5.57
Total	**14.36**	**1.35**	-	**15.71**	**8.79**	**2.84**	-	**11.63**	**4.08**	**5.57**
Intangible assets under development	0.61	10.29	0.10	10.80	-	-	-	-	10.80	0.61
Total	**14.97**	**11.64**	**0.10**	**26.51**	**8.79**	**2.84**	-	**11.63**	**14.88**	**6.18**

Note: 1. The Company has availed the deemed cost exemption in relation to the intangible on the date of transition i.e. 1st April 2015 and hence the carrying amount (net block) as per previous GAAP on that date has been considered as Gross Block Refer below the Gross Block Value and Accumulated Depreciation on 1st of April 2015 under previous year

Particulars	Gross Block as on 1.4.15	Accumulated Depreciation as on 1.4.15	Net Block as on 1.4.15
Computer Software	7.36	4.38	2.98
License	1.81	1.81	-
Total	**9.17**	**6.19**	**2.98**

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

5. Right of Use Assets

A. Movement in Right of Use Assets:

Particulars	Plant & Machinery	Land	Total
Gross Block at Cost			
As at 1st April 2020	23.35	-	23.35
Additions during the year	0.72	2.47	3.18
Deductions for the year	-	-	-
As at 31st March 2021	24.07	2.47	26.54
Depreciation	-	-	-
As at 1st April 2019	5.84	-	5.84
Charge for the year	6.18	0.02	6.20
Deductions for the year	-	-	-
As at 31st March 2020	12.02	0.02	12.04
Net Block	-	-	-
As at 31st March 2020	12.05	2.45	14.50

Gross Block at Cost			
As at 1st April 2019			
Opening Adjustments (on transition)	23.35	-	23.35
Additions during the year	-	-	-
Deductions for the year	-	-	-
As at 31st March 2020	**23.35**	-	**23.35**
Depreciation	-	-	-
As at 1st April 2019	-	-	-
Opening Adjustments	-	-	-
Charge for the year	5.84	-	5.84
Deductions for the year	-	-	-
As at 31st March 2020	**5.84**	-	**5.84**
Net Block	-	-	-
As at 31st March 2020	**17.51**	-	**17.51**

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

B. Movement in Lease Receivable (Net of Liabilities):

Particulars	Amount
As at 1st April 2020	1.46
Lease payments during the year	0.26
As at 31st March 2021	1.72
- Non Current	1.72
- Current	-

As at 1st April 2019	1.21
Opening Adjustments (on transition)	0.25
Lease payments during the year	1.46
As at 31st March 2020	1.46
- Non Current	-
- Current	-

C. Amounts recognized in statement of profit and loss:

Expense/(Income)	As at 31.03.2021	As at 31.03.2020
Depreciation expense of Right of Use Assets	6.20	5.84
Expense relating to short-term leases	15.24	17.08
Interest income on Net lease receivable	(0.43)	(0.40)
Total recognized in Statement of Profit and Loss	**21.01**	**22.52**

D. Exposure to future cash flows:
The Company has taken some plant & machinery on lease and following are the undiscounted contractual cash flows of lease liabilities (Net of receivables):

Maturity Analysis		
Less than 1 year	0.24	0.25
Between 1 and 2 years	(1.96)	0.25
Between 2 and 5 years	-	(1.96)
More than 5 years	-	-
Total	**(1.72)**	**(1.46)**

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

6. Investments (Non-current Financial Assets)

Particulars	As at 31.03.2021	As at 31.03.2020
Investment in equity of others - Unquoted:		
Subsidiary		
TVS Srichakra Investments Ltd 66,38,465 fully paid up equity shares (PY - 25,96,373 shares) of ₹10 each	**61.90**	10.05
Associate:		
Van Leeuwen Tyres and Wheels BV 15,000 fully paid up equity shares (PY - 15,000 shares) of EURO 1 each	**0.09**	0.09
Others;		
Sai Regency Power Corporation Private Limited 2,25,000 fully paid up equity shares (PY - 2,25,000 shares) of ₹10 each	**0.22**	0.22
Myrtah Vayu Manijra Private Limited 10,10,840 fully paid up equity shares (PY - 5,62,340 shares) of ₹10 each	**1.01**	0.56
Coromandel Electricity Company Limited 10,000 fully paid up equity shares (PY - 10,000 shares) of ₹10 each	**0.01**	0.01
TVS Automobile Solutions Private Limited 9,11,741 fully paid up equity shares (PY - 9,11,741 shares) of ₹10 each	**99.98**	96.01
Other Investments - Deemed Equity		
Fair valuation of equity option in convertible debentures issued by TVS Srichakra Investments Ltd.	**-**	2.26
Total	**163.21**	**109.20**
Less: Provision for diminution in value of investments	**(0.31)**	(0.09)
Total	**162.90**	**109.11**
Aggregate amount of unquoted investment	**163.21**	106.94
Aggregate amount of impairment in the value of investment	**(0.31)**	(0.09)

7. Loans - Non-current Financial Assets

Particulars	As at 31.03.2021	As at 31.03.2020
Secured, Considered Good		
Unsecured, Considered Good:		
Security Deposits	27.64	27.71
Advance to Related Parties:		
11% optionally convertible debentures*	-	43.97
Other Loans	2.75	2.05
Loans which have significant increase in Credit Risk	-	-
Loans - Credit impaired	-	-
Total	**30.39**	**73.73**

*Issued in two tranches (first issue in February, 2016 and second issue in March, 2016). Redeemable at the end of 59 months of issue if conversion option not exercised by then. The debentures were converted into fully paid up equity shares in the FY 2020-21

8. Other non current assets

Particulars	As at 31.03.2021	As at 31.03.2020
Capital advance	27.51	8.97
Gratuity - excess value of plan assets over obligation	0.60	-
Lease prepayments	1.72	4.68
Total	**29.83**	**13.65**

9. Inventories

Raw material and components	234.87	210.31
Work in progress	31.25	26.95
Finished goods*	131.07	159.29
Stock in trade	0.42	0.23
Stores and spares	18.49	13.72
Total**	**416.10**	**410.51**

*The company has recorded inventory write down of ₹2.22 crores (PY 0.38 crores) which is included as part of cost of materials consumed
**Includes stock in transit of ₹28.67 Crores (PY - Nil)
Refer to Note 16 (a) and Note 21 for details of pledge and securities of Inventories provided for borrowings

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

10. Trade receivables

Particulars	As at 31.03.2021	As at 31.03.2020
Trade Receivables considered good - Secured	**-**	-
Trade Receivables considered good - Unsecured	**232.45**	196.98
(Refer Note 37 for Related Parties)		
Trade Receivables which have significant increase in Credit Risk	**0.82**	-
Trade Receivables - credit impaired	**233.27**	196.98
Less: Allowance for doubtful receivables	**0.82**	-
Total	**232.45**	**196.98**

11. Cash and bank balances

11(a) Cash and Cash Equivalents		
a) Balance with banks		
(i) in current accounts	2.94	1.54
(ii) Cash on Hand	0.03	0.07
(a)	**2.97**	**1.61**
11(b) Other bank balances		
(i) Bank deposits*	0.06	4.56
(ii) Unpaid dividend	4.31	4.96
(b)	**4.37**	**9.52**

* Balances in deposits accounts subject to lien in favour of banks for obtaining bank guarantees/letter of credits

12. Other financial assets

Interest Accrued on Debentures	-	5.00
(Refer Note 37 for Related Parties)		
Accrued Income	24.22	34.04
Provision for Doubtful Advances	(3.00)	-
Total	**21.22**	**39.04**

13. Other current assets (Unsecured, Considered good)

(a) Advance other than capital advance:		
Other Advances:		
Advances to suppliers	17.26	18.70
	17.26	**18.70**
(b) Others		
Balance with service tax and sales tax authorities	0.07	0.07
Prepaid expenses	5.45	4.45
Lease prepayments	0.37	0.37
GST Input Tax Credit(Net) available for set-off/refund	-	27.13
Others	-	0.51
	5.89	**32.53**
		-
Total (a) + (b)	**23.15**	**51.23**

14. Equity share capital

Authorised (1,00,00,000 equity shares at ₹10 each)	10.00	10.00
Subscribed and fully paid up (76,57,050 equity shares at ₹10 each)	7.66	7.66
Total	**7.66**	**7.66**

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

14.1 Reconciliation of number of shares in the beginning and at end of the year

FY 2020-21	Number of shares	Amount
Balance as at the beginning of the year	76,57,050	7.66
Balance as at the end of the year	76,57,050	7.66
Balance as at the beginning of the year	76,57,050	7.66
Balance as at the end of the year	76,57,050	7.66

14.2 Shareholding more than 5 % of the shares of the company

Name of the Company	As at 31.03.2021	As at 31.03.2020
T.V. Sundram Iyengar & Sons Private Limited (CY-28%, PY-28%)	21,23,115	21,23,115
Sundaram Industries Private Limited (CY-10%, PY-10%)	7,50,000	7,50,000

14.3 Rights, preferences and restrictions attached to shares -

Equity shares - The company has one class of equity shares having a par value of ₹10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. Each shareholder also has a residual interest in the assets of the Company in proportion to their shareholding.

14.4 Shares held by holding / ultimate holding and / or their subsidiary / associates - NIL

14.5 The Company does not have any outstanding shares issued under options.

14.6 The Company does not have any bonus share issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date (31st March, 2021).

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

15. Other equity
Reserves and surplus

Particulars	As at 31.03.2021	As at 31.03.2020
Securities premium	**0.93**	0.93
General reserve	**31.01**	31.01
Capital reserve	**0.01**	0.01
Reserve on amalgamation	**0.46**	0.46
Surplus		
Opening balance	**686.91**	668.07
Profit for the year	**72.76**	84.42
Remeasurement of DBO	**3.81**	(0.46)
Final Dividends paid	-	(30.63)
Dividend Distribution tax paid on Final dividend	-	(6.30)
Interim Dividends paid	-	(15.38)
Dividend Distribution tax paid on Interim dividend	-	(3.16)
Impact of IND AS 116 - Lease Rentals	-	(9.65)
Closing balance	**763.48**	**686.91**
Gains on Equity instruments through Other Comprehensive Income		
Opening Balance	**35.01**	35.01
Fair Valuation of Investments	**2.04**	-
Closing Balance	**37.05**	35.01
Total	832.94	754.33

Nature and purpose of other reserves

Securities Premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act 2013 for specified purposes.

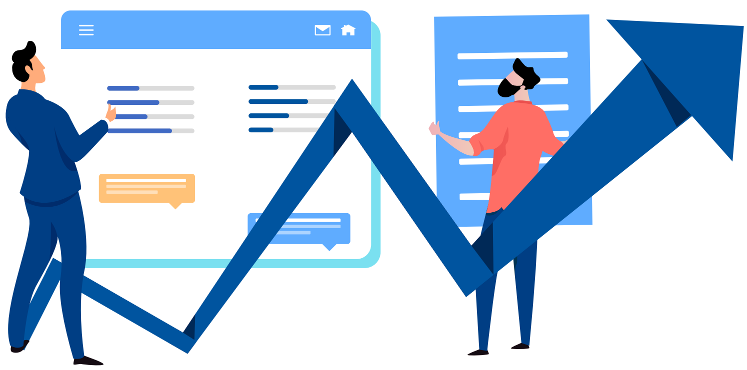
General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the statement of profit and loss. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Capital reserve represents reserve of capital nature taken to this head under the erstwhile GAAP.

Reserve on amalgamation represents reserve created as a result of amalgamation.

Surplus / Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Equity Instrument through Other Comprehensive Income represents the fair value gain/loss which is not routed through statement of P&L.



16 (a) Borrowings - Non current
Term loans

Particulars	As at 31.03.2021	As at 31.03.2020
Secured		
From banks - HDFC	**34.38**	46.88
From banks - SBI	**94.50**	94.50
From banks - SBI - Covid 19 Loan	**30.85**	-
Less: Amount Transferred to Current Maturities	**(57.10)**	(17.50)
Total	**102.63**	123.88

Additional Information :

Details of Security for Secured Loans:

A) Term Loan Availed from HDFC Bank - ₹ 50 crores is repayable over 5 years including 12 months of moratorium with an interest rate of 9% p.a.. Loan is secured by exclusive first charge on the assets purchased out of the term loans.
B) Term Loan from State Bank of India - ₹ 94.50 crores is repayable over 6 years including 12 months of moratorium with an average interest rate of 8% p.a. Loan is secured by hypothecation of Specific Plant & Machinery located at Vellaripatti Village,Madurai.
C) CCECL Demand Loan from State Bank of India - ₹ 37 crores is repayable over 1.5 years including a 6 months moratorium with an average interest rate of 7.40 % p.a. Loan is secured by extension of exclusive first charge on Current Assets

16(b): NET DEBT RECONCILIATION

Particulars	As at 31.03.2021	As at 31.03.2020
Cash and Cash Equivalents	**2.97**	1.61
Current Borrowing (Working Capital Loan)	**(38.67)**	(194.89)
Non - Current Borrowing plus Current maturities of long term debt	**(161.09)**	(142.80)
Total	**(196.78)**	(336.08)

Particulars	Other Assets	Borrowings		Total Net borrowings
	Cash and Cash Equivalents	Current Borrowing (Working Capital Loan)	Non -Current Borrowing plus current maturity of long term debt*	
Net (debt)/ Cash and Bank Balances as at 1st April 2020	**1.61**	**(194.89)**	**(142.80)**	**(336.08)**
Cash Flows				
Increase/(Decrease) in cash and Bank Balances	1.36	-	-	1.36
Borrowings	-	-	(37.00)	(37.00)
Repayment/Receipt	-	156.22	18.71	174.94
Interest expense	-	(8.82)	(13.14)	(21.96)
Interest paid	-	8.82	13.14	21.96
(Net debt)/ Cash and Bank Balances as at 31st March 2021	**2.97**	**(38.67)**	**(161.09)**	**(196.78)**

* includes accrued interest

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

Particulars	Other Assets	Borrowings		Total Net borrowings
	Cash and Cash Equivalents	Current Borrowing (Working Capital Loan)	Non -Current Borrowing plus current maturity of long term debt*	
Net (debt)/ Cash and Bank Balances as at 1st April 2019	**7.50**	**(362.69)**	**(52.61)**	**(407.80)**
Cash Flows				
Increase/(Decrease) in cash and Bank Balances	(5.89)	-	-	(5.89)
Borrowings	-	167.80	(94.50)	73.30
Repayment/Receipt	-	-	4.31	4.31
Interest expense	-	(22.42)	(4.54)	(26.96)
Interest paid	-	22.42	4.54	26.96
(Net debt)/ Cash and Bank Balances as at 31st March 2020	**1.61**	**(194.89)**	**(142.80)**	**(336.08)**

* includes accrued interest

17. Other Financial Liabilities

Particulars	As at 31.03.2021	As at 31.03.2020
Security deposit	**82.63**	82.22
Total	**82.63**	82.22

18. Provisions

18(a) Non Current provisions		
Gratuity	**-**	0.97
Compensated absences	**7.74**	8.57
(a)	**7.74**	9.54
18(b) Current provisions		
Gratuity	-	2.96
Compensated absences	1.22	1.18
Warranty (Refer Note 36)	8.73	8.85
(b)	**9.95**	12.99

19. Deferred Tax Liability (Net)

Deferred Tax Liability		
a) On Account of Depreciation on Property, Plant, Equipment	25.14	31.33
b) On account of timing Differences in Recognition of Expenditure	(3.02)	(3.21)
c) On Account of Amortisation of Right of Use Assets	(1.74)	(2.27)
d) On account of Ind AS fair value adjustments	9.23	7.14
Total	**29.61**	32.99

20. Other non current liabilities

Particulars	As at 31.03.2021	As at 31.03.2020
Deferred Government Grant (Capital Subsidy)	**0 .18**	0.21
Deferred Income	**3.94**	4.27
Total	**4.12**	4.48

21. Borrowings (Current)

Secured		
(a) Loans repayable on demand		
from banks*	**38.67**	194.89
from other parties	**-**	-
Unsecured		
(a) Loans repayable on demand	**-**	-
from banks	**-**	-
from other parties		
Total	**38.67**	194.89

*Net of debit balance in Cash credit account against loan repayable on demand (CY - ₹ 6.33 Crores) (PY - ₹ 76.89 crores)

Additional Information:

a. Details of Security for Secured Loans

Working Capital facilities availed from State Bank of India are secured by a first charge on the entire Current Assets of the Company viz Raw Materials, Semi-finished Goods, Finished Goods, Stores, Spares, Trade Receivables, and Other Current Assets.

22. Trade payables

i) To Micro and Small Enterprises (Refer Note 42)	**1.95**	0.69
ii) Others - (Refer Note 37 for Related Parties)	**285.76**	210.63
Total	**287.71**	211.32

23. Other financial liabilities

Capital creditors*	**11.72**	16.69
Current maturities of long term debt	**57.10**	17.50
Interest accrued but not due on borrowings	**1.36**	1.42
Unpaid dividends	**4.31**	4.96
Other creditors	**116.34**	111.12
Total	**190.83**	151.69

*Includes ₹ 1.48 Crores (PY - Nil) of dues to Micro and Small Enterprises (Refer Note 42)

24. Other current liabilites

Advances from customers	8.54	9.12
GST Payable	9.51	-
Statutory payables	4.42	14.37
Total	**22.47**	23.49

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

25. Revenue from operations

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Sale of products (Net of Commissions & Discounts) Other Operating Revenue	**1,870.97** **4.86**	2,047.13 5.11
Total	**1,875.83**	**2,052.24**

26. Other income

Interest income from Bank Deposits	**0.54**	0.39
Interest - Others	**4.73**	2.81
Exchange Rate Fluctuation gain (Net)	**-**	0.40
(a)	**5.27**	**3.60**
Profit on sale of Assets	**0.04**	-
Miscellanous Income	**-**	5.88
(b)	**0.04**	**5.88**
Total (a) + (b)	**5.31**	**9.48**

27. Cost of materials consumed

Opening Stock	**210.31**	301.53
Add : Purchase*	**1,007.45**	1,024.90
Total	**1,217.76**	**1,326.43**
Less Closing Stock	**234.87**	210.31
Cost of Materials consumed	**982.89**	**1,116.12**

* Refer Note 47 for regrouping / rearrangement of Previous years figures

28. Changes in inventories of finished goods work-in-progress and Stock-in-Trade

Opening Stock of Finished goods &Traded goods	**159.52**	142.56
Opening Stock of Work in progress	**26.95**	32.68
Closing Stock of Finished goods & Traded Goods	**131.49**	159.52
Closing Stock of Work in progress	**31.25**	26.95
(Increase) / Decrease in Finished goods & Traded Goods	**28.03**	(16.96)
(Increase) / Decrease in Work in progress	**(4.30)**	5.73
Total (Increase) / Decrease in Stock	**23.73**	**(11.23)**

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

29. Employee benefit expenses

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
(a) Salaries and wages**	**217.73**	219.80
(b) Contributions to -		
(i) Superannuation Fund	**0.93**	0.97
(ii) Gratuity fund contributions *	**2.54**	2.59
(iii) Provident Fund and other funds	**12.61**	13.08
(c) Remuneration to Whole Time Directors	**8.43**	9.62
(d) Staff welfare expenses	**12.10**	15.20
Total	**254.34**	261.26

* Excludes Actuarial Gain/Loss on account of Gratuity.
** Refer Note 47 for regrouping / rearrangement of Previous years figures

30. Finance costs

Interest expense	**30.60**	35.63
Other borrowing cost (including letter of credit and bill discounting charges)	**0.40**	0.30
Total	**31.00**	35.93

31. Other expenses

Processing Charges/Outsourcing Charges*	**78.21**	76.87
Consumption of Stores & Spares	**44.83**	49.17
Power & Fuel	**77.29**	90.04
Repairs to building	**3.01**	2.72
Repairs to machinery*	**15.99**	23.04
Repairs Others	**0.03**	0.07
Insurance	**8.31**	5.64
Rates & taxes	**3.56**	6.60
Telephone & Internet Charges	**1.03**	1.04
Travelling Expense	**3.68**	11.48
Exchange Rate Fluctuation Loss (Net)	**2.25**	-
Bank charges	**1.36**	1.45
Advertisement and sales Promotion	**22.26**	58.36
CSR Activities (Refer Note 43)	**2.75**	3.63
Freight Out*	**80.91**	76.34
Provision for Doubtful Advances	**3.00**	-
Provision for Bad Debts	**0.88**	-
Provision for diminution in value of investment	**0.22**	-
Assets condemned	**0.13**	-
Commission to non Whole Time Directors	**0.95**	0.64
Director's sitting fees	**0.13**	0.08
Commission & Discount	**-**	-
Variable Lease rentals*	**15.24**	17.08
Audit Fees - (Refer Note 44)	**-**	-
a) Audit fees	**0.25**	0.25
b)Others	**0.16**	0.15
Donation	**0.05**	0.02
Consultancy	**11.90**	30.09
Warranty Claims - (Refer Note 36)	**5.71**	8.90
Advance written off	**-**	-
Other expenses*	**6.87**	7.89
Total	**390.96**	471.55

*Refer Note 47 for regrouping / rearrangement of Previous years figures

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

32. Reconciliation of effective tax rates

A reconciliation of income tax provision to the amount computed by applying the statutory income tax rate to the income taxes to the income before taxes is summarised below:

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Profit before taxes	**96.46**	89.77
Enacted tax rates in India (Refer Note below)	**25.17%**	25.17%
Expected tax expense/(benefit)	**24.28**	22.60
Items leading to difference in Effective Rate compared to Statutory Rate :		
Other Impacts due to permanent allowances/disallowances as per IT Act	**0.81**	0.54
Effect of tax rate change	**-**	(13.28)
Effect of other carried forward temporary differences	**(1.38)**	-
Others	**(0.01)**	(4.50
Tax Expense as per P&L	**23.70**	5.35

Tax Charged to Other Comprehensive Income for		
Net loss/(gain) on remeasurement of Defined Benefit Plans	**(3.21)**	0.15

Note: The Taxation Laws (Amendment) Ordinance 2019 inserted S.115BAA under Income Tax Act, 1961 which provides domestic companies with a non-reversible option to opt for lower tax rate of 22% provided they do not claim certain deductions. In the Previous year, on evaluating the options, the Company decided to adopt the new tax structure.

33. Details of Earnings Per Share

Profits for the Year	**72.76**	84.42
Number of Equity Shares (Nos.)	**76,57,050**	76,57,050
Face Value of Shares (In Rupees)	**10**	10
Basic and Diluted Earnings per Share (In Rupees)*	**95.02**	110.25

* There are no potential dilutive equity shares

34. Employee benefit Liabilities - Contribution to Provident Funds

The Company has recognised and included in Note no. 29 “Contributions to Provident Fund and other funds” expenses towards the defined contribution plan as under:

Contribution to Provident fund (Government)	**11.41**	11.79

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

- Compensated Absences

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Service cost	**2 .87**	2.38
Interest cost	**0 .58**	0.56
Actuarial (gain)/loss	**(2.01)**	(0.79)
Project benefit obligation at the end of the year	**8 .96**	9.75
Non Current Liability (Assets)	**7 .74**	8.57
Current Liability (Assets)	**1 .22**	1.18

Loss / (Gain) recognised		
Actuarial (Gain)/Losses due to Demographic Assumption changes in DBO	**-**	(0.02)
Actuarial (Gain)/Losses due to Financial Assumption changes in DBO	**(0.34)**	0.07
Actuarial (Gain)/Losses due to Experience on DBO	**(1.67)**	(0.84)
Return on Plan Assets (Greater)/Less than Discount rate	**-**	-
Components of defined benefit losses (gains) recognised	**(2.01)**	(0.79)

- Gratuity

Particulars		
Present Value of Defined Benefits	**35.65**	32.40
Service cost	**2 .34**	2.40
Interest cost	**2 .46**	2.07
Actuarial (gain)/loss	**(1.84)**	1.57
Benefits paid	**(2.68)**	(2.79)
Project benefit obligation at the end of the year	**35.93**	35.65
Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	**31.71**	28.30
Interest income	**2.33**	1.93
Employers contribution	**3.93**	4.11
Benefits paid	**(2.68)**	(2.79)
Actuarial gain/(loss)	**1.24**	0.17
Fair value of plan assets at the end of the year	**36.53**	31.71
Amount recognised in balance sheet		
Present value of projected benefit obligaiton at the end of the year	**35.93**	35.65
Fair value of plan assets at the end of year	**36.53**	31.72
Funded staus amount of liablity recognised in balance sheet	**(0.60)**	3.93
Non Current Liability (Assets)	**(0.60)**	0.97
Current Liability (Assets)	**-**	2.96

35. Segment reporting

The Company has identified manufacture and sale of tyres as the only reportable segment taking into account the different risks and returns, the organization structure and the internal reporting systems. Accordingly disclosure of segment-wise information is not applicable under Ind AS 108 - Operating Segments.

Exports	**219.85**	203.08
Domestic	**1,651.12**	1,844.05
Total	**1,870.97**	2,047.13

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

36. Movement in provision for product warranty

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Opening Balance	**8.85**	8.71
Add: Provided during the year	**5.71**	8.90
Less: Claims made	**(5.83)**	(8.76)
Closing Balance	**8.73**	8.85

The estimated provision takes into account historical information frequency and average cost of warranty claims and the estimated future incidence of claims.

37. Related party and transactions

a) Related parties and their relationship

The related party where control/joint control/significant influence exists are subsidiaries, joint ventures and associates. Key managerial personnel are those persons having authority and responsibility in planning, directing and controlling the activities of the entity, directly or indirectly, including any director whether executive or otherwise. Key management personnel include the Board of Directors and other senior management executives. The other related parties are those with whom the company has had transaction during the years 2020-21 and 2019-20 as follows:

Entity with significant influence and its subsidiaries, associates and joint venture

- T V Sundram Iyengar & Sons Private Limited (holds more than 10% shareholding)
- Sundaram Industries Private Limited
- TVS Supply Chain Solutions Limited (formerly known as TVS Logistics Services Limited)
- TVS Dynamic Global Freight Services Ltd
- TVS Auto Bangladesh
- SI Air Springs Private Limited (formerly known as Firestone TVS Private Limited)
- TVS Automobile Solutions Private Limited

Subsidiaries

- TVS Srichakra Investments Ltd.,
- TVS Sensing Solutions Pvt. Ltd.
- Fiber Optic Sensing Solutions Pvt. Ltd. (incorporated on 8th August 2019)

Associates

- Van Leeuwen Tyres & Wheels B.V.Holland

Key Management Personnel/ Relative of KMP's

- Sri R Naresh, Executive Vice Chairman
- Ms Shobhana Ramachandhran, Managing Director
- Sri R Haresh (Chairman/Director, M/s TVS Sensing Solutions Private Limited)

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

Independent / Non-Executive Directors

- Sri M S Viraraghavan
- Sri P Vijayaraghavan - Non-Independent Non-Executive Director
- Sri H Janardana Iyer
- Sri V Ramakrishnan
- Sri Rasesh R Doshi
- Sri V Anantha Nageswaran
- Ms. S. V. Mathangi (Appointed wef 1st April 2020)
- Sri. S. Ravichandran - Non-Independent Non-Executive Director (Appointed wef 13th Aug 2020)
- Sri. P. Srinivasavaradhan - Non-Independent Non-Executive Director (Appointed wef 13th Aug 2020)

b) Related party transaction and balance as at reporting period

Transactions for the year and balance as at Mar 31, 2021 were as follows:

Particulars	Entity with significant influence and its subsidiaries, associates and joint venture	Subsidiaries	Key Management Personnel	Independent / Non-Executive Directors
Purchase of Goods	2.32	0.06	-	-
Sale of goods	9.65	-	-	-
Receipt of Services	19.76	-	-	0.57
Lease rent paid	-	0.18	0 .06	-
Salaries and other benefits	-	-	3 .12	-
Sitting fees	-	-	-	0.13
Commission	-	-	5.30	0.95
Interest income on OCD	-	0.62	-	-
Issue of Equity Shares at premium against OCD (including interest due) due from Subsidiary	-	51.85	-	-
Amount Receivable	**5.36**	**0.20**	**-**	**-**
Amount Payable	**6.50**	**0.02**	**5 .30**	**0.95**

Note: Investment in Associate has been fully provided for in the books

Transactions for the year and balance as at Mar 31, 2020 were as follows:

Purchase of Goods	1.66	0.45	-	-
Sale of goods	12.33	-	-	-
Receipt of Services	37.82	-	-	-
Lease rent paid	-	0.18	0 .05	-
Salaries and other benefits	-	-	5 .50	-
Sitting fees	-	-	-	0.08
Commission	-	-	4.12	0.64
Reimbursement of expenses received	-	0.12	-	-
Interest income on OCD	-	0.57	-	-
Investments	-	2.00	-	-
TDS on securities (OCD)	-	0.54	-	-
Amount Receivable	**3.07**	**0.58**	**-**	**-**
Amount Payable	**4.47**	**0.06**	**4 .12**	**0.64**
OCD due from Subsidiary (including interest due)	**-**	**48.97**	**-**	**-**

Note: Investment in Associate has been fully provided for in the books

38. Financial instruments

a. Derivative financial instruments

(i) Forward and option contract

Foreign exchange forward contracts and options are purchased to mitigate the risk of changes in foreign exchange rates associated with certain payables, receivables and forecasted transactions denominated in certain foreign currencies. The gains or losses arising from changes in the fair value of the derivative contracts are recognized in profit or loss. The counterparties for these contracts are generally banks or financial instutions. The details of outstanding forward contracts as at March 31, 2021 and March 31, 2020 are given below:

Particulars	Currency	As at 31-Mar-21	As at 31-Mar-20
Forward contracts (Sell)	USD Euro	1,74,82,438 44,608	74,58,428 14,237
Forward contracts (Buy)	USD Euro	17,09,814 11,09,090	13,79,520 8,73,468
Gain/(loss) mark to market in respect of forward contracts outstanding	Rupees in Crores	(0.28)	0.54

All open forward exchange contracts mature within three to nine months from the balance sheet date.

b. Financial instruments by category

The carrying value and fair value of financial instruments by each category as at Mar 31, 2021 was as follows:

Particulars	Financial assets/liabilities at amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI
Asset			
Investment in Others	-	-	101.00
Investment in Subsidiary and Associate	61.90	-	-
Investment in Optionally Convertible Debentures	-	-	-
Employee advances	2.75	-	-
Security Deposits	27.64	-	-
Trade Receivables	232.45	-	-
Cash and Bank Balances	7.34	-	-
Interest accrued on debentures	-	-	-
Accrued income	21.22	-	-
Liabilities			-
Loans from Banks	198.40	-	-
Interest accrued but not due	1.36	-	-
Security Deposits	82.63	-	-
Trade payables	287.71	-	-
Capital Creditors	11.72	-	-
Other Creditors	116.34	-	-
Unpaid Dividends	4.31	-	-

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

The carrying value and fair value of financial instruments by each category as at Mar 31, 2020 was as follows:

Particulars	Financial assets/liabilities at amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI
Asset			
Investment in Others	-	-	96.80
Investment in Subsidiary and Associate	10.05	-	-
Investment in Optionally Convertible Debentures	46.23	-	-
Employee advances	2.05	-	-
Derivative Asset on ECB Loan Swap	-	-	-
Security Deposits	27.71	-	-
Trade Receivables	196.98	-	-
Cash and Bank Balances	11.13	-	-
Interest accrued on debentures	5.00	-	-
Accrued income	34.04	-	-
Liabilities			
Loans from Banks	336.27	-	-
Interest accrued but not due	1.42	-	-
ECB Loan	-	-	-
Security Deposits	82.22	-	-
Trade payables	211.32	-	-
Capital Creditors	16.69	-	-
Other Creditors	111.12	-	-
Unpaid Dividends	4.96	-	-

Details of financial assets pledged as collateral :
Carrying amount of financial assets as at Mar 31, 2021 and 2020 that the Company has provided as a collateral for obtaining borrowing and other facilities from the bankers are as follows :

Particulars	As at 31-Mar-21	As at 31-Mar-20
Fixed Deposits	0.06	4.56

c. Fair value measurement of financial instruments measured at fair value on recurring basis:

Particulars	As at 31 March 2021		
	Level 1	Level 2	Level 3
Assets			
Investment in Others	-	99.98	1.02

Assets			
Investment in Others	-	96.01	0.79

Level 1 - Unadjusted quoted prices in active market for identical assets and liabilities
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Unobservable outputs for the assets and liabilities

d. Interest income/(expense), gain/(losses) recognised on financial assets and liabilites

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
(a) Financial assets at amortised cost		
Interest income on bank deposits	0.54	0.39
Interest income on loans	0.86	0.86
(b) Financial liabilities at amortised cost		
Interest expenses on borrowings from banks, others and overdrafts	31.00	35.93
(c) Financial asset at FVTPL		
Net gain/(losses) on fair valuation on derivative financial instruments	-	-
(d) Financial asset at FVTOCI		
Net gain/(losses) on fair valuation of investments	3.97	-

39. Financial risk management

The company has exposure to the following risks from its use of financial instruments.

39.1 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Credit risk is managed by the entity. Considering the credit risk assessment made by the management and based on past history, provision for receivables amounting to ₹0.82 Crores (PY - NIL) has been made under simplified approach.

39.2 Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	As at 31-Mar-21	As at 31-Mar-20
Long term borrowings		
- Upto 1 Year	57.10	17.50
- 1 to 3 Years	102.63	123.88
Short term borrowings		
- Upto 1 Year	38.67	194.89
Trade Payable		
- Upto 1 Year	287.71	211.32
Security Deposits from Customer		
- 1 to 3 Years	10.63	10.22
- More than 3 Years	72.00	72.00
Capital creditors		
- Upto 1 Year	11.72	16.69
Other Financial Liabilities		
- Upto 1 Year	122.01	117.50
Total	**702.47**	764.01

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

The following table details the Company's expected maturity for its non-derivative financial assets. The information included in the table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	As at 31-Mar-21	As at 31-Mar-20
Fixed Deposits with Banks		
- Upto 1 Year	0.06	4.56
Trade Receivables		
- Upto 1 Year	232.45	196.98
Loans to Subsidiary (Debentures)		
- Upto 1 Year	-	48.97
- 1 to 3 Years	-	-
Loan to Employees		
- 1 to 3 Years	2.75	2.05
Security Deposits		
- 1 to 3 Years	27.64	27.71
Other Financial Assets		
- Upto 1 Year	21.22	34.04
Unpaid Dividend		
- Upto 1 Year	4.31	4.96
Cash & Cash Equivalents		
- Upto 1 Year	2.97	1.61
Investment in Unquoted Shares		
- Upto 1 Year	-	2.26
- More than 3 Years	162.90	106.85
Total	**454.30**	**429.99**

The Company has access to committed credit facilities as described below, of which ₹331.33 cr were unused at the end of the reporting period (as at March 31, 2020 ₹175.11 cr). The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Unsecured bank overdraft facility, reviewed annually and payable at call:	As at 31-Mar-21	As at 31-Mar-20
Amount used	38.67	194.89
Amount unused	331.33	175.11

39.3 Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are commodity price risk, foreign currency exchange risk and interest rate risk.

39.3.1 Commodity Price Risk - The primary commodity price risks that the Company is exposed to include rubber prices that could adversely affect the value of the Company's financial assets or expected future cash flows.

39.3.2 Foreign currency risk management - The Company imports raw materials from outside India as well as make export sales to countries outside India. The Company is, therefore, exposed to foreign currency risk principally arsing out of foreign currency movement against the Indian Currency. Foreign currency exchange risks are managed by entering into forward contracts against firm purchase commitment and receivables.

39.3.2.1 The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Balance as at 31-Mar-21

Particulars	Exchange Rate	Amount in Foreign Currency	Amount in INR (crores)
Trade Receivables (Assets)			
USD	72.44	31,84,546	23.06
EUR	84.54	19,44,992	16.44
Trade Payables (Liabilities)			
USD	74.15	35,51,897	26.33
EUR	87.65	2,125	0.02

Balance as at 31-Mar-20

Particulars	Exchange Rate	Amount in Foreign Currency	Amount in INR (crores)
Trade Receivables (Assets)			
USD	74.57	15,77,826	11.76
EUR	81.76	10,80,403	8.83
Trade Payables (Liabilities)			
USD	76.36	16,11,797	12.31
EUR	84.76	6,741	0.06

39.3.2.2 Foreign currency sensitivity analysis

The Company is principally exposed to foreign currency risk against USD & EURO. Sensitivity of profit or loss arises mainly from USD & EURO denominated receivables and payables.

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR and EURO-INR currency pair, sensitivity of profit/(loss) only on outstanding foreign currency denominated monetary items at the period end is presented below:

The Company's foreign currency sensitivity analysis at the end of the reporting period expressed in INR, are as follows:

Particulars	31-Mar-21		31-Mar-20	
	USD	EUR	USD	EUR
Impact on Receivables due to +/- 5% Change in Currency Rates	1.15	0.44	0.59	0.44
Impact on Payables due to +/- 5% Change in Currency Rates	1.32	-	0.61	-

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

39.3.2.3 Forward foreign exchange contracts

It is the policy of the Company to enter into forward exchange contracts to cover specific foreign currency payments and receipts 100% of the exposure generated.

39.3.3 Interest rate risk management

The Company is exposed to interest rate risk because of borrowal of short term funds at floating interest rates.

Interest rate sensitivity analysis

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's Profit for the year ended March 31, 2021 would decrease/increase by ₹1.00 Cr; as against ₹1.68 Cr for the year ended March 31, 2020.

39.4 Other Risk - COVID-19

a

Financial Assets measured at fair value amounting to ₹101.00 crores (PY- ₹96.80 Crores) and measured at amortised cost amounting to ₹353.30 crores (PY- ₹333.19 Crores) have been considered for the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19.

b

The Company has specifically evaluated the potential impact with respect to certainty of collections from its customers.

c

Since the Company closely monitors the financial strength of its customers & investments on a continuing basis and assesses actions such as changes in payment terms, no provision is deemed necessary.

40. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium, general reserve and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of borrowings and related covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by fund attributable to Equity Shares Holders. The company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents, excluding discontinued operations.

Particulars	As at 31-Mar-21	As at 31-Mar-20
Interest-bearing loans and borrowing	199.75	337.69
Less: cash and cash equivalents	(2.97)	(1.61)
Net debt	**196.78**	**336.09**
Equity Capital	7.66	7.66
Other Equity	832.94	754.33
Total capital	**840.60**	**761.99**
Gearing ratio	**0.23**	**0.44**

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it provide for a strong financial strength to meet the Company's growth needs and meet borrowing related capital structure requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2021 and 31st March 2020.

41. Commitments and Contingencies

Particulars	As at 31-Mar-21	As at 31-Mar-20
a) Estimated amount of contract remaining to be executed on capital account	169.71	50.98
b) Letter of Credit opened by Company's Bankers	87.96	31.02
c) Excise duty and service tax under dispute	9.71	9.19
d) Sales Tax under dispute	8.28	5.58
e) Provident Fund	4.00	4.00
f) Customs	0.85	-
g) GST	0.09	-
h) Customs duty on goods lying at Bonded warehouse	0.08	-

42. Due to micro and small enterprises

Particulars	As at 31-Mar-21	As at 31-Mar-20
Principal amount due to a suppliers registered under the Micro and Small Enterprises Act and remaining unpaid as at year end	3.43	0.69
Interest due to suppliers registered under the Micro and Small Enterprises Act and remaining unpaid as at year end	-	0.01
Principal amounts paid to suppliers registered under the Micro and Small Enterprises Act beyond the appointed day during the year	0.04	0.93
Interest paid, other than under Section 16 of Micro and Small Enterprises Act, to suppliers registered under the Micro and Small Enterprises Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of Micro and Small Enterprises Act, to suppliers registered under the Micro and Small Enterprises Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under Micro and Small Enterprises Act, for payments already made*	0.01	0.01
Futher interest remaining due and payable for earlier years	-	-

*Total Interest payable as at 31st March'21 amounts to ₹290

43. Contribution to corporate social responsibilities

Sec 135 of Companies Act 2013, requires company to spend towards corporate social responsibility.

The company is expected to spend ₹2.75 crores in compliance to this requirement. A sum of ₹2.75 crores has been spent during the current year towards CSR acitivities as explained below. Balance amount to be spent is ₹Nil.

CSR Expenditure	Year ended 31-Mar-21	Year ended 31-Mar-20
Amount required to be spent under Section 135 of the Companies Act, 2013	2.75	3.60
Amount spent during the year on:		
i) Construction/acquisition of an asset	-	-
ii) Purposes other than (i) above	2.75	3.63
Amount unspent	-	-

44. Details of Auditor's Remuneration

a) Statutory Audit	0.25	0.25
b) Taxation	-	0.03
c) GST Audit	0.07	0.04
d) Certification	0.03	0.03
e) Towards reimbursement of expenses	0.06	0.05
Total	**0.41**	**0.40**

45. Depreciation & Amortisation

Depreciation on Property, Plant and Equipment (Refer Note 3)	92.28	88.98
Amortisation of Intangible Assets (Refer Note 4)	2.66	2.84
Amortisation of Right of Use Assets (Refer Note 5)	6.20	5.84
Total	**101.14**	**97.66**

46. Exceptional Item - There was a claim against the Company in respect of Product Liability In the USA. Claims amounting to ₹22.16 crores were settled by the Company during the third quarter. However, being covered by Product Liability Insurance, a sum of ₹21.93 crores was recovered from the insurer during the same quarter. Company has classified the net cost of ₹0.23 crores in the Statement of Profit and Loss as an exceptional item.

47. The previous year figures have been regrouped / rearranged to conform to current year classification period classification. Particularly, this had the effect of:

Particulars	Year ended 31-Mar-20
Reduction in Cost of Material Consumed as reported	(70.10)
Reduction in Employee benefit expenses as reported	(20.98)
Increase in Other expenses as reported	91.08

48. The implementation of the Code on Social Security, 2020 is getting postponed. The Company will assess the impact thereof and give effect in the Financial Statements when the date of implementation of the codes and the Rules / Schemes thereunder are notified.

49. The Board of Directors of the company recommended a dividend of ₹30 per equity share of ₹10/ each (I.e.300%) for the year ended 31st March 2021, subject to the approval of shareholders at the ensuing Annual General Meeting of the company.

Shobhana Ramachandhran
Managing Director
DIN: 00273837
Place: Madurai
Date: 25th May, 2021

R Naresh
Executive Vice Chairman
DIN: 00273609

As per our report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No:003990S/S200018

B Rajagopalan
Chief Financial Officer
Place: Chennai
Date: 25th May, 2021

P Srinivasan
Secretary
Membership No. A10129
Place: Madurai
Date: 25th May, 2021

T V Balasubramanian
Partner
M. No: 027251
UDIN: 21027251AAAADM3445

AUDITOR'S REPORT TO THE SHAREHOLDERS ON CONSOLIDATED ACCOUNTS

INDEPENDENT AUDITORS' REPORT

To the Members of TVS Srichakra Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of TVS Srichakra Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31 March 2021, and the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2021, and their consolidated profit, (including consolidated total comprehensive income), their consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

1. Revenue Recognition:

a. **Description:** TThe Company recognizes revenue of sale of products on the following basis:

(i) OE Manufacturers: Revenue is recognized only on delivery being made at the OE factory site Price variance for the change in input costs is adjusted through debit / credit notes on the same after being approved by the concerned OE.

(ii) After Market: Sales to dealers in the after-market segment is accounted on dispatch being effected from the depots.

Credit notes for schemes and discounts are estimated and accounted in the period when the sales revenue is recorded itself as a reduction from the revenue recognized. Actual credit notes issued are adjusted against such provisions made on a periodical basis.

Considering:

- the magnitude and high volume of sales transactions carried out, and
- estimation involved in price variance accounting as well as accruals for discounts and schemes; revenue recognition represented a key audit matter in the audit

b. Our response: Our audit procedures included verification of existence, completeness, accuracy and cutoff for the sales transactions.

Our tests included performance of an understanding and evaluation of the internal controls over the revenue recognition and a validation of relevant controls.

The tests further covered the proper recognition of revenue through testing of samples of sales transactions, obtaining appropriate supporting evidence with specific attention to key contractual terms that regulate the various performance obligations.

Our audit procedures included analytical review of sales transactions and accounting of revenue.

It also extended to performing confirmation procedures over trade receivables with the objective of validating trade receivable balances, testing samples of credit notes and yearend accruals.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors' report Management Discussion and Analysis Report (MDA), Report on Corporate Governance, Financial Highlights and Business Responsibility Report (BRR) but does not include the consolidated financial statements, standalone financial statements and our auditors' reports thereon. These reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the aforesaid reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions, if required.

Responsibilities of the Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of each company.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company, its subsidiary companies which are companies incorporated in India have adequate internal financial controls with reference to the consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
    (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
    (e) On the basis of the written representations received from the directors of the Holding Company and its subsidiaries as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and its subsidiary companies incorporated in India, none of the directors of the Group is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
    (f) With respect to adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control with reference to financial statements of those companies, for reasons stated therein.
    (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 42 to the consolidated financial statements.
    ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

2. With respect to the matter to be included in the Auditor's report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us the remuneration paid during the current year by the Holding Company and its subsidiaries, where applicable to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries, where applicable, is not in excess of the limit laid down under Section 197 of the Act.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No.003990S/S200018
T V Balasubramanian
Partner
M. No. 027251
UDIN: 21027251AAAADO8025

Place: Chennai
Date: 25th May 2021

ANNEXURE A

Referred to in paragraph 1(g) on 'Report on Other Legal and Regulatory Requirements' of our report of even date on the consolidated financial statements of TVS Srichakra Limited

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of TVS Srichakra Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to the financial statements of the Holding Company and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to the financial statements based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls. Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to the consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the respective companies considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm’s Registration No.003990S/S200018

T V Balasubramanian
Partner
M. No. 027251
UDIN: 21027251AAAADO8025

Place: Chennai
Date: 25th May 2021

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET AS AT 31.03.2021

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

	Particulars	Note	As at 31.03.2021	As at 31.03.2020
I	**ASSETS**			
i	**Non-current assets**			
	(a) Property, Plant and Equipment	**3**	**623.97**	640.21
	(b) Capital work-in-progress	**3**	**42.61**	37.48
	(c) Investment Property	**5**	**24.22**	24.55
	(d) Other Intangible assets	**4**	**2.85**	4.14
	(e) Right of Use Asset	**6**	**14.54**	17.63
	(f) Intangible assets under development	**4**	**20.23**	10.80
	(g) **Financial Assets**			
	(i) Investments	**7**	**101.00**	96.80
	(ii) Loans	**8**	**31.67**	30.78
	(iii) Others	**9**	**0.13**	0.15
	(h) Income tax assets (net)		**4.20**	9.49
	(i) Other non-current assets	**10**	**30.15**	14.24
ii	**Current assets**			
	(a) Inventories	**11**	**425.53**	420.63
	(b) Financial Assets			
	(i) Trade receivables	**12**	**245.43**	207.41
	(ii) Cash and cash equivalents	**13(a)**	**4.68**	3.98
	(iii) Bank balances other than (ii) above	**13(b)**	**4.51**	9.52
	(iv) Others	**14**	**22.30**	34.72
	(c) Other Current Assets	**15**	**24.32**	53.67
	TOTAL ASSETS		**1,622.34**	**1,616.20**
II	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity Share capital	**16**	**7.66**	7.66
	(b) Other Equity	**17**	**817.07**	737.28
	(c) Non-Controlling Interest		**(0.17)**	(0.07)
2	**Liabilities**			
i	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	**18(a)**	**105.05**	129.21
	(ii) Lease liabilities	**6**	**-**	0.04
	(iii) Other financial liabilities	**19**	**82.63**	82.22
	(b) Provisions	**20(a)**	**7.95**	9.73
	(c) Deferred tax liabilities (Net)	**21**	**27.43**	30.93
	(d) Other Non-current liabilities	**22**	**4.18**	4.57
ii	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	**23**	**42.05**	200.64
	(ii) Trade payables			
	a) To Micro and Small Enterprises (Refer Note 44)	**24**	**2.67**	0.81
	b) Others		**293.18**	216.90
	(iii) Other financial liabilities	**25**	**197.29**	157.98
	(b) Other current liabilities	**26**	**23.96**	24.22
	(c) Provisions	**20(b)**	**11.39**	13.86
	TOTAL EQUITIES AND LIABILITIES		**1,662.34**	**1,616.20**

Significant Accounting Policies & Notes to Financial Statement **1-52**

Shobhana Ramachandhran
Managing Director
DIN: 00273837
Place: Madurai
Date: 25th May, 2021

R Naresh
Executive Vice Chairman
DIN: 00273609

As per our report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No:003990S/S200018

B Rajagopalan
Chief Financial Officer
Place: Chennai
Date: 25th May, 2021

P Srinivasan
Secretary
Membership No. A10129
Place: Madurai
Date : 25th May, 2021

T V Balasubramanian
Partner
M. No: 027251
UDIN: 21027251AAAADO8025

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2021

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

	Particulars	Note	Year ended 31.03.2021	Year ended 31.03.2020
I.	Revenue from operations	27	**1,939.21**	2,103.74
II.	Other income	28	**5.21**	10.19
III.	**Total Income (I + II)**		**1,944.42**	**2,113.93**
IV.	**Expenses:**			
	Cost of materials consumed	29	**1,014.05**	1,143.05
	Purchase of Stock-in-trade		**2.75**	3.65
	Changes in inventories of finished goods, Stock-in-Trade and Work-in-progress	30	**24.51**	(12.58)
	Employee benefits expense	31	**266.95**	272.60
	Finance costs	32	**32.05**	37.88
	Depreciation and amortization expense	47	**103.81**	100.17
	Other expenses	33	**402.30**	481.73
	Total expenses		**1,846.42**	**2,026.50**
V.	Profit before exceptional items and tax (III-IV)		**98.00**	87.43
VI.	Exceptional items	48	**0.23**	-
VII.	Profit before tax (V - VI)		**97.77**	87.43
VIII.	Tax Expense:			
	(1) Current Tax	34	**30.66**	27.63
	(2) Deferred Tax		**(6.71)**	(22.47)
IX.	Profit for the year (VII-VIII)		**73.82**	82.27
	(Profit) / Loss attributable to non-controlling Interest		**(0.10)**	(0.07)
	Profit for the year attributable to owners		**73.92**	82.34
X	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss Gains on equity through Other Comprehensive Income		**3.97**	-
	Remeasurement of Net Defined Benefit Liability/Asset		**5.12**	(0.72)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**(3.22)**	0.18
	B (i) Items that will be reclassified to profit or loss			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
XI	Total Comprehensive Income for the year (IX+X) (Comprising Profit and Other Comprehensive Income for the year)		**79.69**	**81.73**
	Total comprehensive income attributable to non-controlling interest		**(0.10)**	(0.07)
	Total comprehensive income attributable to owners		**79.79**	81.80
XII	Earnings per equity share			
	- Basic & Diluted (FV - ₹10 per share)	35	**96.54**	107.53
	Significant Accounting Policies & Notes to Financial Statement	**1-52**		

Shobhana Ramachandhran
Managing Director
DIN: 00273837
Place: Madurai
Date: 25th May, 2021

R Naresh
Executive Vice Chairman
DIN: 00273609

As per our report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No:003990S/S200018

B Rajagopalan
Chief Financial Officer
Place: Chennai
Date: 25th May, 2021

P Srinivasan
Secretary
Membership No. A10129
Place : Madurai
Date : 25th May, 2021

T V Balasubramanian
Partner
M. No: 027251
UDIN: 21027251AAAADO8025

CONSOLIDATED CASH FLOW STATEMENT

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31.03.2021

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

Particulars	Year ended 31.03.2021		Year ended 31.03.2020	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before tax		97.77		87.43
Adjustments for :				
Depreciation	**103.81**		100.17	
Finance Cost	**32.05**		37.88	
Interest received	**(4.84)**		(3.33)	
Loss/(Gain) due to Exchange rate Fluctuations	**2.37**		(0.32)	
Advances Written off	**3.03**		0.06	
Profit on Sale of Assets	**(0.04)**			
Ind AS Adjustment - Leases	**-**		(9.65)	
Bad Debts	**0.93**		0.12	
Unrealized changes in Fair Value	**9.09**		(0.13)	
Assets Condemned	**0.13**		-	
		146.53		124.80
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**244.30**		212.23
Adjustments for :				
Trade Receivables	**(38.95)**		129.02	
Other Receivables	**15.53**		42.61	
Inventories	**(4.90)**		77.95	
Trade and other payables	**110.30**		(134.51)	
		81.98		115.07
OPERATING PROFIT AFTER WORKING CAPITAL CHANGES		**326.28**		327.30
Cash Generated from Operations		**326.28**		327.30
Direct taxes paid		**(18.93)**		(27.83)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**307.35**		299.47
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Property, Plant & Equipment	**(97.54)**		(138.54)	
Proceeds from disposal of assets	**0.04**		-	
Investments Purchased	**(4.20)**		(0.17)	
Interest received	**4.84**		3.33	
Bank deposits	**5.01**		(0.56)	
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		**(91.85)**		(135.94)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Interest paid	**(32.05)**		(37.88)	
Proceeds/(Repayment) from short term borrowings	**(158.59)**		(169.62)	
Proceeds/(Repayment) of long term borrowings	**(24.16)**		94.39	
Dividend & Dividend tax paid	**-**		(55.47)	
NET CASH FLOW FROM FINANCING ACTIVITIES: (C)		**(214.80)**		(168.57)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**0.70**		**(5.05)**
OPENING CASH AND CASH EQUIVALENTS		**3.98**		**9.03**
CLOSING CASH AND CASH EQUIVALENTS [Refer Note 13(a)]		**4.68**		**3.98**

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'

Refer Note 18(b) for Net debt reconciliation

Significant Accounting Policies & Notes to Financial Statement **1-52**

Shobhana Ramachandhran
Managing Director
DIN: 00273837
Place: Madurai
Date: 25th May, 2021

R Naresh
Executive Vice Chairman
DIN: 00273609

As per our report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No:003990S/S200018

B Rajagopalan
Chief Financial Officer
Place: Chennai
Date: 25th May, 2021

P Srinivasan
Secretary
Membership No. A10129
Place : Madurai
Date : 25th May, 2021

T V Balasubramanian
Partner
M. No: 027251
UDIN: 21027251AAAADO8025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2021

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

(a) Equity share capital

Particulars	Amount
Balance as at March 31, 2019	**7.66**
Changes in equity share capital during the year	-
Balance as at March 31, 2020	**7.66**
Changes in equity share capital during the year	-
Balance as at March 31, 2021	**7.66**

(b) Other Equity

Particulars	Reserves and Surplus					Equity Instrument through Other Comprehensive Income	Total equity attributable to equity holders of the Company	Non Controlling Interest	Total Equity
	Capital Reserve	Securities Premium Account	General Reserve	Amalgamation Reserve	Retained Earnings				
Balance as at March 31, 2019	**0.11**	**0.93**	**33.47**	**0.46**	**650.61**	**35.02**	**720.60**	-	**720.60**
Other Comprehensive income for the year	-	-	-	-	(0.54)	-	(0.54)	-	(0.54)
Dividends including Dividend Distribution Tax	-	-	-	-	(55.47)	-	(55.47)	-	(55.47)
IND AS 116 - Transferred to Retained earnings					(9.65)	-	(9.65)	-	(9.65)
Transfer to Retained Earnings from Profit & Loss	-	-	-	-	82.34	-	82.34	(0.07)	82.27
Balance as at March 31, 2020	**0.11**	**0.93**	**33.47**	**0.46**	**667.29**	**35.02**	**737.28**	**(0.07)**	**737.21**
Other Comprehensive income for the year	-	-	-	-	3.83	2.04	5.87	-	5.87
Transfer to Retained Earnings from Profit & Loss	-	-	-	-	73.92		73.92	(0.10)	73.82
									-
Balance as at March 31, 2021	**0.11**	**0.93**	**33.47**	**0.46**	**745.04**	**37.06**	**817.07**	**(0.17)**	**816.90**

Significant Accounting Policies & Notes to Financial Statement

Shobhana Ramachandhran
Managing Director
DIN: 00273837
Place: Madurai
Date: 25th May, 2021

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Executive Vice Chairman
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Firm Registration No:003990S/S200018

T V Balasubramanian
Partner
M. No:027251
UDIN: 21027251AAAADO8025

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

TVS Srichakra Limited ('TSL' or 'the Holding Company') is a public limited company domiciled and incorporated in India having its registered office at TVS Building, 7-B West Veli Street, Madurai 625001. The Holding Company's shares are listed and traded on Bombay Stock Exchange and National Stock Exchange in India. The Holding Company is engaged in the business of two-wheeler, three-wheeler and other industrial tyre manufacturing.

The Consolidated financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on May 25, 2021.

2. Significant Accounting Policies

a) Basis of preparation and Consolidation

The consolidated financial statements have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis of accounting, except for certain financial instruments and long term employee benefit plans that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. GAAP comprises Indian Accounting standards ("Ind AS") as specified in Section 133 of the Act read together with rule 4 of Companies (Indian Accounting Standard) Rules 2015 and relevant amendment Rules issued thereafter to the extent applicable, pronouncements of regulatory bodies applicable to the Group, guidelines issued by SEBI and other provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to existing accounting standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on a periodic basis.

The Consolidated financial statements comprise the financial statements of TVS Srichakra Limited (the holding company), its subsidiaries TVS Srichakra Investments Limited, TVS Sensing Solutions Private Limited (formerly known as ZF Electronics TVS (India) Private Limited) & Fiber Optic Sensing Solutions Private Limited (FOSS) (the holding company and its subsidiaries together is referred to as the "Group").

TVS Sensing Solutions Private Limited, a subsidiary of the company has subscribed 90% of equity

shares of M/s Fiber Optic Sensing Solutions Private Limited. Accordingly, the company has become the subsidiary of TVS Srichakra Limited w.e.f. 8th August 2019.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Note 2(y). Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

b) Statement of Compliance with Ind AS

The Consolidated Financial Statements comprising Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity, Statement of Cash Flow together with notes for the year ended March 31,2021 have been prepared in accordance with Ind AS as notified above.

c) Changes in Accounting Standards

There were certain amendments to the Accounting Standards on miscellaneous issues. Such changes include clarification/guidance on:

- Ind AS 1 Presentation of Financial Statements - Substitution of the definition of term 'Material'
- Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors - In order to maintain consistency with Ind AS 1, the respective changes have been made to Ind AS 8 also.
- Ind AS 10 Events after the Reporting Period - Clarification on the disclosures requirements to be made in case of a material non- adjusting event.
- Ind AS 34 Interim Financial Reporting - In order to maintain consistency with the amendments made in other Ind AS, respective changes have been made to Ind AS 34.
- Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - Clarification on the accounting treatment for restructuring plans.
- Ind AS 103-Business combination-Detailed guidance on term 'Business' and 'business combinations' along with providing an optional testto identify concentration of fair value.
- Ind AS 107 Financial Instruments: Disclosures - Clarification on certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.
- Ind AS 109 Financial Instruments - Clarification on temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.
- Ind AS 116 Leases - Clarification on whether rent concessions as a direct consequence of COVID-19 pandemic can be accounted as lease modification or not. None of these amendments have any significant effect on the group's consolidated financial statements.

d) Changes in Accounting Standards that may affect the Group after 31st March 2021

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

e) Functional and Presentation Currency

Items included in financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). Indian rupee is the functional currency of the Group.

The Financial Statements are presented in Indian Rupees which is Group's presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest Crore (Cr) with two decimals except where otherwise indicated.

f) Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Critical Judgments in applying accounting policies

i. Classification of investment in TVS Automobile Solutions Private Limited

The Holding Company holds investments in equity shares of TVS Automobile Solutions Private Limited ("TVS ASPL"). In the opinion of the management, TVS ASPL is not considered to be an associate of the Holding Company. Accordingly, the investment in their shares have been designated as investment at FVTOCI.

ii. Lease

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Assumptions and Key Sources of Estimation Uncertainty

i. Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the group engages third party qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 2(x).

ii. Provisions for liabilities and charges

The value of provisions recognized in the Financial Statements represent the best estimate to date made by management for a range of issues. This estimate entails the adoption of assumptions which depend on factors that may change over time and which could therefore have a significant impact on the current estimates made by management in preparing the Financial Statements.

iii. Useful life of Property, Plant & Equipment (PPE)

The Group reviews the estimated useful lives of PPE at the end of each reporting period.

iv. Employee Benefits - Defined Benefit Obligations (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

v. Estimation of uncertainties relating to the global health pandemic from COVID-19:

On March 11, 2020, the World Health Organization declared Covid-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020, and extended from time to time thereafter.

The economy has been impacted during the year on account of COVID-19. Whilst there has been a second wave of the COVID-19 pandemic in the last few months in some States, there has also been increased vaccination drive by the Government and the Group continues to closely monitor the situation.

The Group has also assessed the possible impact of COVID-19 in preparation of the consolidated financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its investments, financial and nonfinancial assets and impact on revenues and costs. The Group has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets.

g) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any noncontrolling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

h) Financial Instruments

i. Financial Assets - Investments

Financial assets comprise of investments in equity and debt securities, trade receivables, cash and cash equivalents and other financial assets.

Initial recognition:

All financial assets are recognized initially at Fair value plus transaction costs that are attributable to the Acquisition of the financial asset (In case of financial assets not recorded at FVTPL, transaction costs are recognized immediately in statement of profit and loss). Purchase or sales of financial assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date.

Subsequent measurement:

i. Financial assets measured at amortized cost:

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using Effective Interest Rate (EIR) method.

The EIR amortization is recognized as finance income in the statement of profit and loss.

The Group while applying above criteria has classified the following at amortized cost

a) Trade receivable

b) Other financial assets

ii. Financial asset at FVTOCI

Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial asset and the contractual terms of financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair value movements in financial assets at FVTOCI are recognized in other comprehensive income Equity instruments held for trading are classified as FTVPL. For other equity instruments the Group classifies the same as FVTOCI. The classification is made on initial recognition and is irrevocable. Fair value changes on equity instruments at FVTOCI excluding dividends, are recognized in other comprehensive income (OCI).

iii. Financial asset at FVTPL

All fair value changes are recognized in the Statement of Profit and loss.

Derecognition of financial asset

Financial assets are derecognized when the contractual right to cash flows from the financial asset expires or the financial asset is transferred, and the transfer qualifies for Derecognition. On Derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of Derecognition) and the consideration received (including any new asset obtained less any new liability Assumed) shall be recognized in the statement of profit and loss (except for equity instruments designated as FVTOCI).

Impairment of financial asset

Trade receivables, investments in debt instruments that are carried at amortized cost, investments in debt instruments that are carried at FVTOCI are tested for impairment based on the expected credit losses for their respective financial asset.

a) Trade receivable

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rate reflecting future economic conditions. In this approach, assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

b) Other financial assets

Other financial assets are tested for impairment and expected credit losses are measured at an amount equal to 12 month expected credit loss. If the credit risk on the financial asset has increased significantly since initial recognition, then the expected credit losses are measured at an amount equal to life-time expected credit loss.

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are initially recognized at fair value plus any transaction cost that are attributable to the acquisition of financial liability except financial liabilities at fair value through profit and loss which are initially measured at fair value.

Subsequent measurement

The financial liabilities are classified for subsequent measurement into following categories

- at amortized cost
- at fair value through the statement of profit and loss

Financial liabilities at amortized cost

The Group is classifying the following under amortized cost;

a) Borrowings from banks

b) Borrowings from others

c) Lease liabilities

d) Trade payables

e) Other Financial Liabilities

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount.

Financial liability at Fair Value through statement of profit and loss

Financial liabilities held for trading are measured at FVTPL.

De-recognition of financial liabilities

A financial liability is de-recognized when and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

iv. Derivative financial instruments

Foreign exchange forward contracts and options are entered into by the Group to mitigate the risk of changes in foreign exchange rates associated with certain payables, receivables and forecasted transactions denominated in certain foreign currencies. These derivative contracts that do not qualify for hedge accounting under Ind AS 109, are initially recognized at fair value on the date the contract is entered into and subsequently measured through statement of profit and loss. Gains or loss arising from changes in the fair value of the derivative contracts are recognized in the statement of profit and loss.

v. Hedge accounting

The Group has not designated any hedge instruments and hence requirements under Ind AS 109 in respect of hedge accounting does not arise.

vi. Offsetting of financial assets and liabilities

Financial assets and liabilities are offset, and the net amount is presented in Balance Sheet when, and only when, the Group has a legal right to offset the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

vii. Reclassification of financial assets

In Case of any reclassification, the group applies the reclassification prospectively an does not restate any previously recognized gains, losses (Including impairment gains, or losses) or interest.

i) Share capital and Dividend to Shareholders

Equity Shares are classified as equity. Where any shares are issued, incremental costs directly attributable to the issue of new equity shares or share options will be recognized as deduction from equity, net of any tax effects.

Dividend distribution to equity shareholders is distribution to owners of capital in statement of changes in equity, in the period in which it was paid. Final Dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as liability on the date of declaration by the Company's Board of Directors.

j) Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable, accumulated impairment losses. Cost includes expenditure that is directly attributable to acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of Property, Plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and equipment and are recognized net within "other income/other expenses" in the statement of profit and loss.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefit embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is de-recognized. The cost of day to day servicing of property, plant and equipment are recognized in statement of profit or loss.

Depreciation

Depreciation is recognized in the Statement of profit and loss under straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased asset are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Assets costing ₹5000 or below acquired during the year considered not material are depreciated in full retaining ₹1 per asset. The Useful life has been considered in line with schedule II except in the following cases which are based on technical estimates.

Estimated useful life in years:

Particulars	Useful life
Plant and Machinery other than generator sets	20 years
Electronics	6 years
Moulds / trolleys / weighing balance / drums / PCI stand / Storage stand / motor / pump	6 years

The depreciation method, useful lives and residual value are reviewed at each of the reporting date.

k) Intangible assets

Intangible assets that are acquired by the group, which have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the intangible asset.

Research costs are expensed as incurred. Development expenditures on an individual project/New Product Development are recognised as an intangible asset when the Group can demonstrate:

The technical feasibility of completing the intangible asset so that the asset will be available for use or sale	Its intention to complete and its ability and intention to use or sell the asset	How the asset will generate future economic benefits	The availability of resources to complete the asset	The ability to measure reliably the expenditure during development

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in the statement of profit and loss.

Amortization of intangible asset with finite useful lives

Amortization is recognized in the statement of profit and loss on a straight line basis over the estimated useful lives of intangible assets from the date that they are available to use based on the estimates made by the management w.r.t the useful life and residual value.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Software License is amortised over 5 years

l) Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes) and that is not meant for use by the Group. Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured in accordance with cost model.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Investment properties are depreciated using the straight-line method over their estimated useful life. The useful life of Investment properties – Buildings have been estimated at 30 years. The useful life has been determined based on technical evaluation performed by management expert. Based on management's estimate, the residual value has been considered as NIL.

m) Impairment of Non-financial assets

The carrying amount of the Group's non-financial asset, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating unit is the greater of its value in use andits fair value less costs to sell. In assessing the value in use and its fair value less cost to sell, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to asset. For impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows into continuing use that are largely independent of cash inflows of other assets or group of assets (the cash generating unit).

An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of cash generating unit are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit or group of units on a pro rata basis.

Reversal of impairment loss

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

n) Leases

At the inception of a contract, the Group assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term The lease liability is initially measured at the present value of the remaining lease payments at the commencement date, discounted using the Group's incremental borrowing rate.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense over the lease term. In the comparative period, leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases.

o) Inventories

Inventories are measured at the lower of cost (determined using Weighted average method) and net realizable value. Cost comprises the fair value of consideration for the purchase and all directly attributable costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated cost necessary to make the sale.

Cost includes direct material cost, direct labour cost, taxes and duties (other than duties and taxes for which input credit is available), freight, other direct expenses and an appropriate proportion of variable and fixed overhead expenditure.

Cost of the purchased inventory are determined after deducting rebates and discounts. Provision is made for obsolete, non-moving & defective stocks, wherever necessary.

p) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

q) Revenue recognition

Revenue is recognized on their accrual and when no significant uncertainty on measurability or collectability exists.

Revenue from the sale of goods is recognized when the performance obligations towards customers have been met at an amount that reflects the consideration to which the Group believes it is entitled to in exchange for the transfer of goods to customers, net of any sales returns and GST. Variable consideration in the form of trade discounts and volume rebates are netted off from revenue. Performance obligations are deemed to have been met when the control of goods has been transferred to the customer, depending on the individual terms of the contract of sale.

Considering the general terms of sales, there is no significant financing element included in the sales consideration.

Revenue from lease rentals is recognized on time proportionate basis. In case of uncertainty in realization of the lease rentals, recognition of such income is deferred.

Subsidies on export and other incentives

Government Subsidies and incentives, in the nature of Business Support Subsidy and MEIS are recognized when there is a reasonable assurance that the condition attaching to the incentive would be complied with and incentives will be recognized. Government grant received relating to assets are treated as Deferred Revenue and are recognized over the period in which the economic benefit is expected from such assets.

r) Employee benefits

Employee benefits are accrued in the period in which the associated services are rendered by employees of the Group, as detailed below:

i. Defined contribution plan (Provident fund)

In accordance with Indian law, eligible employees receive benefit from provident fund, which is a defined contribution plan. Both the employee and employer make monthly contributions to the plan, each equal to a specific percentage of employee's basic salary. The companies have no further obligations under the plan beyond its monthly contributions. The companies do not have any legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee service in the current and prior periods. Obligation for contributions to the plan is recognized as an employee benefit expense in the statement of profit and loss when incurred.

ii. Defined benefit plan (gratuity)

In accordance with applicable Indian laws, the Group provides for gratuity, which is a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the company.

The Group's net obligation in respect of the gratuity plan is calculated by estimating the amount of future benefits that the employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service cost and the fair value of plan assets are deducted. The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefit available in the form of any future refunds from the plan or reductions in the future contributions to the plan.

The Group recognizes all re-measurements of net defined benefit liability / asset directly in other comprehensive income and presented within retained earning under equity.

iii. Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

iv. Compensated absences

The employees of the Group are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence. The Group recognizes an obligation for compensated absences in the period in which the employee renders the services. The Group provides for the expected cost of compensated absence in statement of profit or loss as additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated based on actuarial valuations carried out by an independent actuary at the balance sheet date.

s) Finance Income and expense

Finance income comprises interest income on funds invested, dividend income, fair value gains on financial assets at fair value through profit or loss. Interest income is recognized using effective interest method. Dividend income is recognized in statement of profit and loss on the date when the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date. Finance expense comprises interest expense on loans and borrowings, bank charges, unwinding of discount on provision, fair value losses on financial asset through FVTPL that are recognized in the statement of profit and loss.

t) Borrowing costs

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. Other borrowing costs are recognized as expenses in the period in which they are incurred. To the extent the Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowings costs eligible for capitalization by applying a capitalization rate to the expenditure incurred on such asset. The capitalization rate is determined based on the weighted average of borrowing costs applicable to the borrowings of the respective Company in the group which are outstanding during the period, other than borrowings made specifically towards purchase of qualifying asset. The amount of borrowing costs that the Group capitalizes during a period does not exceed the amount of borrowing costs incurred during that period.

u) Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:

(i) The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss

(ii) Arising due to taxable temporary differences arising on the initial recognition of goodwill, as the same is not deductible for tax purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred taxation arising on investments in subsidiaries and associates is recognized except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred taxation on temporary differences arising out of undistributed earnings of the equity-method accounted investee is recorded based on the management's intention. If the intention is to realize the undistributed earnings through sale, deferred tax is measured at the capital gains tax rates that are expected to be applied to temporary differences when they reverse.

However, when the intention is to realize the undistributed earnings through dividend, the Investor company's share of the income and expenses of the equity-method accounted investee is recorded in the statement of profit and loss after considering any taxes on dividend payable by equity-method accounted investee or deferred tax is set up in the books if the tax liability is with the company.

v) Foreign Currency Transactions and balances

Transactions in foreign currencies are initially recognized in the financial statements using exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the relevant functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate prevailing on the date that the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency differences arising on translation are recognized in statement of profit and loss for determination of net profit or loss during the period.

w) Earnings per share

Basic Earnings Per Share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders of the group by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the group after adjusting impact of dilution shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

x) Fair value measurements

Ind AS requires the determination of fair value for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Group.

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

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

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

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

Level 1
Unadjusted quoted prices in active market for identical assets and liabilities

Level 2
Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3
Unobservable outputs for the assets and liabilities

For assets and liabilities that are recognized in the financial statement at fair value on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and/or disclosures purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Investments in equity and debt securities

The fair value is determined by reference to their quoted price at the reporting period. In the absence of quoted price, the fair value of the financial asset is measured using valuation techniques.

(ii) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. However, in respect of such financial statements, fair value generally approximates the carrying amount due to the short-term nature of such assets. This fair value is determined for disclosure purpose or when acquired in a business combination.

(iii) Lease Security Deposits

Any lease deposits paid by the Group to the lessors are discounted to its fair value and thereafter accounted on amortised cost method over the lease period.

(iv) Derivatives

The fair value of forward exchange contracts is based on quoted price. Fair value reflects the credit risk of the instrument and includes adjustments to take account of the credit risk of the Group and the counter party when appropriate.

(v) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flow discounted at the market rate of interest at the reporting date. For leases, the applicable rate of interest is determined by reference to incremental borrowings rate.

y) Current and non-current classification

An asset is classified as current if:

a. It is expected to be realized or sold or consumed in the Group's normal operating cycle;

b. It is held primarily for the purpose of trading;

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

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

All other assets are classified as non-current.

A liability is classified as current if:

a. It is expected to be settled in normal operating cycle;

b. It is held primarily for the purpose of trading;

c. It is expected to be settled within twelve months after the reporting period;

d. It has 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.

z) Statement of Cash Flow

Cash flows are reported using the indirect method, whereby, profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

aa) Segment Reporting

Operating segments are identified and reported taking into account the different risks and returns, the organization structure and the internal reporting systems. The Holding Company's business activity falls within a single reportable business segment, viz, Automotive Tyres, Tubes and Flaps. Subsidiaries' revenues and assets do not meet the criteria for reportable segment as prescribed in the standards. Non-Reportable segments have not been disclosed as unallocated reconciling item in view of materiality.

bb) Warranty

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

3. Property, plant and equipment

The following table presents the changes in PPE during the year Mar 31, 2021

Particulars	Original cost				Depreciation				Net book value	
	As at April 1, 2020	Additions during the year	Deletions during the year	As at 31 March, 2021	As at 31 March, 2020	For the year	Disposals	As at 31 March, 2021	As at 31 March, 2021	As at 31 March, 2020
Freehold Land	43.24	0.36	-	43.60	-	-	-	-	43.60	43.24
Building	230.06	16.62	-	246.68	30.58	10.16	-	40.74	205.93	199.48
Plant and Machinery	487.97	55.37	0.54	542.77	201.65	57.85	0.54	258.95	283.82	286.32
Furniture and Fittings	17.75	0.89	-	18.65	4.43	1.80	-	6.23	12.42	13.32
Vehicles	1.90	0.22	0.34	1.71	0.89	0.21	0.24	0.76	0.96	1.01
Official equipment	22.26	2.57	0.31	24.58	11.03	4.57	0.32	15.36	9.22	11.23
Others (electrical)	172.58	2.33	-	174.91	86.97	19.92	-	106.88	68.03	85.61
Total	**975.76**	**78.36**	**1.19**	**1,052.89**	**335.55**	**94.51**	**1.10**	**428.92**	**623.97**	**640.21**
Capital work in progress	37.48	16.07	10.94	42.61	-	-	-	-	42.61	37.48
Total	**1,013.24**	**94.43**	**12.13**	**1,095.50**	**335.55**	**94.51**	**1.10**	**428.92**	**666.58**	**677.69**

The following table presents the changes in PPE during the year Mar 31, 2020

Particulars	Original cost				Depreciation				Net book value	
	As at April 1, 2019	Additions during the year	Deletions during the year	As at 31 March, 2020	As at 1 April, 2019	For the year	Disposals	As at 31 March, 2020	As at 31 March, 2020	As at 31 March, 2019
Freehold Land	43.15	0.09	-	43.24	-	-	-	-	43.24	43.15
Building	202.63	27.43	-	230.06	22.03	8.55	-	30.58	199.48	180.60
Plant and Machinery	447.22	40.98	0.23	487.97	146.27	55.61	0.23	201.65	286.32	300.96
Furniture and Fittings	10.86	6.89	-	17.75	3.19	1.24	-	4.43	13.32	7.67
Vehicles	1.79	0.11	-	1.90	0.60	0.29	-	0.89	1.01	1.19
Official equipment	14.83	7.51	0.09	22.26	7.30	3.82	0.09	11.03	11.23	7.53
Others (electrical)	156.24	16.34	-	172.58	65.37	21.60	-	86.97	85.61	90.87
Total	**876.72**	**99.35**	**0.32**	**975.76**	**244.75**	**91.11**	**0.32**	**335.55**	**640.21**	**631.97**
Capital work in progress	33.37	13.24	9.13	37.48	-	-	-	-	37.48	33.37
Total	**910.09**	**112.59**	**9.45**	**1,013.24**	**244.75**	**91.11**	**0.32**	**335.55**	**677.69**	**665.34**

Note: 1. 'The amount of borrowing cost capitalised during the year ended March 31, 2021 is ₹ 0.40 Crores (March 31, 2020 - NIL). The rate used to determine the amount of borrowing cost eligible for capitalisation was 8.10%, based on the effective interest rate of identified borrowings.

2. Refer note 16(a) and 21 for details on pledges and securities of property, plant and equipment provided for borrowings.

3 The Group has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition i.e. 1st April 2015 and hence the carrying amount (net block) as per previous GAAP on that date has been considered as Gross Block Refer below the Gross Block Value and Accumulated Depreciation on 1st of April 2015 under previous year.

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

Particulars	Gross Block as on 1.4.15	Accumulated Depreciation as on 1.4.15	Net Block as on 1.4.15
Freehold Land	1.96	-	1.96
Buildings	87.82	16.06	71.76
Plant & Machinery	265.94	134.01	131.93
Furniture & Fittings	7.33	5.03	2.30
Vehicles	1.96	0.81	1.15
Office Equipments	9.71	6.15	3.56
Others (Electricals)	66.35	16.25	50.10
Total	**441.07**	**178.31**	**262.76**

4. Intangible assets

The following table presents the changes in Intangible Assets during the year Mar 31, 2021

Particulars	Original cost				Amortisation				Net book value	
	As at April 1, 2020	Additions during the year	Deletions during the year	As at 31 March, 2021	As at 31 March, 2020	For the year	Disposals	As at 31 March, 2021	As at 31 March, 2021	As at 31 March, 2020
Computer software	15.99	1.39	-	17.35	11.85	2.69	-	14.51	2.85	4.14
Total	**15.99**	**1.39**	-	**17.35**	**11.85**	**2.69**	-	**14.51**	**2.85**	**4.14**
Intangible assets under development	10.80	12.31	2.88	20.23	-	-	-	-	20.23	10.80
Total	**26.79**	**13.70**	**2.88**	**37.58**	**11.85**	**2.69**	-	**14.51**	**23.08**	**14.94**

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

The following table presents the changes in Intangible Assets during the year Mar 31, 2020

Particulars	Original cost				Amortisation				Net book value	
	As at April 1, 2019	Additions during the year	Deletions during the year	As at 31 March, 2020	As at 1 April, 2019	For the year	Disposals	As at 31 March, 2020	As at 31 March, 2020	As at 31 March, 2019
Computer software	14.60	1.39	-	15.99	8.99	2.86	-	11.85	4.14	5.61
Total	**14.60**	**1.39**	-	**15.99**	**8.99**	**2.86**	-	**11.85**	**4.14**	**5.61**
Intangible assets under development	0.61	10.29	0.10	10.80	-	-	-	-	10.80	0.61
Total	**15.21**	**11.68**	**0.10**	**26.79**	**8.99**	**2.86**	-	**11.85**	**14.94**	**6.22**

Note: 1. The Company has availed the deemed cost exemption in relation to the intangible on the date of transition i.e. 1st April 2015 and hence the carrying amount (net block) as per previous GAAP on that date has been considered as Gross Block Refer below the Gross Block Value and Accumulated Depreciation on 1st of April 2015 under previous year

Particulars	Gross Block as on 1.4.15	Accumulated Depreciation as on 1.4.15	Net Block as on 1.4.15
Computer Software	7.38	4.39	2.99
License	1.81	1.81	-
Total	**9.19**	**6.20**	**2.99**

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

5. Investment Properties

(i) Carrying Amount of Investment Properties

	As at 31-Mar-21	As at 31-Mar-20
Gross Carrying Amount		
Opening Gross Carrying Amount / Deemed Cost		
- Freehold Land	17.13	17.13
- Buildings	9.14	9.14
- Borewell	0.01	0.01
	26.28	**26.28**
Additions	-	-
Disposals	-	-
Closing Gross Carrying Amount	**26.28**	**26.28**
Accumulated Depreciation		
Opening Accumulated Depreciation	1.73	1.40
Depreciation Charge (Buildings and Borewell)	0.33	0.33
Closing Accumulated Depreciation	**2.06**	**1.73**
Net Carrying Amount	**24.22**	**24.55**

(ii) Fair Valuation of investment properties

	As at 31-Mar-21	As at 31-Mar-20
Investment properties	29.23	29.32

(iii) Estimation of Fair value

The company obtains independent valuations of its invetsment properties annually.
The best evidence of fair value is the current prices in an active market for similar properties.

Where such information is not available the company considers information from variety of sources including:

a. Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

b. Discounted cash flow projections based on reliable estimates of future cash flows

c. Capitalised income projections based upon a properties estimated net market income and a capitalisation rate derived from an analysis of market evidence

The fair values of investment properties have been determined by Mr. Ram Dass,Chartered Engineer for Madurai and Kishore K ViKamsey, Chartered Engineers for mumbai property. The main inputs used are the rented growth rates, expected vacancy rates, terminal yields and discounted rates based on comparable transaction and industry data.

All resulting fair value estimates for investment properties are included in level 3.

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

6. Right of Use Assets

A. Movement in Right of Use Assets:

Particulars	Plant & Machinery	Land & Buildings	Total
Gross Block at Cost			
As at 1st April 2020	23.35	0.17	23.52
Additions during the year	0.72	2.47	3.18
Deductions for the year			
As at 31st March 2021	**24.07**	**2.64**	**26.71**
Depreciation			
As at 1st April 2020	5.84	0.05	5.89
Charge for the year	6.18	0.10	6.28
Deductions for the year	-	-	
As at 31st March 2021	**12.02**	**0.15**	**12.17**
Net Block			
As at 31st March 2021	**12.05**	**2.49**	**14.54**

Gross Block at Cost			
As at 1st April 2019			
Opening Adjustments (on transition)	23.35	0.17	23.52
Additions during the year	-	-	-
Deductions for the year	-	-	-
As at 31st March 2020	**23.35**	0.17	**23.52**
Depreciation			
As at 1st April 2019			
Opening Adjustments	-	-	-
Charge for the year	5.84	0.05	5.89
Deductions for the year	-	-	-
As at 31st March 2020	**5.84**	**0.05**	**5.89**
Net Block			
As at 31st March 2020	**17.51**	**0.12**	**17.63**

B. Movement in Lease Receivable (Net of Liabilities):

As at 1st April 2020	**1.46**	**(0.12)**	**1.34**
Lease payments during the year	0.25	0.09	0.34
Finance Cost accrued during the year	-	(0.01)	(0.01)
As at 31st March 2021	**1.71**	**(0.04)**	**1.67**
- Non Current	1.71	-	1.71
- Current	-	(0.04)	(0.04)

As at 1st April 2019			
Opening Adjustments (on transition)	1.21	(0.17)	1.04
Finance Cost accrued during the year	-	(0.01)	(1.01)
Lease payments during the year	0.25	0.06	0.31
As at 31st March 2020	**1.46**	**(0.12)**	**1.34**
- Non Current	1.46	(0.04)	1.42
- Current	-	(0.08)	(0.08)

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

C. Amounts recognized in statement of profit and loss:

Expense/(Income)	As at 31.03.2021	As at 31.03.2020
Depreciation expense of Right of Use Assets	6.28	5.89
Expense relating to short-term leases	15.14	17.08
Interest income on Net lease receivable	(0.43)	(0.40)
Interest expense on Lease Liabilities	0.01	0.01
Total recognized in Statement of Profit and Loss	**21.00**	**22.58**

D. Exposure to future cash flows:

Maturity Analysis	As at 31.03.2021	As at 31.03.2020
Less than 1 year	0.29	0.27
Between 1 and 2 years	(1.96)	0.29
Between 2 and 5 years	-	(1.96)
More than 5 years	-	-
Total	**(1.67)**	**(1.40)**

7. Investments (Non-current Financial Assets)

Particulars	As at 31.03.2021	As at 31.03.2020
Investment in equity of others - Unquoted Associate:		
Van leeuwen Tyres and wheels BV 15,000 fully paid up equity shares (PY-15,000 shares) of EURO 1 each	0.09	0.09
Others:		
Sai Regency Power Corporation Private Limited 2,25,000 fully paid up equity shares (PY-2,25,000 shares) of ₹10 each	0.22	0.22
Myrtah Vayu Manijra private limited 10,10,840 fully paid up equity shares (PY - 5,62,340 shares) of ₹10 each	1.01	0.56
Coromandel Electricity Company Limite 10,000 fully paid up equity shares (PY-10,000 shares) of ₹10 each	0.01	0.01
TVS Automobile Solutions Private Limited 9,11,741 fully paid up equity shares (PY-9,11,741 shares) of ₹10 each	99.98	96.01
Other Investments - Deemed Equity Fair valuation of equity option in convertible debentures issued by TVS Srichakra Investments Ltd.		
Total	**101.31**	**96.89**
Less: Provision for diminution in value of investments	(0.31)	(0.09)
Total	**101.00**	**96.80**

Aggregate amount of unquoted investment	101.31	96.89
Aggregate amount of impairment in the value of investment	(0.31)	(0.09)

8. Loans - Non-current Financial Assets

Particulars	As at 31.03.2021	As at 31.03.2020
Secured, Considered Good		
Unsecured, Considered Good:		
Security Deposits	27.69	27.75
Other Loans	3.98	3.03
Loans which have significant increase in Credit Risk	-	-
Loans - Credit impaired	-	-
Total	**31.67**	**30.78**

9. Other financial asset - Non-current Financial Assets

Deposits with banks with maturity period more than 12 months (held as lien by bank against bank guarantee)	-	0.13
Deposits with Government authorities	0.13	0.02
Total	**0.13**	**0.15**

10. Other non current assets

Capital advance	27.84	9.44
Gratuity - excess value of plan assets over obligation	0.60	-
Deposits with Government authorities	-	0.12
Others	1.71	4.68
Total	**30.15**	**14.24**

11. Inventories

Raw material and components**	240.82	216.18
Work in progress	32.41	28.16
Finished goods*	132.75	161.56
Stock in trade**	1.01	0.96
Stores and spares	18.54	13.77
Total	**425.53**	**420.63**

*The company has recorded inventory write down of ₹3.84 crores (PY 0.38 crores) which is included as part of cost of materials consumed **Includes stock in transit of ₹30.87 Crores (PY - Nil) Refer to Note 18 (a) and Note 23 for details of pledge and securities of Inventories provided for borrowings

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

12. Trade receivables

Particulars	As at 31.03.2021	As at 31.03.2020
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	245.43	207.41
(Refer Note 39 for Related Parties)		
Trade Receivables which have significant increase in Credit Risk	-	
Trade Receivables - credit impaired	1.26	0.39
	246.69	207.80
Less: Allowance for doubtful receivables	1.26	0.39
Total	**245.43**	**207.41**

13. Cash and bank balances

13(a) Cash and Cash Equivalents		
a) Balance with banks		
(i) in current accounts	4.63	3.90
(ii) Cash on Hand	0.05	0.08
(a)	**4.68**	**3.98**
13(b) Other bank balances		
(i) Bank deposits*	0.20	4.56
(ii) Unpaid dividend	4.31	4.96
(b)	**4.51**	**9.52**

* Balances in deposits accounts subject to lien in favour of banks for obtaining bank guarantees/letter of credits

14. Other financial assets

Accrued Income		
- Considered Good	21.22	34.04
- Credit Impaired	3.00	
Less: provision for doubtful advances	(3.00)	
	21.22	34.04
Others	1.08	0.68
Total	22.30	34.72

15. Other current assets (Unsecured, Considered good)

(a) Advance other than capital advance:		
Other Advances:		
Advances to suppliers - Considered Good	17.68	20.23
Advances to suppliers - Credit Impaired	0.14	0.11
Less: provision for doubtful advances	(0.14)	(0.11)
	17.68	**20.23**
(b) Others		
Balance with government authorities	0.18	0.23
Prepaid expenses	5.99	5.01
Lease prepayments	0.37	0.37
GST Input Tax Credit(Net) available for set-off/refund	-	27.14
Others	0.10	0.69
	6.64	**33.44**
Total (a) + (b)	**24.32**	**53.67**

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

16. Equity share capital

Particulars	As at 31.03.2021	As at 31.03.2020
Authorised (1,00,00,000 equity shares at ₹10 each)	10.00	10.00
Subscribed and fully paid up (76,57,050 equity shares at Rs.10 each)	7.66	7.66
Total	**7.66**	**7.66**

16.1 Reconciliation of number of shares in the beginning and at end of the year

FY 2020-21	Number of shares	Amount
Balance as at the beginning of the year	76,57,050	7.66
Balance as at the end of the year	76,57,050	7.66

FY 2019-20	Number of shares	Amount
Balance as at the beginning of the year	76,57,050	7.66
Balance as at the end of the year	76,57,050	7.66

16.2 Shareholding more than 5 % of the shares of the company

Name of the Company	As at 31.03.2021	As at 31.03.2020
T.V. Sundram Iyengar & Sons Private Limited (CY-28%, PY-28%)	21,23,115	21,23,115
Sundaram Industries Private Limited (CY-10%, PY-10%)	7,50,000	7,50,000

16.3 Rights, preferences and restrictions attached to shares -

Equity shares - The company has one class of equity shares having a par value of Rs. 10/- each. Each share holder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. Each shareholder also has a residual interest in the assets of the Company in proportion to their shareholding.

16.4 Shares held by holding / ultimate holding and / or their subsidiary / associates - NIL

16.5 The Company does not have any outstanding shares issued under options.

16.6 The Company does not have any bonus share issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date (31st March, 2021).

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

17. Other equity

Reserves and surplus

Particulars	As at 31.03.2021	As at 31.03.2020
Securities premium	0.93	0.93
General reserve	33.47	33.47
Capital reserve	0.11	0.11
Reserve on amalgamation	0.46	0.46
Surplus		
Opening balance	667.29	650.61
Profit for the year	73.92	82.34
Remeasurement of DBO	3.83	(0.54)
Final Dividends paid	-	(30.63)
Dividend Distribution tax paid on Final dividend	-	(6.30)
Interim Dividends paid	-	(15.38)
Dividend Distribution tax paid on Interim dividend	-	(3.16)
Impact of IND AS 116 - Lease Rentals	-	(9.65)
Closing balance	**745.04**	**667.29**
Gains on Equity instruments through Other Comprehensive Income		
Opening Balance	35.02	35.02
Fair Valuation of Investments	2.04	-
Closing Balance	**37.06**	**35.02**
Total	**817.07**	**737.28**

Nature and purpose of other reserves

Securities Premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act 2013 for specified purposes.

General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the statement of profit and loss. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Capital reserve represents reserve of capital nature taken to this head under the erstwhile GAAP.

Reserve on amalgamation represents reserve created as a result of amalgamation

Surplus / Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Other Comprehensive Income represents the fair value gain/loss which is not routed through statement of P&L

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

18a. Borrowings - Non current

Term loans

Particulars	As at 31.03.2021	As at 31.03.2020
Secured		
From banks	165.84	150.38
Less: Amount Transferred to Current Maturities	(60.79)	(21.17)
Total	**105.05**	**129.21**

18b: NET DEBT RECONCILIATION

Cash and Cash Equivalents	4.68	3.98
Current Borrowing (Working Capital Loan)	(42.05)	(200.64)
Non - Current Borrowing plus Current maturities of long term debt*	(167.23)	(151.82)
Total	**(204.60)**	**(348.48)**

*Includes Accrued Interest

Particulars	Other Assets	Borrowings		Total Net borrowings
	Cash and Cash Equivalents	Current Borrowing (Working Capital Loan)	Non -Current Borrowing plus current maturity of long term debt*	
Net (debt)/ Cash and Bank Balances as at 1st April 2020	**3.98**	**(200.64)**	**(151.82)**	**(348.48)**
Cash Flows				
Increase/(Decrease) in cash and Bank Balances	0.70	-	-	0.70
Borrowings	-	-	(37.00)	(37.00)
Repayment/Receipt		158.61	21.59	180.20
Interest expense	-	(9.14)	(13.86)	(23.00)
Interest paid	-	9.12	13.86	22.98
(Net debt)/ Cash and Bank Balances as at 31st March 2021	**4.68**	**(42.05)**	**(167.23)**	**(204.60)**

*Includes Accrued Interest

Net (debt)/ Cash and Bank Balances as at 1st April 2019	**9.03**	**(370.26)**	**(58.67)**	**(419.90)**
Cash Flows				
Increase/(Decrease) in cash and Bank Balances	(5.05)	-	-	(5.05)
Borrowings	-	169.62	(115.67)	53.95
Repayment/Receipt		-	22.52	22.52
Interest expense	-	(22.42)	(5.98)	(28.40)
Interest paid	-	22.42	5.98	28.40
(Net debt)/ Cash and Bank Balances as at 31st March 2020	**3.98**	**(200.64)**	**(151.82)**	**(348.48)**

Additional Information :

Details of Security for Secured Loans:

A) Term Loan Availed from HDFC Bank by holding company- ₹ 50 crores is repayable over 5 years including 12 months of moratorium with an interest rate of 9% p.a.. Loan is secured by exclusive first charge on the assets purchased out of the term loan.

B) Term Loan from State Bank of India by holding company- ₹ 94.50 crores is repayable over 6 years including 12 months of moratorium with an average interest rate of 8% p.a. Loan is secured by hypothecation of Specific Plant & Machinery located at Vellaripatti Village,Madurai

C) CCECL Demand Loan from State Bank of India by holding company - ₹ 37 crores is repayable over 1.5 years including a 6 months moratorium with an average interest rate of 7.40 % p.a. Loan is secured by extension of exclusive first charge on Current Assets.

D) Term Loan with sanctioned amount of ₹ 4.5 Crores availed by subsidiary company (TVS Sensing Solutions Private Limited) is repayable in 5 years including 12 months moratorium. Loan of ₹ 3 Crores was availed during the previous year. Loan is primarily secured by factory land & building and plant and machinery.

E) Term Loan with sanctioned amount of ₹ 6 Crores availed by subsidiary company (TVS Sensing Solutions Private Limited) is repayable in 8 quarterly instalments. Loan is primarily secured by a pari passu first charge on movable fixed assets.

19. Other Financial Liabilities

Particulars	As at 31.03.2021	As at 31.03.2020
Security deposit	82.63	82.22
Total	**82.63**	**82.22**

20. Provisions

20(a) Non Current provisions		
Gratuity	0.18	1.13
Compensated absences	7.77	8.60
(a)	**7.95**	**9.73**
20(b) Current provisions		
Gratuity	0.18	3.15
Compensated absences	1.22	1.18
Warranty (Refer Note 38)	9.99	9.53
(b)	**11.39**	**13.86**

21. Deferred Tax Liability (Net)

Deferred Tax Liability		
a) On Account of Depreciation on Property, Plant, Equipment	26.02	32.32
b) On account of timing Differences in Recognition of Expenditure	(3.02)	(3.45)
c) On Account of Amortisation of Right of Use Assets	(1.74)	(2.27)
d) On account of Ind AS fair value adjustments	9.23	7.14
c) On account of carried forward tax losses/tax credits	(2.29)	(2.74)
e) On account of others	(0.77)	(0.07)
Total	**27.43**	**30.93**

22. Other non current liabilities

Deferred Government Grant (Capital Subsidy)	0.24	0.30
Deferred Income	3.94	4.27
Total	**4.18**	**4.57**

23. Borrowings (Current)

Particulars	As at 31.03.2021	As at 31.03.2020
Secured Loans repayable on demand from banks*	42.05	200.64
Total	**42.05**	**200.64**

Net of debit balance in Cash credit account (CY - ₹ 6.33 Crores) (PY - ₹ 76.89 crores)

Additional Information :

a. Details of Security for Secured Loans

Working Capital facilities availed from State Bank of India are secured by a first charge on the entire Current Assets of the Company viz Raw Materials, Semi-finished Goods, Finished Goods, Stores, Spares, Trade Receivables, and Other Current Assets.

b. Working capital loans represents cash credit,working capital demand loans, bills discounted and packing credit facilities from banks which are secured by a hypothecation of inventories and receivables both present and future and by way of equitable mortgage by deposit of title deeds of the Company's immovable properties situated at Madurai.

24. Trade payables

i) To Micro Small and Medium Enterprises (Refer Note 44)	2.67	0.81
ii) Others - (Refer Note 39 for Related Parties)	293.18	216.90
Total	**295.85**	**217.70**

25. Other financial liabilities

Capital creditors*	12.16	17.13
Current maturities of long term debt	60.79	21.17
Interest accrued but not due on borrowings	1.39	1.44
Unpaid dividends	4.31	4.96
Lease Liability - Current	0.04	0.08
Other creditors	118.61	113.20
Total	**197.29**	**157.98**

*Includes ₹ 1.48 Crores (PY - Nil) of dues to Micro and Small Enterprises

26. Other current liabilites

Advances from customers	9.19	9.75
Statutory payables	14.74	14.66
Deferred Government Grant (Capital Subsidy)	0.03	0.03
Total	**23.96**	**24.44**

27. Revenue from operations

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Sale of products (Net of Commissions & Discounts)	1,933.16	2,094.39
Other Operating Revenue	6.05	9.35
Total	**1,939.21**	**2,103.74**

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

28. Other income

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Interest income from Bank Deposits	0.72	0.52
Interest - Others	4.12	2.81
Exchange Rate Fluctuation gain (Net)	-	0.32
(a)	**4.84**	**3.65**
Profit on sale of Assets	0.04	-
Miscellanous Income	0.16	5.57
Provision no longer required written back	0.17	0.97
(b)	**0.37**	**6.54**
Total (a) + (b)	**5.21**	**10.19**

29. Cost of materials consumed

Opening Stock	216.18	308.51
Add : Purchase*	1,038.69	1,050.72
Total	**1,254.87**	**1,359.23**
Less Closing Stock	240.82	216.18
Cost of Materials consumed	**1,014.05**	**1,143.05**

* Refer Note 49 for regrouping / rearrangement of Previous years figures

30. Changes in inventories of finished goods work-in-progress and Stock-in-Trade

Opening Stock of Finished goods &Traded goods	162.52	144.62
Opening Stock of Work in progress	28.16	33.48
Closing Stock of Finished goods & Traded Goods	133.76	162.52
Closing Stock of Work in progress	32.41	28.16
(Increase) / Decrease in Finished goods & Traded Goods	28.76	(17.90)
(Increase) / Decrease in Work in progress	(4.25)	5.32
Total (Increase) / Decrease in Stock	**24.51**	**(12.58)**

31. Employee benefit expenses

(a) Salaries and wages**	228.70	229.61
(b) Contributions to -		
(i) Superannuation Fund	1.05	1.10
(ii) Gratuity fund contributions *	2.69	2.74
(iii) Provident Fund and other funds	13.14	13.60
(c) Remuneration to Whole Time Directors	8.43	9.62
(d) Staff welfare expenses	12.94	15.93
Total	**266.95**	**272.60**

* Excludes Actuarial Gain/Loss on account of Gratuity.
** Refer Note 49 for regrouping / rearrangement of Previous years figures

32. Finance costs

Interest expense	31.64	37.56
Other borrowing cost (inlcuding letter of credit and bill discounting charges)	0.41	0.32
Total	**32.05**	**37.88**

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

33. Other expenses

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Processing Charges/Outsourcing Charges*	80.10	76.87
Consumption of Stores & Spares	44.94	49.29
Power & Fuel	78.31	91.02
Repairs to building	3.07	2.84
Repairs to machinery*	16.44	23.37
Repairs Others	0.57	0.67
Insurance	8.57	5.84
Rates & taxes	3.77	6.84
Telephone & Internet Charges	1.10	1.10
Travelling Expense	4.19	12.30
Exchange Rate Fluctuation Loss (Net)	2.37	-
Bank charges	1.44	1.56
Advertisement and sales Promotion	22.29	58.44
CSR Activities (Refer Note 45)	2.75	3.63
Freight Out*	81.13	76.50
Provision for Doubtful Advances	3.03	0.06
Provision for Bad Debts	0.93	0.12
Assets condemned	0.13	-
Commission to non Whole Time Directors	0.95	0.64
Director's sitting fees	0.14	0.08
Variable Lease rentals*	15.14	16.87
Audit Fees - (Refer Note 46)		
a) Audit fees	0.34	0.34
b)Others	0.21	0.16
Donation	0.05	0.02
Consultancy	12.28	30.75
Warranty Claims - (Refer Note 38)	6.28	9.12
Tooling expenses	0.34	2.00
Contract labour charges	2.04	0.91
Other expenses*	9.39	10.39
Total	**402.30**	**481.73**

*Refer Note 49 for regrouping / rearrangement of Previous years figures

34. Reconciliation of effective tax rates

A reconciliation of income tax provision to the amount computed by applying the statutory income tax rate to the income taxes to the income before taxes is summarised below:

Profit before taxes	97.77	87.43
Enacted tax rates in India (Refer Note below)	Refer Note Below	Refer Note Below
Expected tax expense/(benefit)	24.61	22.01
Items leading to difference in Effective Rate compared to Statutory Rate:		
Other Impacts due to permanent allowances/disallowances as per IT Act	0.80	0.54
Effect of tax rate change	-	(13.10)
Effect of other carried forward temporary differences	(1.53)	-
Tax losses for earlier period to the extent on which deferred tax asset was (created)/reversed	(0.10)	(0.07)
Others	0.16	(4.22)
Tax Expense as per P&L	**23.94**	**5.16**

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

Tax Charged to Other Comprehensive Income for	Year ended 31-Mar-21	Year ended 31-Mar-20
Net loss/(gain) on remeasurement of Defined Benefit Plans	(3.22)	0.18

Note: The Taxation Laws (Amendment) Ordinance 2019 inserted S.115BAA under Income Tax Act, 1961 which provides domestic companies with a non-reversible option to opt for lower tax rate of 22% provided they do not claim certain deductions. In the Previous year, on evaluating the options, the Holding Company and its two subsidiaries (TVS Srichakra Investments Ltd and Fiber Optic Sensing Solutions Private Limited) have adopted the new tax structure from current financial year. Tax Rate applicable for TVS Sensing Solutions Private Limited is 25.75%.

35. Details of Earnings Per Share

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Profits for the Year	73.92	82.34
Number of Equity Shares (Nos.)	76,57,050	76,57,050
Face Value of Shares (In Rupees)	10	10
Basic and Diluted Earnings per Share (In Rupees)*	96.54	107.53

* There are no potential dilutive equity shares

36. Employee benefit Liabilities - Contribution to Provident Funds

The Company has recognised and included in Note no.31 “Contributions to Provident Fund and other funds” expenses towards the defined contribution plan as under:

Contribution to Provident fund (Government)	13.14	13.60

- Compensated Absences

Service cost	2.91	2.39
Interest cost	0.59	0.56
Actuarial (gain)/loss	(1.99)	(0.80)
Project benefit obligation at the end of the year	9.24	9.78
Non Current Liability (Assets)	7.77	8.60
Current Liability (Assets)	1.22	1.18

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

- Gratuity

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Present Value of Defined Benefits	37.16	33.60
Service cost	2.47	2.53
Interest cost	2.57	2.15
Actuarial (gain)/loss	(1.90)	1.68
Benefits paid	(2.79)	(2.82)
Project benefit obligation at the end of the year	37.51	37.16
Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	32.87	29.26
Interest income	2.43	1.98
Employers contribution	4.04	4.27
Benefits paid	(2.79)	(2.82)
Actuarial gain/(loss)	1.21	0.18
Fair value of plan assets at the end of the year	37.75	32.87
Amount recognised in balance sheet		
Present value of projected benefit obligaiton at the end of the year	37.51	37.16
Fair value of plan assets at the end of year	37.75	32.87
Funded staus amount of liablity recognised in balance sheet	(0.24)	4.28
Gratuity Liability / (Asset) - Holding Company (Non Current)	(0.60)	0.97
Gratuity Liability / (Asset) - Holding Company (Current)	-	2.96
Gratuity Liability / (Asset) - Subsidiary Company (Non Current)	0.18	0.16
Gratuity Liability / (Asset) - Subsidiary Company (Current)	0.18	0.19

Expense recognised in statement of profit or loss		
Service cost	2.47	2.53
Interest cost	2.57	2.15
Interest income	(2.43)	(1.98)
Net gratuity cost	2.61	2.71
Actual return on plan asset	3.61	2.18
Summary of actuarial assumptions		
Discount rate	6.86% to 7.19%	6.68%
Expected rate of plan assets	6.86% to 7.19%	6.68%
Salary escalation rate	4.00%	4.00%
Attrition rate	5.00%	5.00%

Actuarial Losses/(Gain) Recognised	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Actuarial (Gain)/Losses due to Demographic Assumption changes in DBO	-	(0.02)
Actuarial (Gain)/Losses due to Financial Assumption changes in DBO	(1.55)	(0.08)
Actuarial (Gain)/Losses due to Experience on DBO	(0.35)	1.78
Return on Plan Assets (Greater)/Less than Discount rate	(1.21)	(0.18)
Components of defined benefit losses (gains) recognised	**(3.11)**	**1.50**

Discount rate - based on prevailing market yeilds of Indian governement securitires as at the balance sheet date for estimated term of obligations expected rate of retun on plan assets - expectation of the average long term rate of retun expected on investment of the funds druing the estimated terms of the obligations salary escalation rate - estimates of future salary increases considered taken into account the inflation, seniority, promotion and other relevant factors contributions. The expected cash flows over the next few years are as follows:

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Within 1 year	2.72	2.29
2 to 5 years	12.35	9.96
6 to 10 years	10.73	10.16
more than 10 years	11.64	13.24

Mortality - Indian Assured Lives Mortality (2012-14) Ultimate

Sensitivity analysis of significant actuarial assumption

Particulars - Gratuity	31-Mar-21	
	% inc/dec in DBO	Liability (₹ in Crores)
Discount Rate + 100 basis points	-6.88%	33.46
Discount Rate - 100 basis points	7.83%	38.75
Salary growth rate + 100 basis points	7.68%	38.69
Salary growth rate - 100 basis points	-6.85%	33.47
Attrition Rate + 100 basis points	1.50%	36.47
Attrition Rate - 100 basis points	-1.66%	35.33
Mortality Rate 10% Up	0.05%	35.95

Particulars - Gratuity	31-Mar-20	
	% inc/dec in DBO	Liability (₹ in Crores)
Discount Rate + 100 basis points	-8.01%	32.79
Discount Rate - 100 basis points	9.26%	38.95
Salary growth rate + 100 basis points	9.26%	38.95
Salary growth rate - 100 basis points	-8.13%	32.75
Attrition Rate + 100 basis points	1.55%	36.20
Attrition Rate - 100 basis points	-1.73%	35.03
Mortality Rate 10% Up	0.06%	35.67

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in government securities, debt instruments, Short term debt instruments, Equity instruments and Asset Backed, Trust Structured securities as per notification of Ministry of Finance.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

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Longevity risk
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk
The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

37. Segment reporting

The Group has identified the following reportable segment taking into account the different types of products produced and services rendered, different risks and returns, the organization structure and the internal reporting systems : (i) Tyres & Tubes (ii) Others

Information about revenue from segments :

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Tyres & Tubes	1,870.97	2,047.13
Others	62.19	47.26
Total	**1,933.16**	**2,094.39**

Information about net profit/(loss) from segments: (PBT)	Year ended 31-Mar-21	Year ended 31-Mar-20
Tyres & Tubes	96.46	89.77
Others	1.31	(2.34)
Total	**97.77**	**87.43**

Geographical Breakup of Revenue through sale of products is as under:

Tyres & Tubes	Year ended 31-Mar-21	Year ended 31-Mar-20
Exports	219.85	203.08
Domestic	1,651.12	1,844.05
Total	**1,870.97**	**2,047.13**

Others	Year ended 31-Mar-21	Year ended 31-Mar-20
Exports	5.66	7.78
Domestic	56.53	39.48
Total	**62.19**	**47.26**

38. Movement in provision for product warranty

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Opening Balance	9.53	9.17
Add: Provided during the year	6.28	9.12
Less: Claims made	(5.82)	(8.75)
Closing Balance	**9.99**	**9.53**

The estimated provision takes into account historical information frequency and average cost of warranty claims and the estimated future incidence of claims.

39. Related party and transactions

a) Related parties and their relationship

The related party where control/joint control/significant influence exists are subsidiaries, joint ventures and associates. Key managerial personnel are those persons having authority and responsibility in planning, directing and controlling the activities of the entity, directly or indirectly, including any director whether executive or otherwise. Key management personnel include the board of directors and other senior management executives. The other related parties are those with whom the group has had transaction during the years 2020-21 and 2019-20 as follows:

Entity with significant influence and its subsidiaries, associates and joint venture

- T V Sundram Iyengar & Sons Private Limited (holds more than 10% shareholding)
- Sundaram Industries Private Limited
- TVS Supply Chain Solutions Limited (formerly known as TVS Logistics Services Limited)
- TVS Dynamic Global Freight Services Ltd
- TVS Auto Bangladesh
- SI Air Springs Private Limited (formerly known as Firestone TVS Private Limited)
- TVS Automobile Solutions Private Limited

Associates

- Van Leeuwen Tyres & Wheels B.V. Holland

Key Management Personnel/ Relative of KMP's

- Sri R Naresh, Executive Vice Chairman
- Ms Shobhana Ramachandhran, Managing Director
- Sri R Haresh (Chairman/Director, M/s TVS Sensing Solutions Private Limited)

Independent / Non-Executive Directors

- Sri M S Viraraghavan
- Sri P Vijayaraghavan - Non-Independent Non-Executive Director
- Sri H Janardana Iyer
- Sri V Ramakrishnan
- Sri Rasesh R Doshi
- Sri V Anantha Nageswaran
- Ms S. V. Mathangi (Appointed wef 1st April 2020)
- Sri S Ravichandran - Non-Independent Non-Executive Director (Appointed wef 13th August 2020)
- Sri P Srinivasavaradhan - Non-Independent Non-Executive Director (Appointed wef 13th August 2020)

b) Related party transaction and balance as at reporting period
Transactions for the year and balance as at Mar 31, 2021 were as follows:

Particulars	Entity with significant influence and its subsidiaries, associates and joint venture	Key Management Personnel	Independent / Non-Executive Directors
Purchase of Goods	2.42	-	-
Sale of Goods	9.65	-	-
Receipt of Services	19.76	-	0 .57
Lease Rental Paid	0.02	0.06	-
Salaries & Other Benefits	-	3.12	-
Sitting Fees*	-	0.00	0 .13
Commission	-	5.30	0 .95
Amount Receivable	**5.36**	**-**	**-**
Amount Payable	**6.50**	**5.30**	**0 .95**

*Sitting fees paid to KMP - ₹38,000

Transactions for the year and balance as at Mar 31, 2020 were as follows:

Purchase of Goods	1.75	-	-
Sale of Goods	12.33	-	-
Receipt of Services	37.83	-	-
Lease Rental Paid	0.02	0.05	-
Salaries & Other Benefits	-	5.50	-
Sitting Fees	-	-	0 .08
Commission	-	4.12	0 .64
Reimbursement of expenses received	-	0.01	-
Amount Receivable	**3.08**	**-**	**-**
Amount Payable	**4.49**	**4.12**	**0 .64**

Note: Investment in Associate has been fully provided for in the books

40. Financial instruments

a. Derivative financial instruments

(i) Forward and option contract

Foreign exchange forward contracts and options are purchased to mitigate the risk of changes in foreign exchange rates associated with certain payables, receivables and forecasted transactions denominated in certain foreign currencies. The gains or losses arising from changes in the fair value of the derivative contracts are recognized in profit or loss. The counterparties for these contracts are generally banks or financial instutions. The details of outstanding forward contracts as at March 31, 2021 and March 31, 2020 are given below:

Particulars	Currency	As at 31-Mar-21	As at 31-Mar-20
Forward contracts (Sell)	USD Euro	1,74,82,438 44,608	74,58,428 14,237
Forward contracts (Buy)	USD Euro	17,09,814 11,09,090	13,79,520 8,73,468
Gain/(loss) mark to market in respect of forward contracts outstanding	Rupees in Crores	(0.28)	0.54

All open forward exchange contracts mature within three to nine months from the balance sheet date.

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

b. Financial instruments by category

The carrying value and fair value of financial instruments by each category as at Mar 31, 2021 was as follows:

Particulars	Financial assets/liabilities at amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI
Asset			
Investment in Others			101.00
Employee advances	3.98	-	-
Security Deposits	27.69	-	-
Trade Receivables	245.43	-	-
Cash and Bank Balances	9.19	-	-
Others	0.13	-	-
Accrued income	22.30	-	-
Liabilities			
Loans from Banks	207.89	-	-
Interest accrued but not due	1.39	-	-
Lease Liability	0.04	-	-
Security Deposits	82.63	-	-
Trade payables	295.85	-	-
Capital Creditors	12.16	-	-
Other Creditors	118.61	-	-
Unpaid Dividends	4.31	-	-

The carrying value and fair value of financial instruments by each category as at Mar 31, 2020 was as follows:

Asset			
Investment in Others	-	-	96.80
Employee advances	3.03	-	-
Security Deposits	27.75	-	-
Trade Receivables	207.41	-	-
Cash and Bank Balances	13.50	-	-
Others	34.72	-	-
Accrued income	0.15	-	-
Liabilities			
Loans from Banks	351.03	-	-
Interest accrued but not due	1.44	-	-
Lease Liability	0.12	-	-
Security Deposits	82.22	-	-
Trade payables	217.70	-	-
Capital Creditors	17.13	-	-
Other Creditors	113.20	-	-
Unpaid Dividends	4.96	-	-

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

Details of financial assets pledged as collateral:

Carrying amount of financial assets as at Mar 31, 2021 and 2020 that the Group has provided as a collateral for obtaining borrowing and other facilities from the bankers are as follows :

Particulars	As at 31 March 2021	As at 31 March 2020
Fixed Deposits	0.20	4.56

c. Fair value measurement of financial instruments measured at fair value on recurring basis:

Particulars	As at 31 March 2021		
	Level 1	Level 2	Level 3
Assets			
Investment in Others	-	99.98	1.02
Assets			
Investment in Others	-	96.01	0.79

Level 1
Unadjusted quoted prices In active market for identical assets and liabilities

Level 2
Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3
Unobservable outputs for the assets and liabilities

d. Interest income/(expense), gain/(losses) recognised on financial assets and liabilites

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
(a) Financial assets at amortised cost		
Interest income on bank deposits	0.72	0.52
Interest income on loans	0.86	0.86
(b) Financial liabilities at amortised cost		
Interest expenses on borrowings from banks, others and overdrafts	32.05	37.88
(c) Financial asset at FVTPL		
Net gain/(losses) on fair valuation on derivative financial instruments	-	-
(d) Financial asset at FVTOCI		
Net gain/(losses) on fair valuation of investments	3.97	-

41. Financial risk management

The Group has exposure to the following risks from its use of financial instruments

41.1 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Credit risk is managed by the entity. Considering the credit risk assessment made by the management and based on past history, provision for receivables amounting to ₹1.26 Crores (PY - ₹0.39 Crores) has been made under simplified approach.

41.2 Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Particulars	As at 31-Mar-21	As at 31-Mar-20
Long term borrowings		
- Upto 1 Year	60.79	21.17
- 1 to 3 Years	105.05	129.21
Short term borrowings		
- Upto 1 Year	42.05	200.64
Trade Payable		
- Upto 1 Year	295.85	217.70
Security Deposits from Customer		
- 1 to 3 Years	10.63	10.22
- More than 3 Years	72.00	72.00
Capital creditors		
- Upto 1 Year	12.16	17.13
Other Financial Liabilities		
- Upto 1 Year	124.35	119.73
Total	**722.88**	**787.80**

The following table details the Group's expected maturity for its non-derivative financial assets. The information included in the table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(ALL AMOUNTS ARE STATED IN RUPEES IN CRORES UNLESS OTHERWISE STATED)

Particulars	As at 31-Mar-21	As at 31-Mar-20
Fixed Deposits with Banks		
- Upto 1 Year	0.20	4.56
Trade Receivables		
- Upto 1 Year	245.43	207.41
Loan to Employees		
- 1 to 3 Years	3.98	3.03
Security Deposits		
- 1 to 3 Years	27.69	27.75
Other Financial Assets		
- Upto 1 Year	22.30	34.72
Unpaid Dividend		
- Upto 1 Year	4.31	4.96
Cash & Cash Equivalents		
- Upto 1 Year	4.68	3.98
Investment in Unquoted Shares		
- Upto 1 Year	-	-
- More than 3 Years	101.00	96.80
Deposit with Bank & Government authorities		
- 1 to 3 Years	0.13	0.15
Total	**409.73**	**383.36**

The Group has access to committed credit facilities as described below, of which ₹331.33 cr were unused at the end of the reporting period (as at March 31, 2020 ₹175.11 cr). The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Unsecured bank overdraft facility, reviewed annually and payable at call:	As at 31-Mar-21	As at 31-Mar-20
Amount used	42.05	200.64
Amount unused	327.95	169.36

41.3 Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are commodity price risk, foreign currency exchange risk and interest rate risk.

41.3.1 Commodity Price Risk - The primary commodity price risks that the Group is exposed to include rubber prices that could adversely affect the value of the Group's financial assets or expected future cash flows.

41.3.2 Foreign currency risk management - The Group imports raw materials from outside India as well as make export sales to countries outside India. The Group is, therefore, exposed to foreign currency risk principally arsing out of foreign currency movement against the Indian Currency. Foreign currency exchange risks are managed by entering into forward contracts against firm purchase commitment and receivables.

41.3.2.1 The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Balance as at 31-Mar-21

Particulars	Exchange Rate	Amount in Foreign Currency	Amount in INR (crores)
Trade Receivables (Assets)			
USD	72.44	31,84,883	23.07
EUR	84.54	20,54,725	17.37
GBP	99.24	476	-
Trade Payables (Liabilities)			
USD	74.15	36,88,067	27.34
EUR	87.65	1,28,723	1.13
GBP	102.70	7,327	0.08

Balance as at 31-Mar-20

Trade Receivables (Assets)			
USD	74.57	16,07,076	11.98
EUR	81.76	11,89,051	9.73
Trade Payables (Liabilities)			
USD	76.36	17,91,393	13.67
EUR	84.76	1,66,251	1.46
GBP	93.19	15,592	0.15

41.3.2.2 Foreign currency sensitivity analysis

The Group is principally exposed to foreign currency risk against USD & EURO. Sensitivity of profit or loss arises mainly from USD & EURO denominated receivables and payables.

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR and EURO-INR currency pair, sensitivity of profit/(loss) only on outstanding foreign currency denominated monetary items at the period end is presented below:

The Group's foreign currency sensitivity analysis at the end of the reporting period expressed in INR, are as follows:

Particulars	31-Mar-21		31-Mar-20	
	USD	EUR	USD	EUR
Impact on Receivables due to +/- 5% Change in Currency Rates	1.15	0.49	0.60	0.49
Impact on Payables due to +/- 5% Change in Currency Rates	1.37	0.06	0.68	0.07

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

41.3.2.3 Forward foreign exchange contracts

It is the policy of the Group to enter into forward exchange contracts to cover specific foreign currency payments and receipts 100% of the exposure generated.

41.3.3 Interest rate risk management

The Group is exposed to interest rate risk because of borrowal of short term funds at floating interest rates.

Interest rate sensitivity analysis

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's Profit for the year ended March 31, 2021 would decrease/increase by Rs.1.60 Cr; as against Rs.1.76 Cr for the year ended March 31, 2020.

41.4 Other Risk - COVID-19

a. Financial Assets measured at fair value amounting to Rs.101.00 crores and measured at amortised cost amounting to Rs.308.72 crores have been considered for the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19.
b. The Group has specifically evaluated the potential impact with respect to certainty of collections from its customers.
c. Since the Group closely monitors the financial strength of its customers & investments on a continuing basis and assesses actions such as changes in payment terms, no provision is deemed necessary.

42. Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium, general reserve and all other equity reserves attributable to the equity holders of the group. The primary objective of the Group's capital management is to maximise the shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of borrowings and related covenants.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by fund attributable to Equity Shares Holders. The group includes within net debt, interest bearing loans and borrowings less cash and cash equivalents, excluding discontinued operations.

Particulars	As at 31-Mar-21	As at 31-Mar-20
Interest-bearing loans and borrowing	209.28	352.46
Less: cash and cash equivalents	(4.68)	(3.98)
Net debt	**204.60**	**348.48**
Equity Capital	7.66	7.66
Other Equity	817.07	737.28
Total capital	**824.73**	**744.94**
Gearing ratio	**0.25**	**0.47**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it provide for a strong financial strength to meet the Group's growth needs and meet borrowing related capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2021 and 31st March 2020.

43. Commitments and Contingencies

a) Estimated amount of contract remaining to be executed on capital account	177.89	52.61
b) Letter of Credit opened by Company's Bankers	87.96	31.02
c) Excise duty and service tax under dispute	9.71	9.19
d) Sales Tax under dispute	8.61	5.61
e) Provident Fund	4.00	4.00
f) Customs	0.85	-
g) GST	0.09	-
h) Income Tax under dispute	1.93	0.01
i) Customs duty on goods lying at Bonded warehouse	0.08	-

44. Due to micro and small enterprises

Particulars	As at 31-Mar-21	As at 31-Mar-20
Principal amount due to a suppliers registered under the Micro and Small Enterprises Act and remaining unpaid as at year end	3.91	0.73
Interest due to suppliers registered under the Micro and Small Enterprises Act and remaining unpaid as at year end	0.08	0.08
Principal amounts paid to suppliers registered under the Micro and Small Enterprises Act beyond the appointed day during the year	3.21	2.47
Interest paid, other than under Section 16 of Micro and Small Enterprises Act, to suppliers registered under the Micro and Small Enterprises Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of Micro and Small Enterprises Act, to suppliers registered under the Micro and Small Enterprises Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under Micro and Small Enterprises Act, for payments already made*	0.00	0.03
Futher interest remaining due and payable for earlier years	0.07	0.05

*Total Interest payable as at 31st March '21 amounts to ₹290
Note: Out of ₹3.91 crores of MSME payable current year, ₹2.43 crores relates to Trade Payables & ₹1.48 crores relates to Capital Creditors

45. Contribution to corporate social responsibilities

Sec 135 of companies act 2013, requires group to spend towards corporate social responsibility.The group is expected to spend ₹2.75 crores in compliance to this requirement.

A sum of ₹2.75 crores has been spent during the current year towards CSR acitivities as explained below. Balance amount to be spent is ₹Nil.

CSR Expenditure	Year ended 31-Mar-21	Year ended 31-Mar-20
Amount required to be spent under Section 135 of the Companies Act, 2013	2.75	3.60
Amount spent during the year on:		
i) Construction/acquisition of an asset		
ii) Purposes other than (i) above	2.75	3.63
Amount unspent	-	-

46. Details of Auditor's Remuneration

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
a) Statutory Audit	0.34	0.34
b) Taxation	0.01	0.04
c) GST Audit	0.06	0.04
d) Certification	0.03	0.03
e) Towards reimbursement of expenses	0.11	0.05
Total	**0.55**	**0.50**

47. Depreciation & Amortisation

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Depreciation on Property, Plant and Equipment **(Refer Note 3)**	94.51	91.11
Amortisation of Intangible Assets **(Refer Note 4)**	2.69	2.86
Amortisation of Right of Use Assets **(Refer Note 6)**	6.28	5.89
Depreciation on Investment Property **(Refer Note 5)**	0.33	0.33
Total	**103.81**	**100.17**

48. Exceptional Item - There was a claim against the Holding Company in respect of Product Liability In the USA. Claims amounting to ₹22.16 crores were settled by the Holding Company during the third quarter. However, being covered by Product Liability Insurance, a sum of ₹21.93 crores was recovered from the insurer during the same quarter. Group has classified the net cost of ₹0.23 crores in the Statement of Profit and Loss as an exceptional item.

49. The previous year figures have been regrouped / rearranged to conform to current year classification period classification. Particularly, this had the effect of:

Particulars	Year ended 31-Mar-20
Reduction in Cost of Material Consumed as reported	-70.10
Reduction in Employee benefit expenses as reported	-20.98
Increase in Other expenses as reported	91.08

50. Additional Disclosure in respect of Subsidiaries

Particulars	Parent	Subsidiary	Subsidiary	Subsidiary	Non Controlling Interests	Total
Name of the Entity	TVS Srichakra Limited	TVS Srichakra Investments Limited	TVS Sensing Solutions Private Limited [formerly known as ZF Electronics TVS (India) Private Limited]	Fiber Optic Sensing Solutions Private Limited		
Whether Indian or Foreign	Indian	Indian	Indian	Indian		
Extent of Holding by Parent	N.A.	100%	100%	90%-w.e.f 8th Aug		
Net Asset	**753.51**	**50.12**	**22.76**	**(1.66)**	**(0.17)**	**824.56**
Net Asset as a % of Consolidated Net Asset	91.38%	6.08%	2.76%	-0.20%	-0.02%	100.00%
Share in Profit or Loss	**72.96**	**(0.87)**	**2.81**	**(0.98)**	**(0.10)**	**73.82**
Share in Profit or Loss as a % of Consolidated Profit or Loss	98.84%	-1.18%	3.80%	-1.33%	-0.13%	100.00%
Share in Other Comprehensive Income	**5.85**	**-**	**0.02**	**-**	**-**	**5.87**
Share in Other Comprehensive Income as a % of Consolidated Other Comprehensive Income	99.66%		0.34%			100%
Share in Total Comprehensive Income	**78.81**	**(0.87)**	**2.83**	**(0.98)**	**(0.10)**	**79.69**
Share in Total Comprehensive Income as a % of Consolidated Total Comprehensive Income	98.89%	-1.10%	3.55%	-1.23%	-0.12%	100.00%

51. The implementation of the Code on Social Security, 2020 is getting postponed. The Group will assess the impact thereof and give effect in the Financial Statements when the date of implementation of the codes and the Rules / Schemes thereunder are notified.

52. The Board of Directors of the holding company recommended a dividend of ₹30 per equity share of ₹10/·each (I.e.300%) for the year ended March 31st 2021, subject to the approval of shareholders at the ensuing Annual General Meeting of the holding company.

Shobhana Ramachandhran
Managing Director
DIN: 00273837
Place: Madurai
Date: 25th May, 2021

R Naresh
Executive Vice Chairman
DIN: 00273609

As per our report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No:003990S/S200018

B Rajagopalan
Chief Financial Officer
Place: Chennai
Date: 25th May, 2021

P Srinivasan
Secretary
Membership No: A10129
Place: Madurai
Date: 25th May, 2021

T V Balasubramanian
Partner
M. No: 027251
UDIN: 21027251AAAADO8025
Place: Chennai
Date: 25th May, 2021

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