



**NEW FRONTIERS  
INFINITE POSSIBILITIES**



INDIA

TUBE INVESTMENTS OF INDIA LIMITED  
ANNUAL REPORT 2022-23

# CONTENTS

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## CORPORATE OVERVIEW

01	New Frontiers - Infinite Possibilities	02	TII - An Overview	04	Business Segments
06	Executive Chairman's Message	09	Managing Director's Message		
12	Building People Capital	14	Engineering Business		
18	Metal Formed Products Business	22	Mobility Business	26	Other Business
28	Digital Transformation	30	Our ESG Commitment	32	Lean Journey
34	E-Mobility	40	Acquisitions - New Ventures	41	Corporate Information
42	Board of Directors	43	Financial Highlights		

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## MANAGEMENT REPORTS

44	Board's Report & Management Discussion and Analysis		
65	Report on Corporate Governance	76	General Shareholder Information
82	Business Responsibility & Sustainability Report		

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## FINANCIAL STATEMENTS

126	Standalone Financial Statements	219	Consolidated Financial Statements
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## CAUTIONARY STATEMENT

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



# Significant. Eventful.

Two words that best describe the year 2022-23 at TII.

A buoyant domestic market providing the adrenalin rush of a strong order book, the tight-rope balancing of multiple demands - short lead times, of seeding new customer partnerships, of racing to market with new, cutting-edge products, addressing new-age technologies, newer applications...

The excitement of expanding geographical footprint despite the headwinds of a turbulent global environment...

Acquisitions. Expansions. Foraying into New Business Streams. A major transitioning from an ancillary to an Original Equipment Manufacturer...

Capability Building. Honing of Efficiencies, IIoT, future-forward focus & fervour...

A purpose-driven determination to explore

**new frontiers**  
**infinite possibilities...**

# VISION

BUILD A GLOBALLY  
ADMIRER INDIAN  
ENGINEERING  
COMPANY,  
CREATING  
STAKEHOLDER  
DELIGHT.

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

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

To align with emerging global trends  
in the Engineering space.

## OUR LEGACY

Tube Investments of India Limited (TII) is a flagship Company of the renowned Murugappa Group, India's leading business conglomerate. Established in 1900, with its Headquarters in Chennai, the Group has 29 businesses, with ten listed companies traded in NSE & BSE. Major companies of the Group include Carborundum Universal Ltd, CG Power & Industrial Solutions Limited, Cholamandalam Investment and Finance Company Limited, Cholamandalam MS General Insurance Company Limited, Coromandel International Limited, Coromandel Engineering Company Limited, E.I.D. Parry (India) Limited, Parry Agro Industries Limited, Shanthy Gears Limited, Tube Investments of India Limited and Wendt (India) Limited. With a total turnover of ₹742 Billion and a people strength

of more than 59,000 the Group's geographical footprint is spread across India and the globe.

## ABOUT US

TII is one of India's leading manufacturers of a wide range of precision engineered and metal formed products for major industries such as Automotive, Railway, Construction, Agriculture, etc. The Company is among the leading manufacturers of Bicycles in India, with a wide range of iconic brands and a strong market presence.

The acquisition of CG Power and Industrial Solutions Limited, a major manufacturer of Motors, Transformers, Switch Gears and Railway parts, marked a major step-up for the Company, amplifying its scale and scope of operations.

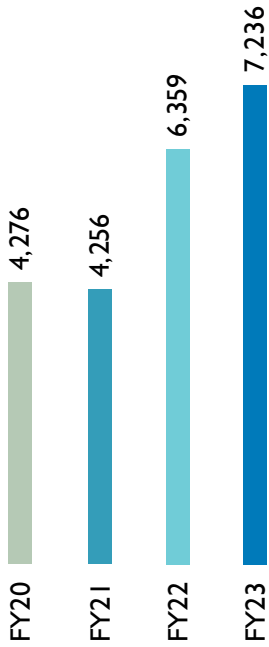
Expanding the Clean Mobility business in the Electric Vehicle (EV) space with Electric 3 Wheelers, Tractors and Medium & Heavy Commercial Vehicles was a point of inflection and a major transition for TII from an ancillary, component maker to an Original Equipment Manufacturer (OEM).

TII is amplifying the ambit of its operations with acquisitions in medical consumables and mobile camera modules in electronics. The Company is also foraying into new ventures in contract development and manufacturing of Active Pharmaceutical Ingredients (API) for the pharmaceutical sector and exploring projects in waste-to-energy solutions.

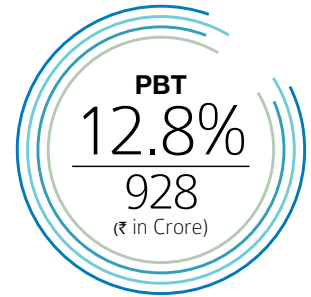
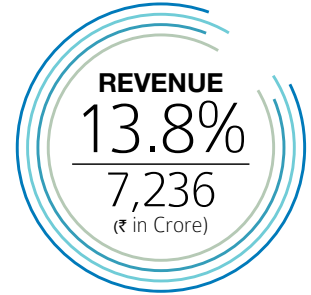
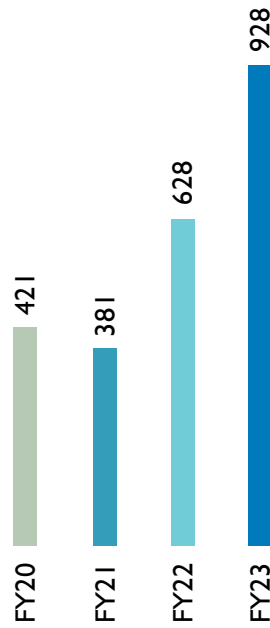
In line with its strategy of accelerating growth, the Company is expanding its global footprint with innovative product streams for new and emerging technologies, exploring new frontiers, and infinite possibilities of growth.

# PERFORMANCE FY 2022-23

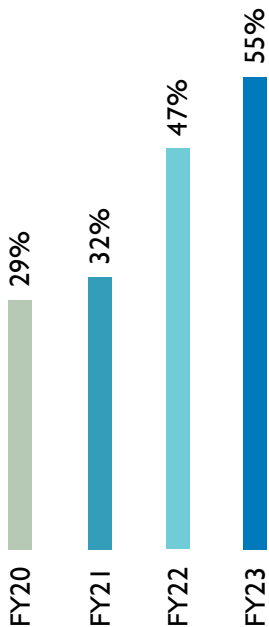
## REVENUE (₹ in Crore)



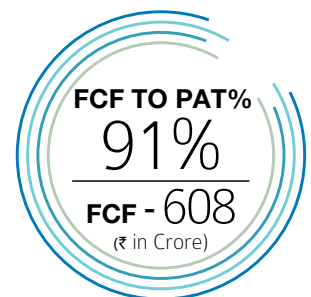
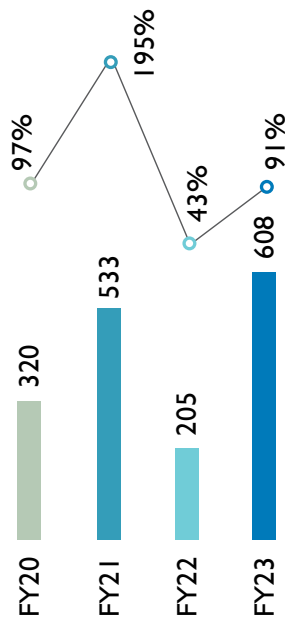
## PBT BEFORE EXCEPTIONAL ITEMS (₹ in Crore)



## ROIC% (Pre Tax)



## FCF (₹ in Crore) FCF/PAT%





# BUSINESS SEGMENTS

## ENGINEERING

- Cold Drawn Welded (CDW) Tubes
- Precision Steel Tubes
- Electric Resistance Welded (ERW) Tubes
- Tubular Components
- Cold Rolled Steel Strips (CRSS)

## MOBILITY

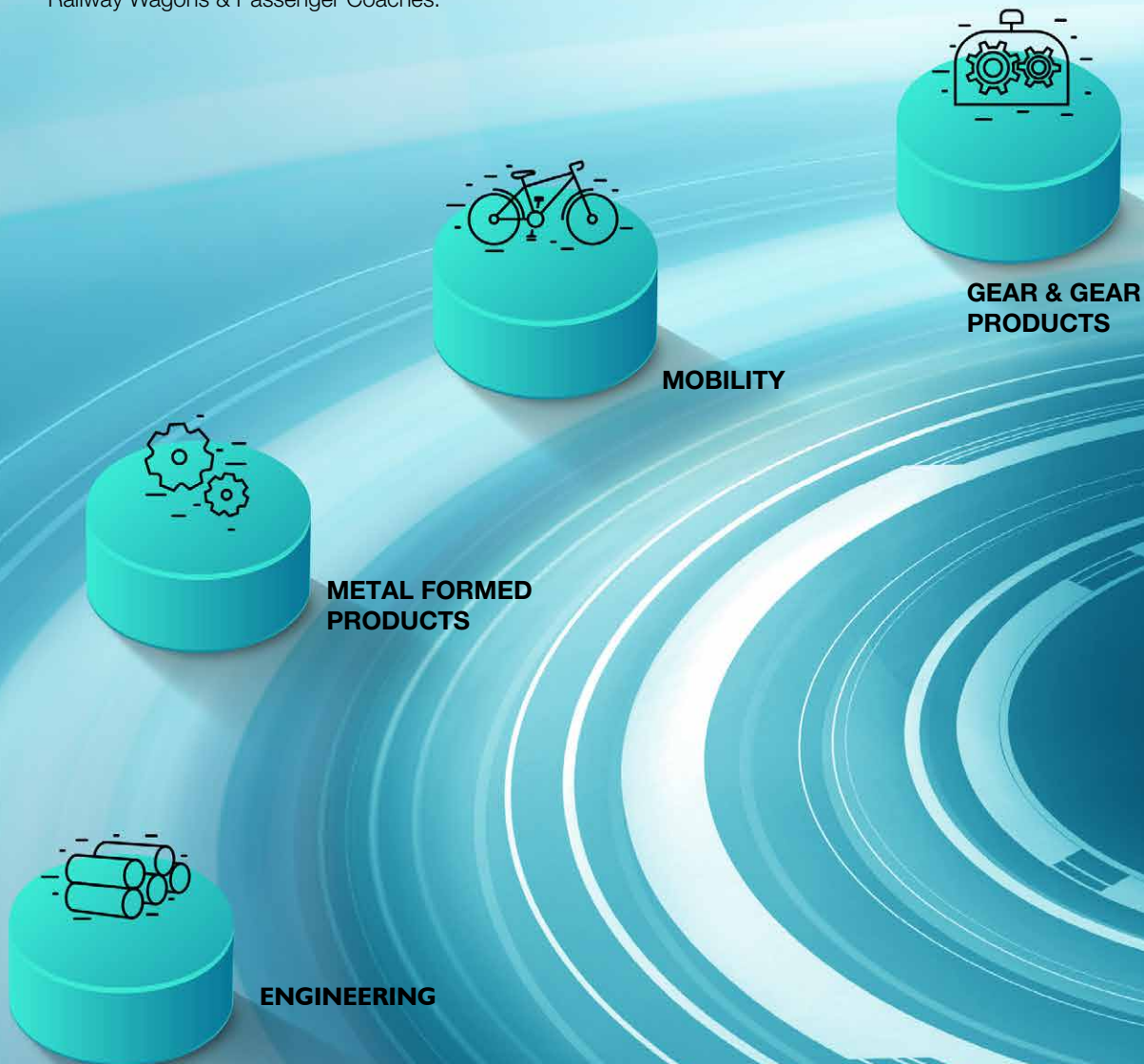
- Standard Bicycles
- Special Bicycles including Alloy Bikes
- Speciality Performance Bikes
- Fitness Equipment
- E - Bicycles

## METAL FORMED PRODUCTS

- Automotive Chains
- Fine Blanked products
- Roll-Formed Car Doorframes
- Cold rolled formed sections for Railway Wagons & Passenger Coaches.

## GEAR & GEAR PRODUCTS

- Gears
- Gear Boxes
- Gear Motors
- Gear Assemblies



## INDUSTRIAL SYSTEMS

- Electric Motors
- Alternators, Drives, Traction
- Electronic & SCADA

## E-MOBILITY

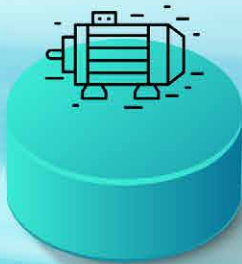
- E - Three wheeler
- E - Tractor
- E - M&HCV

## POWER SYSTEMS

- Transformers
- Switch Gears
- Automation & Turnkey Projects

## OTHERS

- Industrial Chains
- New Businesses



**INDUSTRIAL  
SYSTEMS**



**POWER  
SYSTEMS**



**E - MOBILITY**



**OTHERS**



## EXECUTIVE CHAIRMAN'S MESSAGE

### Dear Shareholders,

It gives me pleasure to share with you the performance of your Company for the year 2022-23. If I were to describe the happenings of the year succinctly, 'eventful and significant' are the words that come to my mind.

We stayed true to our purpose of creating value for all our stakeholders, driven by the three-engine model of growth that we had set for ourselves: TI-1 comprising our core business, TI-2 which includes step-outs and frontier businesses like EV and TI-3 from inorganic growth through acquisitions.

The Indian Economy demonstrated great resilience emerging, according to IMF (International Monetary Fund), as one of the fastest growing economies in the world. A buoyant domestic market provided opportunities for growth and scale in sales volumes in key sectors such as auto, general engineering, construction, infrastructure, etc. The rural sector however remained sluggish with inflationary pressures impacting vulnerable communities.

Revenue from exports, primarily from U.S and Europe, was impacted by the conflict between Russia and Ukraine, with inflationary pressures, escalation in raw material prices and energy crisis leading to plant closures and a decline in global trade. The economic fragmentation on geopolitical faultlines triggered fears of insecurity with a slowdown in global growth.

We stayed anchored to the four cardinal metrics that we had set as part of our business discipline: Revenue Growth, Profitability, Return on Invested Capital and Free Cash Flow recording a significant growth across businesses, except for the Mobility Business which reflected the decline and general malaise in the bicycle industry. Our step-out, particularly in the E-3W business, is showing great market promise and the strategic acquisitions in the EV spectrum under the subsidiary TI Clean Mobility are envisaged to turn into major growth enablers.

The auto industry, an important user segment for TII's Engineering and Metal Formed businesses ended the year with an overall increase of 20% in sales

across all categories, with passenger cars, particularly SUVs and commercial vehicles recording an upward growth trajectory of nearly 27%. The industry is on the cusp of a major transformation with the dynamically changing pace of vehicle technologies and mobility systems. India with supportive Government policies is rapidly changing into a major automotive hub of the world.

The three businesses - Engineering, Metal Formed Products and Industrial Chains recorded significant growth addressing the surge in market demand with great agility and efficiency. Co-partnering with OEMs and auto majors, the businesses built a portfolio of innovative, value-engineered products for critical applications and new-age technologies.

Revenue from the Railways, an important user segment for the Metal Formed Products business, was impacted due to the deferred projects of the Government as an overhang of the pandemic disruption. A major growth engine of the country, Railways is however slated for exponential



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We stayed true to our purpose of creating value for all our stakeholders, driven by the three-engine model of growth that we had set for ourselves.

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growth with the Government's large budgetary outlay for the development of the sector in line with the 'National Rail Plan for India-2030' to create a 'future ready' Railway system.

The bicycle industry which has remained stagnant for a long time is also undergoing rapid change with innovations in pace, performance and utility gaining in importance. Environmental concerns and growing awareness of health and fitness are driving global trends towards cycling as a green and healthy mode of transport.

E-Bicycles are emerging as an universally popular choice among cyclists with a surge in market demand. The Central Government's move to bring E-bicycles under the PLI scheme provides a further impetus for manufacturers.

The Mobility business is re-crafting new strategies for growth with innovative, market-trending products and services and foraying into new geographies.

Despite the challenges of a volatile global market, each of the businesses deepened their customer engagement with differentiated products and value engineering, to build a strong order pipeline for future projects.

The automotive sector in India is shifting towards 'sustainable mobility'. Environmental mandates to reduce CO<sub>2</sub> emissions are driving countries towards the adoption of cleaner, non-fuel, non-polluting modes of transportation. Electric Vehicles have emerged as the forerunner of the clean and green transportation mission with wide global adoption.

### E - Mobility

In line with our intent to be an Original Equipment Manufacturer of zero-emission vehicles (ZEV) and participate in the entire productive end of the EV spectrum, we expanded our EV business with the acquisition of a 65.2% stake in IPLTech Electric Private Limited, a company manufacturing Electric-Medium and Heavy-duty Commercial Vehicle (E-M&HCV).

While our Montra Electric brand of E-3 Wheelers for the passenger segment have already been launched in the market to a positive response from users, the facilities for manufacturing E-tractors for the agriculture segment and the E-trucks for the commercial segment are being built at Apex Park in Chennai Tamil Nadu and Manesar in Haryana.

We foresee a huge opportunity for tractors in the country, with supportive Government policies on farm mechanization and green energy programs. India is already one of the largest tractor manufacturers in the world with retail tractor sales during FY 2022-23 reaching the highest peak levels and recording a YoY growth of 12%.

Similarly the E-M&HCV segment has a huge and untapped potential, with the technology and mass adoption still in nascent stages of the projected growth trajectory.

The Government of India's FAME I & II (Faster Adoption & Manufacturing of Hybrid & Electric Vehicle in India)

Policy has seen a quantum boost with the outlay of ₹2,908 Cr. in the Budget 2022-23. The Union Budget of 2023-24 highlights 'Green Growth' among the seven key or 'Saptarishi' priorities in the economic agenda focusing on green fuel, green energy, green mobility and, green farming amongst others. The Government of India's ₹35,000 Cr. capital investment towards energy security and energy transition, including the augmentation of the renewable transmission and green mobility infrastructure will accelerate the country's target of reaching net zero by 2070.

The Government's 'Green Credit Program' incentivising environmentally sustainable actions by corporates will also act as a motivational factor for environment protection.

The Government has introduced several supportive measures for EV manufacturers, such as the enhancement of e-charging infrastructure, battery swapping policy with the provision of land for establishing charging stations, reduction of Goods and Services Tax (GST) on EV purchases, and the grant of subsidies worth ₹10,000 Cr. In addition, the Production Linked Incentive (PLI) scheme, scrappage policy and the 'Make in India' initiative, further enable a strong EV ecosystem in the country.

The challenges of import dependence for Lithium for the manufacture of Lithium-ion EV batteries seem to be finally coming to an end with the discovery of huge deposits of Lithium in the States of Jammu & Kashmir and Degana in Rajasthan, estimated to be large enough to make India self sufficient. This will make EV Batteries far less expensive and provide further impetus to the EV industry.

TI Clean Mobility Private Limited (TICMPL), a subsidiary of TII has entered into agreements with Multiple Alternate Asset Management Private Limited (Multiples) and with other co-investors to raise funds up to ₹1,200 Cr. in the form of Compulsorily Convertible Preference Shares (CCPS). TII has infused a capital of ₹250 Cr. through Equity and an additional investment of ₹500 Cr. will be made through CCPS. The total investment by TII, Multiples and co-investors would aggregate to ₹1,950 Cr.

Further, TICMPL plans to raise an additional funding of ₹1,050 Cr. thereby taking the total fund aggregate to ₹3,000 Cr.

As part of our strategy of inorganic growth, we expanded our capability portfolio, widening our ambit of operations with acquisitions in electronics and medical consumables and foraying into Contract Development and Manufacturing Operations (CDMO) in API for the pharmaceutical segment. TII has entered into an agreement with Mr. N Govindarajan and incorporated a subsidiary named 3xper Innoventure Limited.

### Five Pillars

During the year, we had set the 'Five Pillars' strategy to support our Vision : Growth, Kaizen, Talent, Digitization and ESG. In line with this, the Company continued to leverage its strength to explore new avenues of growth in each of its businesses. The integration of Lean in business operations and working methods, building a capability-driven Human Capital, the digitization of processes for a future-ready IIoT system and creating a sustainable business on a strong ESG framework - the year was indeed significant and eventful.

### Our People

I strongly believe that TII as an organisation has infinite possibilities for greater growth. Taking this vision forward is the 'One TII' team, the chief architects of our progress and our greatest asset. It is their strong support and passionate commitment that is driving the growth of the Company.

I would like to congratulate Vellayan Subbiah for his visionary leadership and strategic focus in building capabilities and exploring new opportunities to take TII to the next frontier in growth.

Mukesh Ahuja has put in a commendable year as Managing Director, and I look forward to a continued innings of great work from him.

The Members of the Board continue to be a source of support and encouragement to me and to the management team. I take this opportunity to express my gratitude to each one of them.

I thank all of you, our customers, stakeholders, bankers, and suppliers for your continued support.

Last but not least, I would like to express my sincere appreciation and thanks to all our shareholders for their continued support and trust reposed in us.

I truly believe that TII is on a major path of transformational growth. We will pivot our competencies to explore new frontiers and infinite possibilities, to become a globally admired Company.

Yours Sincerely,

M A M Arunachalam



# MANAGING DIRECTOR'S MESSAGE

At TII, it was an event-marked calendar year, with the Company enlarging its scope of operations into new and emerging business ventures.

## Dear Shareholders,

It gives me pleasure to share with you the strong performance of your Company for the year 2022-23.

TII recorded significant growth with each of the businesses riding the buoyancy in the domestic market with demand resurgence across core sectors, driven by a resilient Indian economy. Revenues from exports however was impacted by the turbulence triggered by the Russia-Ukraine conflict and its fallout in terms of inflation, volatile raw material prices, and paucity of gas supplies paralysing plant operations particularly in the Euro zone and slowing down B2B trade.

Process efficiencies, value-added engineering, deepening customer engagement and a slew of differentiated products proved to be strong growth enablers, in addition to the focus on the 4 cardinal metrics that we have set for ourselves: Revenue Growth, Profitability, Return On Invested Capital and Free Cash Flow.

PBT before exceptional Items was at ₹928 Cr. as against ₹628 Cr. for the same period in the previous year. ROIC was at 55% compared to 47% in

the previous year. Free Cash flow was at a significantly strong level at ₹608 Cr. compared to ₹205 Cr. the previous year.

At TII, it was an event-marked year, with the Company enlarging its scope of operations into new and emerging business ventures. In line with our strategy, we marked the year with a number of acquisitions in EV, mobile camera modules, medical consumables and ventured into Contract Development and Manufacturing Operations in API for the pharmaceutical segment.

The year was also doubly significant as it marked the transition of TII, through its subsidiary TICMPL, from an ancillary to an Original Equipment Manufacturer.

## Engineering Business

The Engineering business put in a sterling performance both in the domestic and export market with its specialized hydraulic cylinders and tubular products for the auto and non-auto segments. Revenue was at ₹4,562 Cr. compared to ₹3,868 Cr. in the previous year. PBIT for the business was ₹549 Cr. as against ₹376 Cr. for the previous year.

## Metal Formed Products Business

The Metal Formed Products Division (MFPD) rode the buoyancy in the auto market to record a year of strong growth.

The business earned a Revenue of ₹1,424 Cr. and PBIT of ₹174 Cr. for the year as against ₹1,240 Cr. and ₹136 Cr. in the previous year.

According to Society of Indian Automobile Manufacturers (SIAM), the industry recorded the highest sales across segments during the year, with a growth of 27% in passenger cars, particularly SUVs and Commercial Vehicles. The Auto industry is on a major transformational path, with supportive Government policies to make India a global auto manufacturing hub.

The Business expanded its customer roster with its engineering expertise and operational agility, co-partnering with OEMs to design and supply innovative products for the multiple new models, on tight lead times. Aftermarket sales recorded robust demand with channel expansion and rationalization.

The Railway segment was impacted due to deferred projects by the Government as a result of the pandemic-led disruption. However, the sector is projected to grow with large expansion projects and huge budgetary outlay to modernize the Railways. As a trusted vendor, the MFPD Business with a strong portfolio of products for the Railways is expected to see a revival of growth in the near future.

### Mobility Business

The bicycle industry witnessed a slowdown with lack of consumer demand and the influx of low-quality, low-priced, imported products in the market. The impact was felt in the Mobility Business which recorded a decline in revenue at ₹800 Cr. during the year compared with ₹963 Cr. in the previous year while PBIT was at ₹17 Cr. as against ₹55 Cr. in the previous year.

According to analysts, the bicycle industry is on the cusp of a transformation with innovations in pace and performance dictating trends. A total of 11.44 million units of bicycles were sold in India in FY 2022. Sales are expected to reach 14.43 million units by FY 2027, expanding at a compound annual growth rate of 5.50% during the FY 2023 - FY 2027 period (Research & Markets). Globally, the industry is projected to grow with an increasing awareness of health and greater affinity for 'green' modes of transport. Keeping pace with the global trends, the Mobility Business has mapped out strategies for greater growth, expanding into new geographies and new product lines.

### Other Businesses

Our Industrial Chains business had a significant run of growth both in the domestic and export markets, foraying into emerging market segments with an

innovative array of products. The other segments are at differential levels of scalability.

The revenue for the Other Business segment was ₹768 Cr. compared with ₹562 Cr. and PBIT was ₹48 Cr. as against ₹36 Cr. in the previous year.

### TII Standalone Performance

At a standalone TII level, the revenue for the year was at ₹7,236 Cr. as against ₹6,359 Cr. in the previous year and PBT before exceptional items for the year was at ₹928 Cr. as against ₹628 Cr. in the previous year.

### Subsidiaries

CG Power and Industrial Solution Limited, a subsidiary company, in which we hold 58.05% stake registered consolidated revenue of ₹6,973 Cr. as against ₹5,484 Cr. and a PBT before exceptional items of ₹950 Cr. as against ₹504 Cr. in the previous year. The Company has performed exceptionally well in each of its business segments and shows great potential for growth going forward.

Shanthy Gears Limited which is also a subsidiary company in which we own 70.47% stake, recorded a year of significant growth with a revenue of ₹446 Cr. and PBT of ₹90 Cr. during the year as against revenue of ₹337 Cr. and PBT of ₹59 Cr. in the previous year.

### E - Mobility

Our biggest focus is the EV segment where we foresee an immense opportunity for growth.

TII had incorporated M/s. TI Clean Mobility Private Limited (TICMPL) as a subsidiary in February 2022 to focus on clean mobility solutions.

An investment of ₹250 Cr. has been made till now by TII in equity shares of TICMPL. For further expansion of the E-Mobility business, TII has along with TICMPL, entered into agreements with M/s Multiple Alternate Asset Management Private Limited (Multiples) and co-investors for an investment of ₹1700 Cr. in the form of Compulsorily Convertible Preference Shares (CCPS). As per the terms of the arrangement, TII will be investing ₹500 Cr. towards CCPS and Multiples and Coinvestors will be investing ₹1,200 Cr. Further, an additional fund raise of ₹1,050 Cr. has been planned taking the total fund aggregate to ₹3,000 Cr.

Our vision is to operate on multiple platforms in the productive vector of the EV spectrum. We believe we are a significant stage of disruption in the EV industry in India, with immense unexplored possibilities.

India is going to play a significant role in electric vehicles in the near future with supportive Government policies auguring well for the industry.

The EV Market in India is estimated to reach US\$ 7.09 billion by 2025 with a need for a cumulative investment of US\$ 180 billion in vehicle production and charging infrastructure until 2030 to meet the country's EV ambitions. (India Energy Storage Alliance).

We are foraying into the productive end of the EV spectrum - Three Wheelers, Tractors and Medium & Heavy Commercial Vehicles, where there are tangible, economic benefits for the customer. In the three-wheeler segment we have already launched the Montra Electric Super Auto, for the passenger segment across the Southern regions, to a positive market response. Targeted for passenger transportation, the segment shows a great potential for growth.



In FY 2022 TICMPL had acquired a 69.95% in Celestial E - Mobility for the manufacture of E-Tractors. During the year, TICMPL acquired the remaining stake to make Celestial E-Mobility its wholly owned subsidiary.

In tractors, we have plans to introduce 3 different variants in four-wheel drives for different user segments. Work on the production facilities for the tractor is underway at Apex Park in Chennai, Tamil Nadu, with the vehicles slated for launch in FY 23-24.

Globally India is among the largest tractor manufacturers with exports to countries worldwide. In the agricultural sector, though penetration is expected to be slow, we see a huge growth potential in E-Tractors with supportive Government policies promoting farm mechanization and green energy ventures.

The acquisition of a 65.2% stake in IPL Tech Electric Private Limited (IPLTech) by TICMPL has gained us access to the EV-M&HCV (Medium and Heavy Commercial Vehicles) segment with a homologated product that has been on the market with tangible benefits for users. We have chosen to manufacture the 55-Ton truck, covering short haulage operations for the iron & steel, cement and construction industries. We have already started work on the manufacturing facility at Manesar, Haryana, for making the E-trucks. We would be creating separate distribution networks to cater to the EV Platforms.

### Acquisitions - New Ventures

The acquisition of Moshine Electronics Private Limited gives us the capability to make camera modules for the economy range of mobile phones. The intent is to move up the value chain

leveraging Moshine's manufacturing facility in India and its captive customer base. There is considerable import-substitution opportunity in this space for the domestic mobile phone manufacturing segment, where nearly 95% of the components are at present sourced from China.

We perceive a good potential for growth in the healthcare segment and in line with this, we have forayed through acquisitions, into the medical consumables segment with Lotus Surgicals Private Limited.

We have further added Contract Development and Manufacturing Operations of Active Pharmaceutical Ingredients to our capability portfolio this year with the starting of a new venture - 3xper Innoventure Limited.

The acquisitions of both the mobile camera modules and medical consumables businesses are part of our strategic growth plans to mine the opportunities emerging from the reshoring and China Plus One global industry trends.

### Corporate Technology Centre

The Corporate Technology Centre has emerged as an important hub for the design and development of new-age precision tooling systems, process technologies and product development that are aligned with TII's growth plans for the future.

### Lean Programs

Our Lean programs have gathered momentum with the multiplier effect of the ongoing projects cascading across locations. The Lean model of work has turned into an integral discipline of each business, with tangible accruals in process and people efficiencies.

### Digitization

In line with our digitization focus, a Company-wide, IIoT integration exercise was rolled out as part of the new ERP ecosystem to accelerate the transition to a data-driven, seamlessly connected business operations.

### Our ESG Commitment

Our ESG initiatives continued to be aligned to our commitment to the highest standards of environmental care, social responsiveness, and good governance. We continued to monitor and improve our performance in each of the parameters as outlined in the standards of Global Reporting Initiative (GRI).

### Our People Capital

Our people are our greatest asset and as always they have invested their extraordinary efforts to turn out a year of significant growth. My sincere appreciation and thanks to the 'One TI' Team.

My sincere thanks to all our customers, suppliers, business partners and members of Government Bodies for their continued support.

Our focus is on building value and building for the long term. As we continue to explore new frontiers and infinite possibilities, we continue to stay aligned to our vision of building a strong globally admired, Indian Engineering Company.

Best Wishes,

Mukesh Ahuja

## BUILDING PEOPLE CAPITAL

“One TII - Many possibilities - Ample opportunities” was the clarion call that resonated the spirit of Team TII as it forged ahead in yet another eventful year of pace and performance.

In line with its vision to ‘Build a globally admired Indian Engineering Company creating stakeholder delight’, TII focused on strengthening the five pillars of Growth, Kaizen, Talent, Digitization and ESG, to nurture a high-performing work culture and achieve organisational goals.

Creating a cohesive team imbued with the spirit of oneness and a high drive for achievement, underlined the people strategy of the Company.

As TII transforms itself, exploring greater possibilities in newer business areas, the core focus is to build and nurture a strong and diverse people force. Aligned to this, several

initiatives were undertaken to deepen employee engagement, amplify capabilities and create opportunities for aspirational growth.

To deepen people interface, several focused group discussions and managerial interactions were initiated to map out key action plans to drive employee engagement as a key metric. Based on the insights from the conversations, tangible actions were deployed to facilitate a more responsive employee experience.

Rewards and Recognition through ‘Shine Awards’ helped drive a culture of excellence and pride in performance.

The Company continued to focus on the initiatives that are integral to its long term human resources strategy.

The adoption of the ‘TII Way’ of working, through standardization of

metrics and creating a consistent ‘People Productivity Index’ across various business units, enabled to drive a high performance work culture. This is expected to be a game changer as the Company continues to pursue aggressive growth paths through several greenfield ventures and inorganic growth trajectories.

As the Company forges ahead, embedding capability building processes and creating a strong talent pipeline have become imperatives to be future-ready.

The TII Talent Development Engine continued to facilitate the growing needs of the organisation by identifying and nominating senior leaders and managers to be trained at leading universities and Business Leadership Programs, to enable them to take on greater responsibilities in existing as well as new businesses.





Deep seeding the training culture, a total of 20% of the overall number of Managers are undergoing development journeys, scaling up abilities to move to next-level roles. In addition, the Talent Board continues to guide, support, and mentor the various developmental actions and interventions for accelerating talent development and creating long term value in TII's human resource pool.

The implementation of the Lean model of manufacturing continued across the various businesses, focusing on enhancing productivity, eliminating / reducing waste in the value chain and for improving customer-defined value to products and services.

Safety and employee involvement continued to be of prime importance to the Company's focus on people wellbeing. In line with this, various training programs, audits, and



*Graduates of the Business Leadership Program with the Senior Management*

corrective actions were rolled out across all business units to ensure a safe and secure workplace.

The advent of a digitally enabled world is rapidly changing organisations, mandating new learnings, new capabilities. To keep pace with changing technologies, building

the agility and digital capabilities of functions was the prime focus during the year. The objective was to enable a seamless, digital acceleration towards a technology-centred, data-driven, future-ready ecosystem. An ecosystem, spearheaded by an empowered people force in pursuit of new frontiers and infinite possibilities.



*Leadership Conclave-2022.*

# ENGINEERING BUSINESS





Building capabilities in plants and processes, product innovation and value-led engineering for exploring new frontiers, infinite possibilities.



It was a significant year for the Engineering business as it recorded an overall growth of 18% with a revenue of ₹4,562 Cr. compared with ₹3,868 Cr. of the previous year. PBIT was at ₹549 Cr. as against ₹376 Cr in the previous year.

The domestic auto industry rode an upward growth trajectory in FY'23 recording a significant rise of nearly 13% in production, with higher consumer affluence, a surge in aspirational demand and the easing of supply-chain constraints. According to SIAM, the passenger vehicle segment registered a 25% growth in production, while commercial vehicles registered a growth of 29% when compared to the previous year. The 2W segment, recorded a 9% increase in production compared to the previous year.

The off-highway vehicles segment saw good traction, with the growth in the construction and infrastructure sectors. Supportive policies and large Government outlay for the development of roads, railways and

mega connectivity projects proved to be strong demand drivers.

The Engineering business demonstrated great agility in aligning itself to the burgeoning demands of OEMs and auto majors, co-partnering with them for the development of innovative, import-substitute products for new vehicle models, with stringent demands in quality, performance and lead times.

Exports however was muted compared to the previous year due to multiple challenges escalated by the Russia-Ukraine war, with inflationary pressures, tightened gas supplies and rising energy costs forcing production shutdowns in manufacturing plants across the EU, including volatile steel prices and overstocked inventory in the US reducing demand and making forecasting difficult. The plant closures in China as part of its 'Zero-COVID' policy, capability localization drive and low infrastructure spending also impacted exports during the year.

The degrowth in exports was more than compensated by the significant growth in the domestic market.

In pursuit of its plans for greater growth, the business expanded its customer roster both in the domestic and global markets, drawing up long-time contracts with large OEMs, for a range of niche products for the auto and non-auto segments.

As part of its strategies for expanding its presence in the global market, the business has charted out plans for capacity augmentation across its manufacturing plants to fuel its various growth projects.

In Cold Rolled Steel Strips (CRSS), the business focused on product-specific business development for niche segments, endeavoring to expand both in the export market and in the West and Northern regions in the domestic market.

In tubes and tubular components differentiated strategies for growth included:

- Regional balancing, capacity expansion and building common capabilities across all plants.
- Co-development of value-engineered products with auto OEMs and EV manufacturers for new models of cars in the domestic market.
- Developing new capabilities, and new products for emerging requirements in light-weighting, fuel-efficiency, etc., through market-driven R&D.

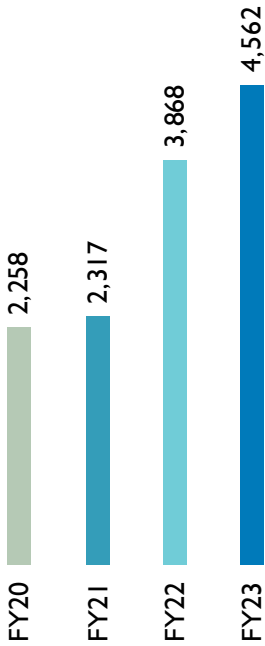
- In exports, the focus was on development of bespoke tube and tubular components for OEMs, partnering with large tube processors and overseas manufacturers, export capability enhancement with global QCD, building capabilities in warehousing, in addition to expanding the distribution network and channel sales.
- In Large Diameter tubular products, the business leveraged its well-established technical capabilities and engineering expertise for volume growth.

- In line with the capability and capacity building strategies for existing and extended OD range of tubular products, brownfield expansion in Tiruttani is under progress.

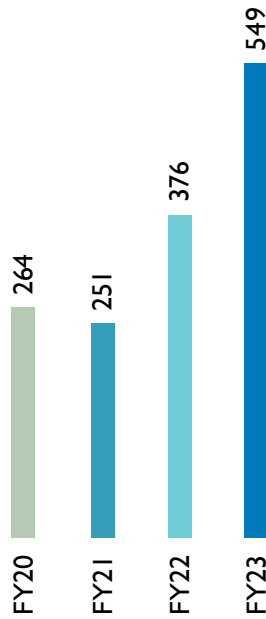
Leveraging its engineering expertise, building new capabilities and sharpening its strategic skills - the Engineering business is consolidating its strength to explore new frontiers and infinite possibilities.



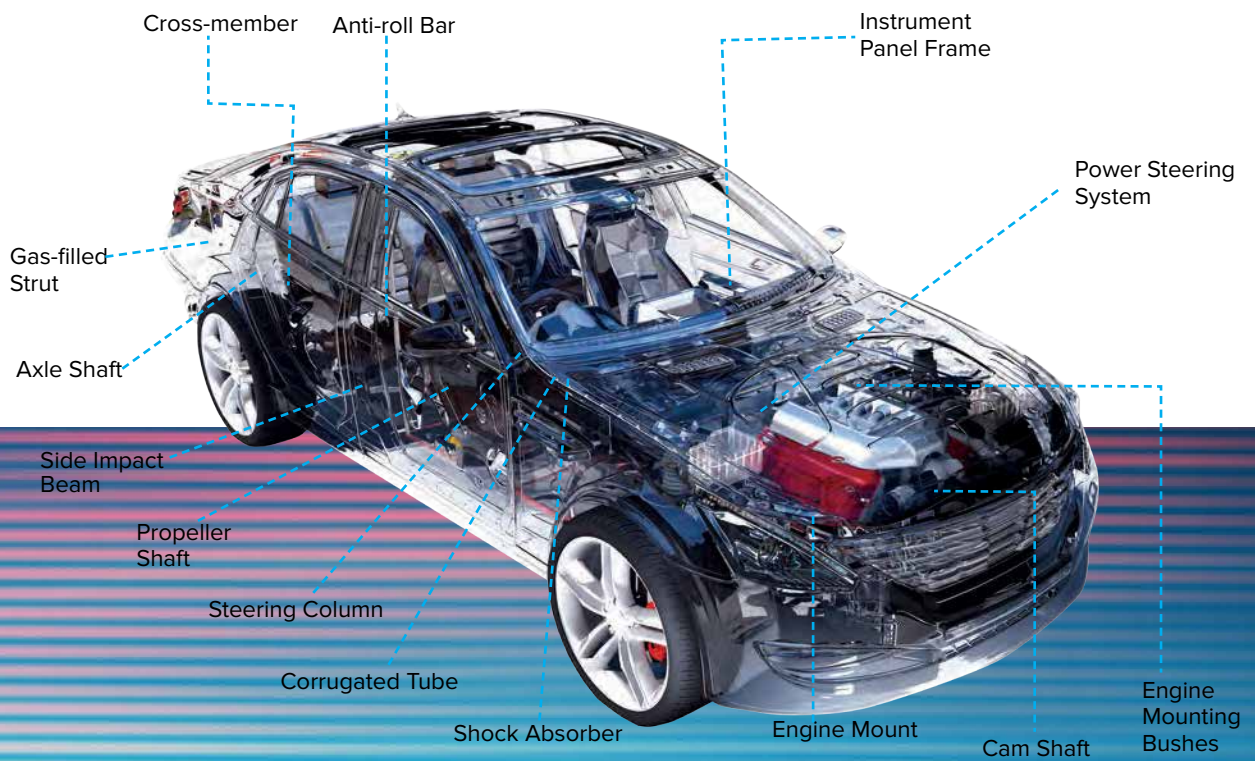
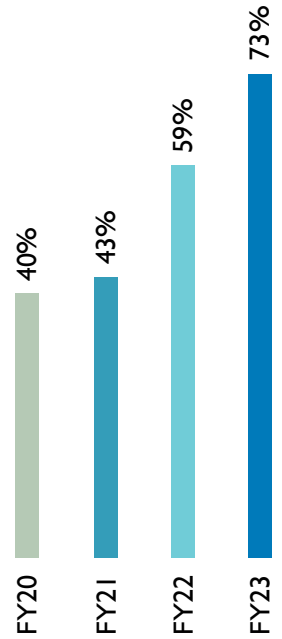
### REVENUE (₹ in Crore)



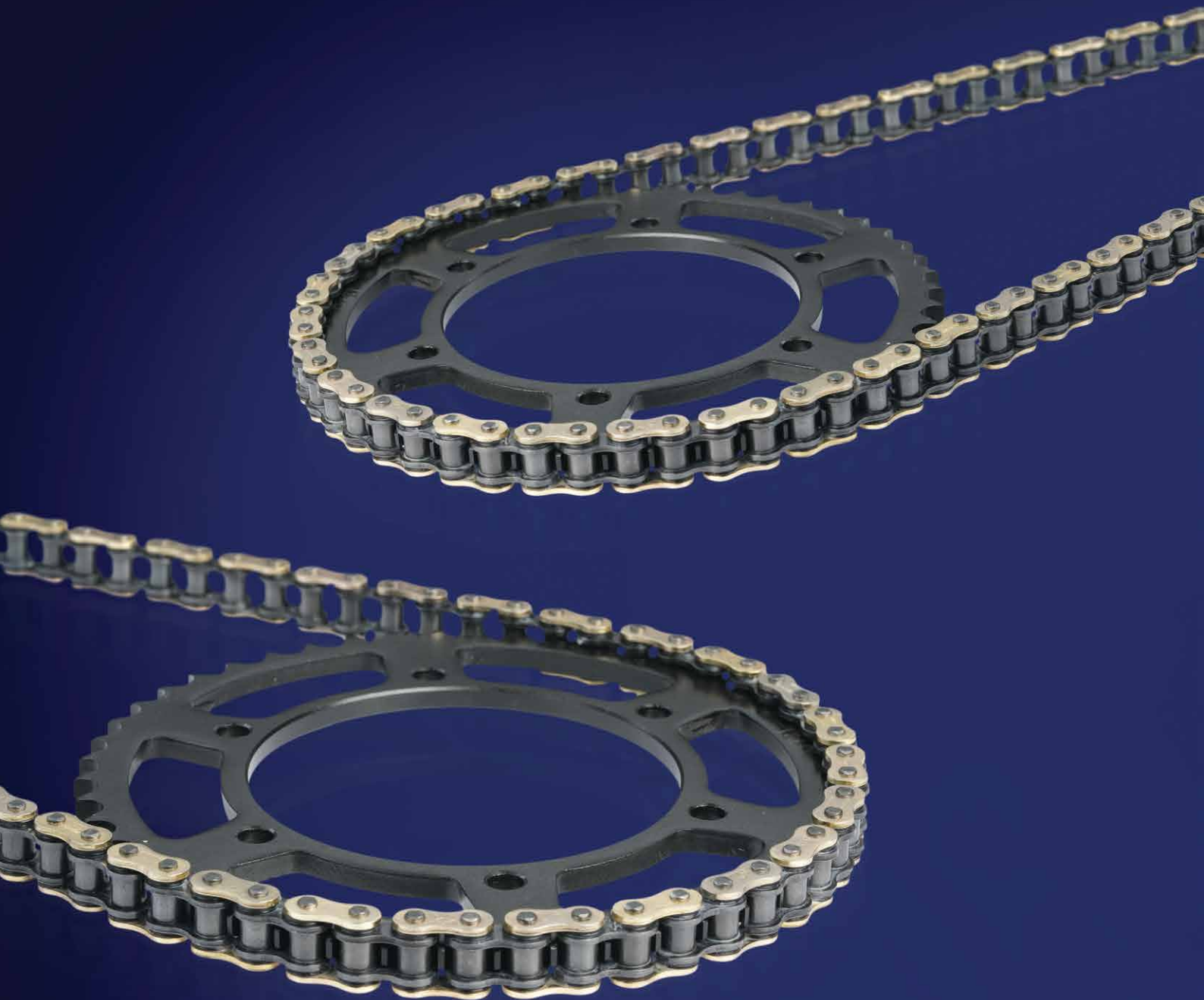
### PBIT (₹ in Crore)



### ROCE%



# METAL FORMED PRODUCTS BUSINESS



*Auto Chains & Sprockets*



## Proving its mettle with value engineering, cutting-edge product lines and new-age technologies, the Metal Formed Business is raring to explore new frontiers, infinite possibilities.

The Auto industry in FY 2022-23 marked a milestone year registering an overall growth of 20% in sales compared to the previous year, according to the statistics published by SIAM. Despite inflationary pressures and muted rural demand denting entry level segments, the industry saw buoyant growth with the easing of semi-conductor chip shortage and the pent-up demand from the higher-end markets driving sales, particularly for SUVs and Commercial Vehicles.

The Passenger Vehicle (PV) segment, recorded its highest-ever domestic sales surpassing its previous peak of 2018-19, with a 27% overall growth in sales during the year 2022-23 compared to the previous year.

Utility vehicles led the growth in PV sales in FY'23. This segment now accounts for 52% of PV sales. Sales of commercial vehicles also grew from 9,62,468 units in FY'23 compared with 7,16,566 units in FY'22. The total sales of two-wheelers for FY'23, saw an increase of 17% from the previous year.

The entry-level two-wheeler and passenger car segments, according to SIAM, however pose a challenge with a continued decline in sales. While the entry-level mini-car segment fell by 57% in FY'23 compared to its peak levels in FY'17, sales of entry-level scooters and motorbikes also declined by 27% and 38% over the peak numbers recorded in FY'19.

Keeping pace with the burgeoning demand in the auto industry, the Metal Formed Products business raced ahead on a track of significant growth in FY 2022-23.

The revenue for the year was at ₹1,424 Cr. as against ₹1,240 Cr. in the previous year while PBIT was at ₹174 Cr. compared with ₹136 Cr. the previous year.

Innovative products and new process technologies aligned to customer needs enabled the business to ride the upward growth graph in both 2W and 4W segments.

In the 2W segment, the Company expanded its OEM roster with differentiated, bespoke products, for the new models of scooters and motorcycles.

In the 4W segment, the business consolidated its preferred vendor ranking with OEMs and auto majors, with customized, cutting-edge products in fine blanking, auto components, door frames and car body parts. Strategic balancing of short lead times and tight delivery schedules with internal efficiencies, newage process technologies and value engineering, led to the addition of new customers both in the domestic and global market and a strong order pipeline for new projects.

The aftermarket has emerged as an important growth driver of the business. To mine the growing potential

of the segment, the business enlarged its aftermarket presence with a strategic rationalization of the channel structure and expanding the dealer and retail bandwidth in alignment with the region-specific product needs of dense, under-served demand clusters, across micro markets and Tier 1 & Tier 2 cities. New value-added products with superior performance and greater wear properties were launched for the segment in sprockets, cam kits, and drive chains, contributing to the growth of the business.

The business expanded its chain manufacturing facility at Aurangabad as part of its capacity building measures and to address the demands of OEMs and the aftermarket in the Northern and Western regions.

Global auto manufacturers continued to expand their manufacturing capacities in India as part of their China Plus One and reshoring strategies. In line with the Government's 'Automotive Mission Plan - 2016-26,' and its supportive policies for the industry, India is fast emerging as an important global auto manufacturing hub. The MFPD business with its strong engineering expertise and trusted vendor status with major auto manufacturers is gearing up to expand its presence in the dynamically evolving auto space.

As a validation of its product quality and customer service the Business won various awards from key customers during the year.



Part for Variable Cam Timing System



Car Recliner Part



Divisional Channel

During the year, revenue from the Railway segment was impacted due to deferred projects by the Government as a residual effect of the pandemic-led disruption. The industry however is poised for exponential growth with the large budgetary outlay for the addition of new, high-speed trains and large expansions in railway corridors as outlined in the 'National Rail Plan for India - 2030', an important part of the Government's vision for economic and transformational growth.

TII as a trusted Tier 1 supplier of sub assemblies, coaches and metro rail parts, both for the domestic and global markets, has mapped out its strategies, building a strong product portfolio to participate in the expansion projects of the Railways. Additionally, the Company's IRIS (International Railway Industry Standard) certification, an international accreditation to manufacture and supply products and solutions to the Railway industry across the world is an important capability

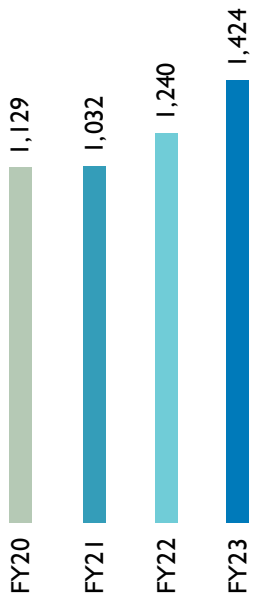
validation to gain access to global markets.

Strong customer co-partnerships, engineering expertise, value-driven innovation, a wide portfolio of cutting-edge products and new-age technologies - the Metal Formed Products Business is readying itself to explore new frontiers, new possibilities.

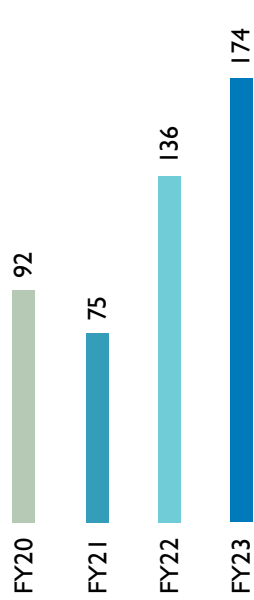


Innovative range of products for the Auto Aftermarket

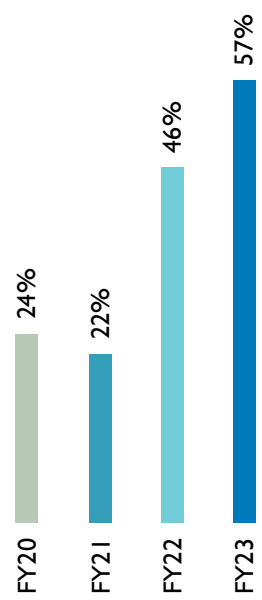
**REVENUE** (₹ in Crore)



**PBIT** (₹ in Crore)



**ROCE%**



*IIoT implementation at the New Doorframe Facility, Chennai.*



# MOBILITY BUSINESS



BSA Lady Bird



## Cycle 2.0

is gearing itself  
to ride into  
new geographies,  
new product lines,  
exploring new frontiers  
and infinite possibilities.

The Mobility Business had a slow pedal year with sales shrinking on the back of lackluster demand both in the domestic and global market.

In addition to a waning interest in cycling in the country, the Indian bicycle industry is burdened with multiple challenges. Channel dominance and low entry barriers have led to a continued glut of low-value, low-quality, imported products from non-branded players leading to share erosion of major manufacturers of branded bicycles.

Scarcity of new-age materials, import-dependence for premium components, lack of cutting-edge process technologies and the absence of a centralised R&D and globally accredited testing centre have proven deterrents for the manufacture of high-end bicycles in the country. Lack of infrastructure and safe cycling networks across regions is further preventing greater adoption of cycles among potential users. As per industry analysts, per capita bicycle penetration in India is merely 9% as against the international benchmark of 110% in the Netherlands.

In India, product innovation, modernising the business model and supportive Government policies have become imperatives to enable the bicycle industry to be competitive and future-ready.

FY'23 was also a challenging year for major global bicycle manufacturers, particularly in Europe and US, who were burdened with huge inventories, rising raw material & logistics cost, and inflationary pressures. While China had to contend with plant shutdowns as part of pandemic containment measures, reshoring and nearshoring, with investments in SKD assemblies in US and Europe continued to trend. However, many Western countries are looking at India as an option to derisk their supply chains. This is expected to raise the export opportunities in the country.

Globally a growing adoption of cycles for transport, fitness, recreation and environmental concerns, together with supportive Government policies worldwide, augur well for the future growth of the industry.

The sluggish industry trend impacted the Mobility business, recording a Revenue of ₹800 Cr. and a PBIT of ₹17 Cr. compared to ₹963 Cr. and ₹55 Cr. in the previous year.

The business surmounted a challenging year, deploying a multi-pronged arsenal of growth-accelerating strategies based on the 4 main pillars of Quality, Delivery, Lean Operations and Exports.

Moving up the value chain, the business expanded its product portfolio with agile, 'faster-to-market', New Product Development with aesthetically designed, superior finished products with enhanced value proposition. 20+ new bicycle models were launched across the segments - City, MTB, Kids and Kits, while mid motors - connected

bikes are slated for a launch in the next financial year.

The domestic market for E-bikes saw a steep decline in secondary sales from Q2'23 onward due to increased price points, while mid motors and connected bikes are yet to gain acceptance because of their high cost. E-bikes, however are beginning to be considered as a more affordable and 'green' form of transportation compared to other fuel-based vehicles.

The Mobility business has set its target to participate in the high potential segments, both in the domestic and global markets.

As part of the strategy for productivity optimisation, the Mobility Business consolidated the mass-production bicycle models at the Rajpura Plant, while the Ambattur Plant at Chennai, with global benchmark standards of manufacturing, was dedicated to the production of high-end, premium bicycles, primarily for the export market

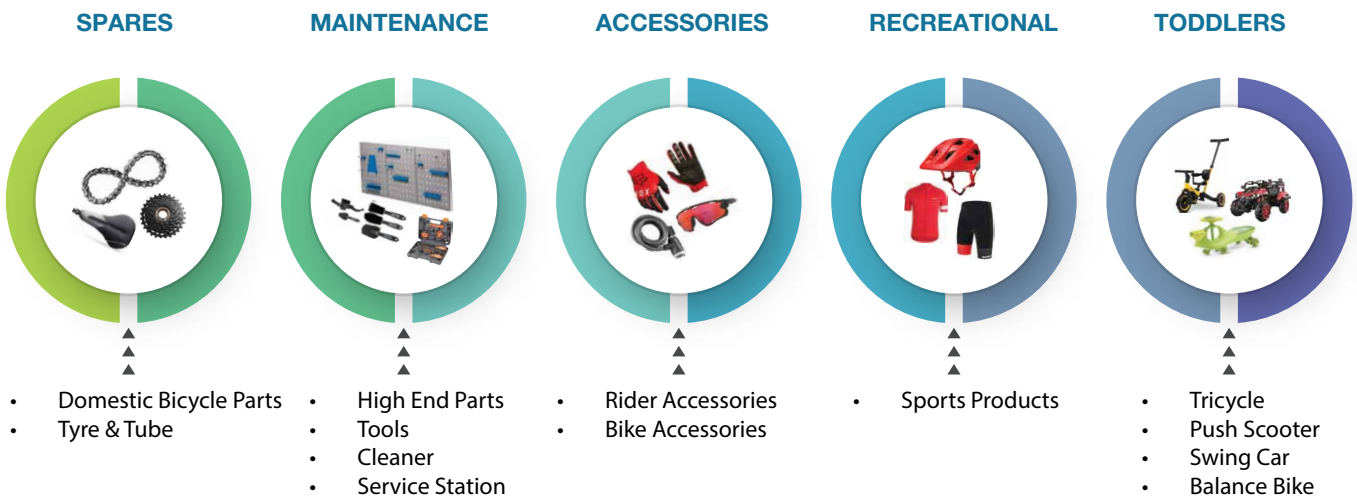
and the niche segment of the domestic market.

Indigenization and import-substitution of more than 80% of components for manufacturing premium bicycles was undertaken during the year as a measure to reduce cost and dependency on imports.

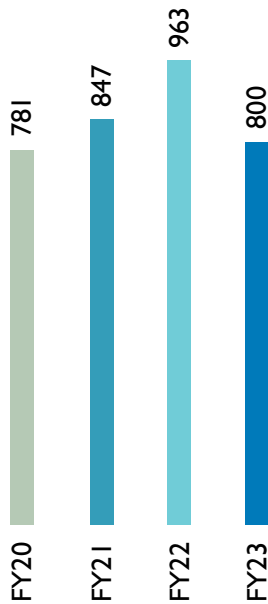
Enhancing efficiencies through cost reduction from PMPD improvements and consolidation, localizing component sourcing, reducing inventory and cash burn through Lean and flexible operations and customer delivery time optimisation were some of the growth enabling measures deployed during the year.

Leveraging on its brand and channel strength, the Mobility business continued to pursue new revenue streams in adjacencies, adopting the 'SMART' model comprising Spares, Maintenance, Accessories, Recreational and Toddler products, to create a complete ecosystem for Cycles.

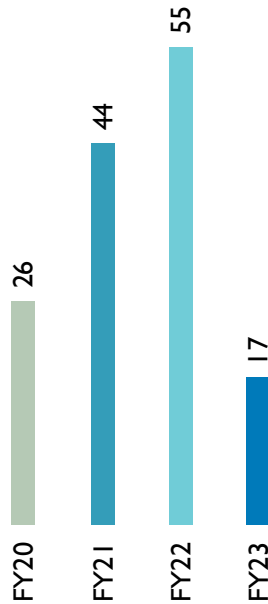
## SMART MODEL



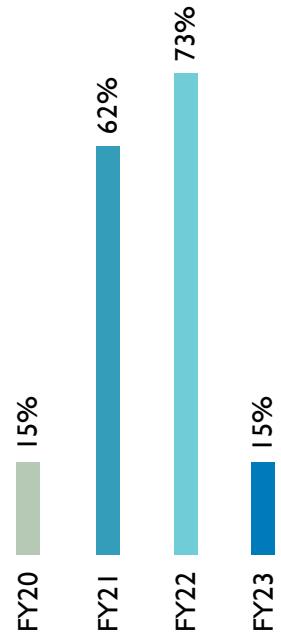
## REVENUE (₹ in Crore)



## PBIT (₹ in Crore)



## ROCE%



Strengthening the channel through expansions in dealer bandwidth and customer touchpoints, enhancing penetration in population-dense towns through 'Feet-on-Street' and 'Mission Sales Representatives' for primary and secondary channel support, in-store promotions, sales and service networks in the form of Track and Trail stores as a value differentiator, were some of the go-to-market strategies deployed to grow the business in the domestic market.

Despite the challenging environment, the Mobility business expanded its global customer prospects in Europe,

the Middle East, Latin America and Asia for export sales in the near future.

The Fitness Equipment Market is slated for exponential growth with a growing global awareness of health and wellbeing.

The Mobility business has drawn up plans to enlarge its participation in the fitness space both in the Home and Commercial segments with an array of products like treadmills, elliptical trainers and cardio equipment, amongst others.

In line with the marketing shift of global bicycle manufacturers turning their lens on B2C online sales, and the digitization

drive, the Mobility business has ventured to marketplace sales on websites with a plan to launch a dedicated Track and Trail (T&T) App for digital B2C interface and customer connect, with speedier delivery, assembly, maintenance and service, as value-added differentiators.

Globally, as the commitment to a carbon neutral world is gaining pace, the bicycle as a green mode of transport is gathering momentum for greater growth. TII's Mobility business is gearing itself, building new capabilities, crafting new strategies to race ahead in the quest of new frontiers and infinite possibilities.

## OTHER BUSINESS

The Industrial Chains (IC) business continued to pursue its mission to be a world class Industrial player in Motion, Drive & Conveying (MDC) space, expanding its global footprint and hoisting a significant growth of 17% with its value-added, differentiated products and service.

In the domestic market, the IC business consolidated its domain leadership with a wide array of new, industry-driven products, riding the buoyancy in the construction, infrastructure, material handling and pharmaceutical segments. Growth was driven by enhanced revenue streams from value-added products and thrust on industry penetration through LSCC (Large Size Conveyor Chains).

The business grew its OEM and Aftermarket share in the domestic market with robust growth in food and packaging, material handling, and multi-parking segments.

The muted demand from the rural sector dented offtake of agricultural machinery such as Harvester-Combine, an important user segment for the business.

Despite a challenging global environment with the Russia-Ukraine war triggering inflation, high raw material prices, energy crisis and plant shutdowns, particularly in Europe, the Industrial Chains business expanded its roster of OEMs, MROs (Maintenance, Repair & Operations in the replacement segment) and Channel partners, deriving an 11% growth in sales volumes of high precision, segment-centred, innovative products from exports.

In line with its strategy of de-risking and exploring new growth opportunities in emerging industries, the Business expanded the scope of its operations with new, segment-specific, value-added products in material handling, infrastructure and agriculture space, adding a strong growth stream for the business.

Deepening engagement with OEMs, increasing market share in the private label segment and enlarging channel bandwidth across geographies were part of the growth-enabling strategies deployed during the year.

There was a sustained focus on the addition of value-added products of global benchmark standards for niche applications, to ensure customer lock-in. The business made inroads into a new industry vertical ASRS (Automated Storage and Retrieval System) in the Logistics and Warehousing space, with supplies of chains to a prominent industry player for their requirements.

As part of its capability building strategies and to meet the burgeoning global demand for Leaf Chains, the business expanded its plant at Tiruttani, with automation and advanced manufacturing systems and process technologies. The highly engineered product is used in niche applications in material handling and multi-level parking and storage.

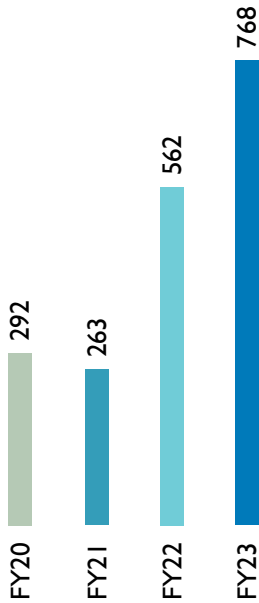
As an increasing number of multinationals and OEMs participate in India's infrastructure growth, setting up manufacturing facilities in line with their localisation strategies, the IC Business is building strong co-partnerships with key global players to cater to their burgeoning market requirements.



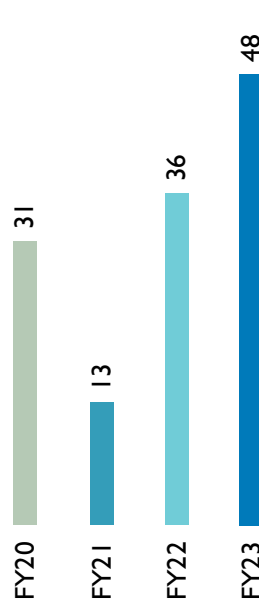
Leaf Chains



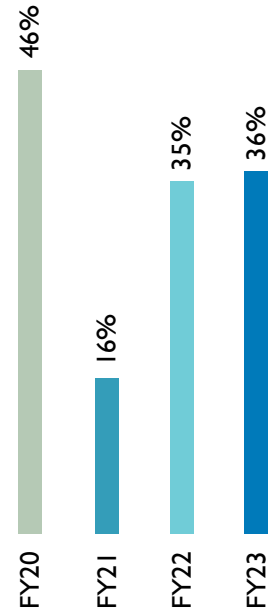
**REVENUE** (₹ in Crore)



**PBIT** (₹ in Crore)



**ROCE%**



Additionally to explore the potential in adjacencies and pursue new revenue streams in Sprockets / LSCC, the business has built the capability to manufacture heavy-duty sprocket kits for escalators.

The business co-partnered with global manufacturers of escalators with its high-performance Step Chains for light and heavy-duty applications in malls, airports and railways.

New and innovative products were launched during the year with superior performance characteristics.

- Super Max series of chains for varied applications in construction and material handling, both for OEMs and general industry.
- Double Plus chains for automation and material flow applications.

The business continued its relentless drive to improve people and process efficiencies through focused Lean

projects and interventions. A unique concept of 'Empowered Product Cells' with end-to-end ownership of a process line, by the operator, was introduced during the year.

As a validation of its quality and service, the Business won several awards during the year.

New geographies, new product streams, new and emerging high-growth segments - the IC Business is forging ahead, in pursuit of new frontiers, infinite possibilities.



Chain facility - Ambattur



## DIGITAL TRANSFORMATION

At TII, IIoT (Industrial Internet of Things) has become central to the Company's digital transformation journey, in alignment with its objective to be a world-class organization keeping abreast with the dynamically connected world of AI and advanced technologies.

As part of the IIoT initiative, a pan TII systems architecture was created comprising all legacy and modern 'A Class' machines with interconnected PLCs, including a multitude of instruments and other devices networked together on a common ERP communications platform to monitor, collect, exchange, analyze and deliver insights on machines, men and working methods to derive value and drive data-driven decision making for the Company.

This mammoth exercise was focused on sweating the assets - building dashboards to capture all machine data to track and analyse the variables leading to downtime, asset under-utilization and productivity gaps, providing support to the shop floor for corrective measures with real-time data on constraints.

Across industries, IIoT has proven a game changer in streamlining and automating processes with real-time data generated from self-monitoring, smart machines.

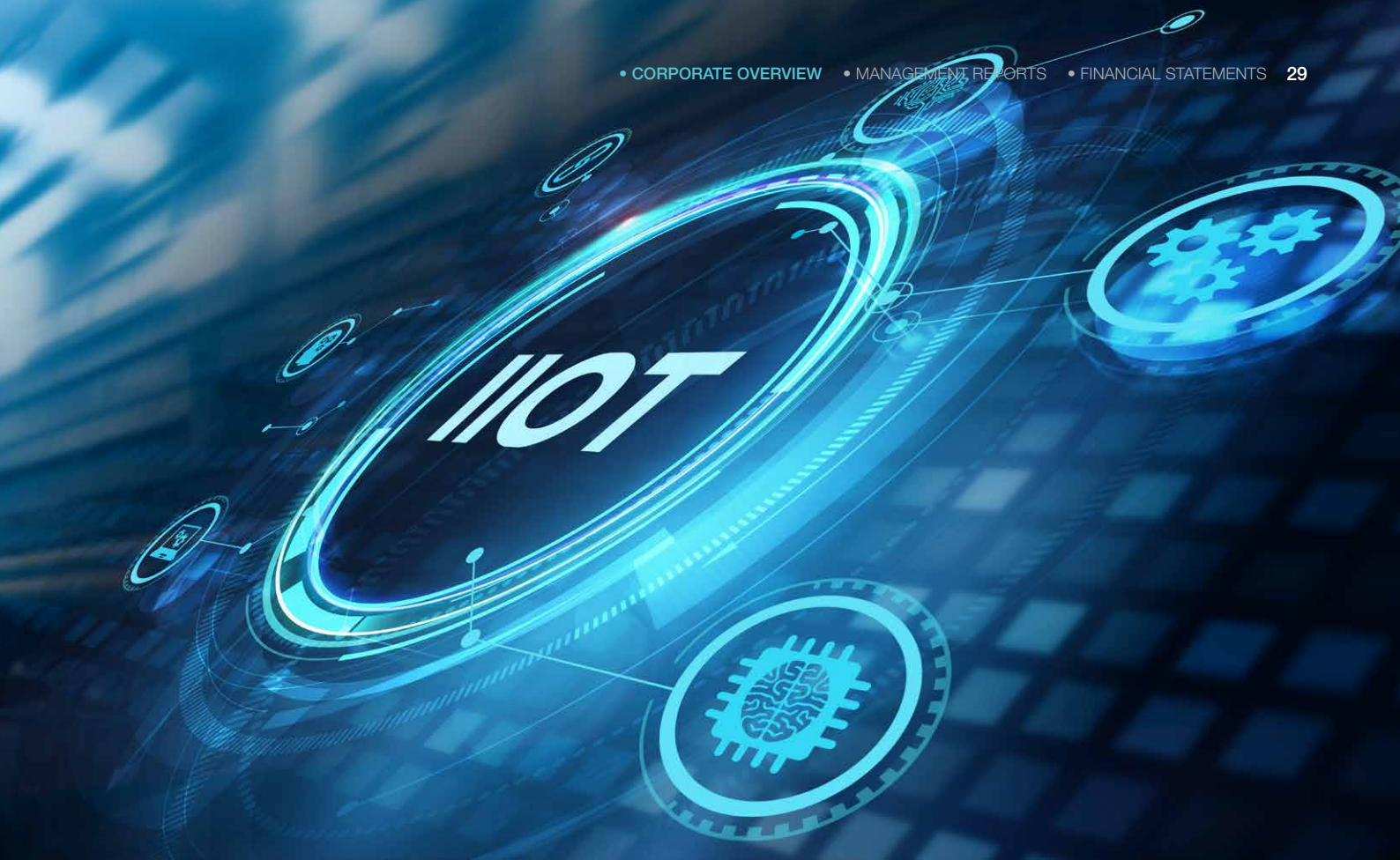
At TII, different business verticals, each unique in its operational requirements, mandated the creation of customized, norm-based data for analytics.

The IIoT team raced against time to complete the challenging project as per its scheduled timeline by March 2023.

As a Company with power-intensive operations, the next step in the IIoT journey is to identify machines which are major power guzzlers and devise methods to reduce energy and fuel consumption. Besides reducing energy cost, this would support the Company's sustainability initiatives.

IIoT is focused on creating a robust ERP ecosystem that would support data-driven decision making and knowledge management, while analyzing and building productivity with a norm based, machine-man performance metrics.





A recalibration of working methods fostering a cultural change, the IIoT centred ERP ecosystem would prove a point of convergence with the Kaizen and ESG initiatives to enhance productivity and efficiencies across all businesses.

As the world races ahead to a data-driven ecosystem with IIoT and AI ushering tectonic changes to the business landscape, TII is accelerating its transformation to a digitized, data-driven world of new frontiers and infinite possibilities.



# OUR ESG COMMITMENT



ESG or the Environmental, Social and Governance Standards have become an integral part of business reporting and disclosures globally, as companies outline their commitment to a larger environmental and social cause, not driven only by economic gain or profit.

Climate change due to flagrant disregard to the environment, has given rise to a plethora of problems that threaten the world's population.

The UN Sustainability Goals - 2030 has drawn a roadmap listing out actions under 17 major goals that would create an environmentally responsible and more socially inclusive society.

At the COP-26, UN Climate Change Conference held at Glasgow in 2021, 140 leaders of countries around the globe committed to mitigation goals to reduce emissions, increase the use of renewables and work towards carbon neutrality. India as the fourth largest emitter of greenhouse gases, contributing about 7% of the total emissions into the atmosphere has committed to reducing 1 billion tons of emissions and become carbon neutral by 2070.

LiFE–Lifestyle for Environment was adopted by India during COP 26 at Glasgow in 2021. LiFE envisages bringing everyone together to adopt an environmentally conscious lifestyle

for 'mindful and deliberate utilization, instead of mindless and destructive consumption'. India is the only country that has included LiFE in its Nationally Determined Contributions. It has been decided that Ministry of Environment & Forests and Climate Change (MoEF&CC) will anchor the Indian aspects of Mission LiFE while NITI Aayog will steer the global aspects of this mission.

## Our ESG Program

At TII, as a responsible Corporate citizen, we adopted ESG standards several years ago, with our sustainability-centred, socially responsive, value-driven business ethos, supporting national efforts in climate action and sustainable development.

Sustainability lies at the heart of our business and is a major driver of our continued growth.

## Environment

Our relentless environmental focus has enabled us to make steady progress in lowering our ecological footprint. We have made a significant reduction in water consumption across our Units through effective recycling of process wastewater and upgradation of effluent treatment plants to achieve zero liquid discharge status.

Our stringent waste management measures with the principle of 'reduce, reuse, recycle' have ensured lower generation of waste across our Units. While we adopt the concept of circularity for the non-hazardous waste, we ensure responsible disposal and co-processing of hazardous waste with minimal environmental impact.

As an industry with energy-intensive processes, we are focused on energy conservation and lowering emissions through the use of alternate fuels and switching to low-energy lighting systems.

We have increased our renewable energy usage with solar and wind power constituting nearly half of our energy requirement.

Our partnership with X2Fuels, a technology to turn waste-to-fuel is an interesting project under exploration.

The tangible benefits of our efforts are reflected in the steady decline of Scope 1 and 2 emissions at most of our Business Units.

## Social

At TI, we consider our people as our greatest asset. We accord the highest importance to the growth and wellbeing of our people by providing an enabling environment of trust, transparency and growth.





Intervention Centre for hearing impaired children



Eye Camp at village schools



Free Mobile Medical Service



Supporting women entrepreneurs

At TII, health and safety of employees is given great importance with regular medical camps, training and guided awareness programs. To develop a safety manual with standard metrics, audits by external consultants on Safety & 5S were conducted across the 22 manufacturing plants to identify areas for improvement with clear timelines drawn for corrective measures for a zero accident, safe and secure workplace.

To drive the safety culture across plants, safety audits were conducted by senior leaders, to demonstrate their commitment to the initiative.

As part of the inputs from the Lean exercise, risk assessment process for identifying potential hazards was standardized. Potential health and safety hazards were worked upon such as low automation in order to reduce operator fatigue and cycle time.

Our Corporate Social Responsibility (CSR) initiatives reflect our continued commitment to reducing social inequalities and support the social development of the communities around us.

Preserving the environment, providing access to healthcare and education among under-served communities, promoting research, contributing to relief and rehabilitation efforts are a few

of the areas where we participate for social amelioration.

Our community development efforts include providing mobile medical care services to the sick and elderly patients in the Avadi-Ambattur industrial belt in the suburbs of Chennai. In Tiruttani, the TI Medical Outreach Centre provides outpatient services to the community members.

TII also contributes to the education and skill development of students from under-served communities as part of its social upliftment program.

The Company also supports the research efforts of the Murugappa Chettiar Research Centre (MCRC) to develop technologies that benefit the environment and enhance incomes in farming communities.

### Governance

Our Governance Standards are aligned to the mandated Rules and Regulations as defined by SEBI in its standards for BRSR (Business Responsibility and Sustainability Report).

In line with the Five Lights of the Murugappa Group, we adhere to the highest standards in Governance, that lays emphasis on integrity, ethical practices, transparency in transactions and accountability to all stakeholders.

Our ESG programs are driven by the Senior Leadership Team with regular reviews and goal direction.

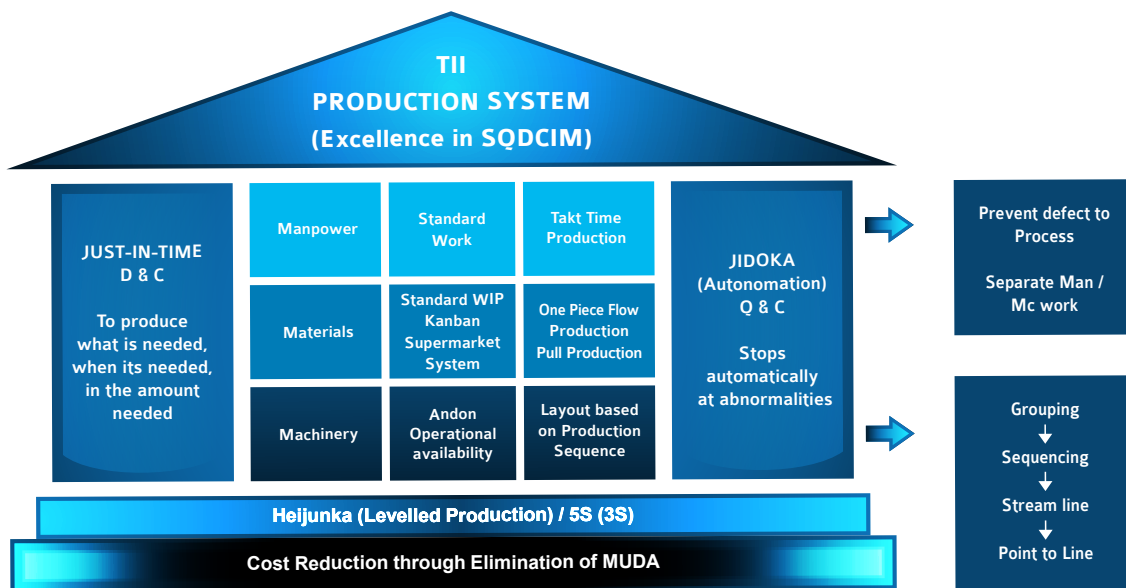
As part of our ESG program, we have started measuring our various, on-going initiatives across our Business Units and manufacturing facilities against the parameters that are material to ESG in accordance with the 'core' criteria of the Global Reporting Initiative (GRI) Standards.

The GRI Standards constitute a set of globally established sustainability reporting standards on Economic, Environmental and Social impacts to enable businesses to formulate, assess and report on their sustainability performance to multiple stakeholder groups.

To make our sustainability journey more meaningful and participative across all business units, we have mapped out a sustainability governance structure to drive the various initiatives and be accountable for the achievement of associated goals.

As we transform ourselves as an OEM, enlarging our scope of operations and expanding our geographical footprint, we will continue to remain committed to our ESG goals, while creating sustainable value for all our stakeholders.

# LEAN JOURNEY



TII continued to drive the Lean or the Kaizen Model of Production System focusing on consistent customer-centred value creation in products, processes and service. The key metrics tracked daily in Lean boards are Safety, Quality, Delivery and Cost / Customer. Other metrics like Inventory, Productivity, Environment or Morale are also included in the board. Based on the Kaizen concept of ‘Excellence in SQDCPIM,’ this is driven by continuous process improvement and frugal operations eliminating waste to make ‘more with less’.

Productivity, quality, one piece flow, lead time reduction, inventory reduction, set-up changeover time reduction (to create flexibility & produce small lots), were the prime focus areas adopted during the year to redefine business deliverables.

While Point Kaizens were used to address Productivity, Quality, Setup changeover time and Inventory, Line Kaizens focused on Lead time reduction and One piece flow with a sequential process linkage to a seamless ‘Pull’ production system for just-in-time delivery and customer ‘TAKT’ time optimisation.

The Japanese concept of ‘Takt’ time formula in Lean is:

$$\text{Takt Time} = \frac{\text{Available Production Time}}{\text{Average Customer Demand}}$$

### Point Kaizens

1. Productivity improvement by reducing Operator, Machine and Process Cycle Time.
2. Standard work implementation (TAKT time, Standard work combination chart, Standard work Sheet).
3. Operator load balancing through YAMAZUMI study.
4. Set-up time reduction, fine die maintenance and tool downtime reduction.
5. Quality: Defect reduction, Quality adjustment downtime - reducing internal & customer rejections.
6. Cost reduction: Operational cost reduction, RM & WIP Inventory reduction.

### Line Kaizens

Lead time reduction - order to delivery  
- material & information flow, waiting

time for customer complaints, OTD, customer satisfaction

1. Production Lead time
2. One piece flow
3. Inspection time reduction
4. Manpower reduction
5. Workstation reduction
6. WIP in between workstations

The active involvement from the Senior Management team and the high order of employee participation across the Company’s Manufacturing Plants has made the Lean movement gain momentum, with multiple ongoing projects swelling in numbers from 13 in FY 2022 to 103 in FY 2023 and translating into tangible and sustainable gains for the various businesses.

Ushering in a major shift in people, process and working methods, Lean has accelerated the Company’s transformational trajectory, as it forges ahead to explore new frontiers, infinite possibilities.



## CHAIRMAN'S VISITS TO PLANTS



*Shanthi Gears - Coimbatore*



*New Fine Blanking Plant, Ambattur*



*Tubes Plant - Avadi*



*Large Diameter Tubes Plant-Tiruttani*

## MD'S VISITS TO PLANTS



*Fine Blanking Plant-Ambattur*



*Tubes Products Plant - Avadi*



*Fine Blanking Plant-Ambattur*



*EV 3W Plant-Ambattur*



**MONTRA**  
— ELECTRIC —

PRESENTING THE ALL-NEW ELECTRIC

***SUPER AUTO***





## E - MOBILITY

Exploring new frontiers, infinite possibilities in eco-friendly mobility.

The electric vehicle market in India, according to industry analysts, is projected to grow from \$3.21 billion in 2022 to \$113.99 billion by 2029 with a CAGR of 66.52% in the forecast period, 2022-29.(Fortune Business Insight).

The EV sector is poised for exponential growth in India and with supportive Government policies is projected to usher in a transformational shift in the mobility landscape of the country.

According to the Ministry of Road Transport & Highways, Government of India, in addition to the FAME-II scheme to promote the rapid adoption of clean energy vehicles through incentives and subsidies to automakers, plans have been drawn to accelerate EV adoption in the country by building charging infrastructure, including charging points and battery swapping facilities in 700 spots across upcoming and operational highways across the country with a long term goal of greater charging infrastructure densities.

TI Clean Mobility Private Limited, a subsidiary was started as part of the Company's strategic intent to provide sustainable mobility solutions and operate in the fast evolving, EV space.

TICMPL intends to build a vertically integrated, end-to-end mobility manufacturing eco-system aligned with its vision of bringing in a superior technology platform that is pathbreaking and productive in each of the served segments of the commercial EV spectrum: E-3 Wheeler, E-Medium and Heavy Commercial Vehicles and E-Tractors.

The entrepreneurial agility of a start-up ecosystem combined with the strong experience and application-driven engineering expertise lends a formidable edge to the E-Mobility business. In addition, the business has built a strong R&D team of domain experts and design specialists to create a ground-up architecture and build E-vehicles that are customer-centred, market driven and value-led.



Chairman at the wheel during the launch of Montra Electric

The aim is to cater to the productive end of the Electric Vehicle spectrum for the commercial segment in E-3W, Tractors and Electric - Medium & Heavy Vehicles (E-M&HCV), where the value accrual to the owner is high and where the vehicle is actually an asset earning income for the owner.

The EV - 3 wheeler manufactured at the Ambattur Plant, Chennai, has already been launched in the market for the passenger segment under the 'Montra Electric - Super Auto' brand to positive response from drivers, passengers and dealers in the Southern region. The E - 3W for the cargo segment is in the pipeline.

The first of its kind E-3W in India, the Montra Electric Super Auto is uniquely designed and built from a ground-up architecture for the passenger segment, combining an aesthetic sensibility with comfort, durability and

a superior technology differentiation to provide a compelling user experience.

Launched in 3 Models - ePX, ePV, ePV 2.0, the Montra Electric Super Auto with the superior strength and durability of its all metal chassis is engineered to ensure peak performance while navigating the challenging conditions of city roads.

Designed with a ground-up architecture based on a deep-dive of the user ecosystem, the Montra Electric Super Auto comes laden with unique, industry-defining features and value differentiators.

The customer-centric model aims to remain connected to the end-user offering a superior experience, with remote diagnostics, preempting break-downs, reducing downtime and integrating data for speedier customer support.

Montra Electric Super Auto comes with a dependable industry-leading range, speed and performance that maximizes the owner's earnings.

The aesthetically designed, stylish metal body and all-metal chassis are uniquely engineered to provide both superior strength and peak performance to handle the challenging conditions of the city roads.

The exceptionally powerful motor delivers an extraordinary torque that makes climbing any terrain a breeze. Not just that, its super pick-up ensures you can zip through the city traffic with ease.

In addition, the ample head, leg and boot space of the Super Auto makes commute comfortable for both passengers and drivers alike.



*Launch of the Montra Electric-Super Auto at a Dealer Showroom.*



*The aesthetically designed and stylish interior of the Super Auto.*

Digital features of the Montra Electric Super Auto include Drive modes with Park Assist and a Montra Electric Driver App that provides data about the vehicle's daily performance, in addition to tracking the driver's earnings. In all, a Super Auto that lives its name.

The Montra Electric Super Auto has garnered a wide and positive response from the Southern Regions where it has been initially launched. The Business has mapped out strategic plans for growth with an exclusive / expansive distribution and service network, including B2B channels for density deployment. Today, Montra Electric is in 52 Dealer locations with dedicated service stations spread across the southern region.

As a validation of its unique design and value-added features, Montra Electric Super Auto was adjudged the Winner

at the Zee Auto Awards-2022 in the 'Innovative Electric Three Wheeler' category.

In line with its plans to expand the scale and scope of the EV business, TICMPL will be raising funds up to ₹3,000 Cr. to meet its ambitious growth trajectory through organic and inorganic streams. The business aims to become India's leading OEM in electric commercial vehicles in the productive spectrum of the EV space and participate in the country's 30% EV penetration target by 2030.

Expansions, market-disruptive product innovation and industry-defining E-Vehicles - TI Clean Mobility is charging up its batteries to explore new frontiers and infinite possibilities in the rapidly expanding EV space.



*The TI Clean Mobility team receiving the Zee Auto Awards 2022 for 'Innovative Electric Three Wheeler' for Montra Electric Super Auto from Shri. Nitin Gadkari, Hon'ble Minister of Road Transport & Highways.*



## ELECTRIC - M&HCV

Our vision is to be the leading provider of Electric Trucks for the commercial transportation Industry.

The acquisition of 65.2% stake in IPLTech Electric Private Limited (IPLTech) a manufacturer of E-M&HCV is in line with the strategic intent to expand the presence in the productive end of the EV spectrum.

The IPLTech acquisition has gained TII access to the E-Medium, and Heavy Commercial Vehicle segment, with a homologated product that has been on the market with proven economic benefits for users. IPLTech had launched Rhino 5536, India's First Electric Truck in 2019, driven by its vision to be the leading provider of Electric Trucks for the commercial transportation Industry.

The foray into the trucking segment of Medium and Heavy Commercial EVs, with the vector of differentiation, includes segment-specific, customised EVs, with an IoT enabled, fully integrated vehicle management system equipped with a digital cockpit providing real-time data analytic solutions.

A state-of-the-art facility for manufacturing the trucks is being built at Manesar, Haryana, with the focus on the 55-Ton category. The homologated

product has been further upgraded to the latest mandated standards.

The 'ground-up architecture' of the truck built on the powertrain platform with remote diagnostics offers a zero-emission, pure-electric, cargo vehicle designed to run on all-weather condition roads.

The trucks are designed to provide superior performance, higher gradability and greater regeneration with proven viability and economic benefits in the commercial transportation space for point-to-point applications in the iron, steel, cement and infrastructure industries.

To enable greater market penetration, the Company has curated flexible, bespoke operating models, customised to user needs ranging from direct purchase, lease-based, battery subscription and truck as a service.

Going forward, the business intends to address 70% of the total haulage space.



# ELECTRIC - TRACTOR

India is the largest manufacturer of tractors in the world and in line with this, tractor sales in the country, including exports, touched the highest peak level of one million units for the year ended 31st March, 2023.

The demand for tractors is expected to increase significantly along with the country's progress in agricultural mechanization. Tractors in India are majorly powered by diesel engines which are an increasing source of carbon emissions and criteria pollutants.

With India's commitment to achieve carbon neutrality by 2070, accelerating the transition to green energy usage has become an imperative, with the farming sector a key focus area for electrification.

According to Facts and Factors, the global electric tractor market was worth over USD 120 million in 2021 and is expected to reach USD 300 million by 2030 with a compound annual growth rate (CAGR) of 13.1% between 2022 and 2030.

The conversion potential of farmers changing from standard tractors to E- tractors is therefore very huge.

Electric tractors are an important part of the drive towards green farming, benefitting both the farmer and the environment. E-tractors prevent the release of carbon dioxide, the main cause of air pollution and climate change,

The acquisition of Celestial E-Mobility has enabled TII to design and build E-Tractors from a ground-up architecture, leveraging the Company's frugal engineering and application expertise.

The E-Tractor is designed as a cost effective, pollution-free, maintenance, and noise-free E-Tractor that runs on swappable, rechargeable batteries which can be charged within two hours from a domestic power source and can be driven for 6 hours before needing a recharge.

The operationally superior drive-by-wire technology incorporated in the E-Tractors is controlled by an Intelligent

Unit to accomplish the objective of Elimination of Physical Elements in an Automobile (ePEA).

Rigorously tested for performance, battery efficiency and endurance, the E-Tractor can compete in every way with the conventional diesel tractors and yet give the farmer savings on fuel, maintenance and total cost of ownership.

The Electric Tractors would be launched in 3 models to address different power and end-user requirements and serve the farmer both as a multi-purpose vehicle for his farming and transportation needs. This would also accelerate the adoption and market penetration of the products in their served segments.

The setting-up of the manufacturing facility for early production of the E-Tractors has already begun at Apex Park, Chennai, Tamil Nadu, with the first batch of e-tractors to be rolled out later in the year.



**CELESTIAL**  
**eMOBILITY**

**empower**



## ACQUISITIONS - NEW VENTURES

It was a year of acquisitions when TII ventured into new, high potential business streams in EV - Trucks for the commercial segment, mobile camera modules in electronics and medical consumables.



### EV-M&HCV

The acquisition of 65.2% stake in IPLTech Electric Private Limited (IPLT), a manufacturer of Electric - Medium and Heavy Commercial Vehicles (E-M&HCV) is an important part of TII's strategic intent to participate in the productive end of the EV spectrum. The acquisition brings with it an already homologated 55 Ton Truck that has been plying on the road, under the Rhino brand. IPLTech is the first company to design a E-Truck for the commercial segment in India,

New ventures were also started in Contract Manufacturing of Active Pharmaceutical Ingredients and related products.

The Company also invested in a start-up engaged in energy / waste management, developing processes to convert waste to liquid / solid fuels.



### MOBILE CAMERA MODULES

The acquisition of a controlling stake in Moshine Electronics Private Limited ("Moshine"), a manufacturer of camera modules for economy range of mobile phones, provides TII an access to the company's captive customer base and an entry into the electronics segment. The Moshine acquisition also offers the high potential for the import-substitute product in India.



### CONTRACT DEVELOPMENT AND MANUFACTURING OPERATIONS

The incorporation of 3xper Innoventure Limited for Contract Development and Manufacturing Operations (CDMO) in API is an addition to TII's capability portfolio this year. An agreement has been signed with Mr N. Govindarajan, the renowned pharmaceutical expert, for producing starting materials, advanced intermediates, specialty chemicals, active pharmaceutical ingredients and other related products.



### MEDICAL CONSUMABLES

TII forayed into the Medical Consumables segment through the acquisition of a 67% stake in Lotus Surgicals Private Limited ("Lotus").



### WASTE TO ENERGY

TII entered into a Joint venture with a 50% stake in X2Fuels and Energy Private Limited ("X2Fuels"), a start-up company engaged in energy/waste management, developing processes to convert waste to liquid/solid fuels. This is in line with TII's intent to invest in start-ups engaged in innovative research and product development in fields/activities of interest to it.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

M A M Arunachalam - Executive Chairman  
 Vellayan Subbiah - Executive Vice Chairman  
 Mukesh Ahuja - Managing Director  
 Sanjay Johri  
 Anand Kumar  
 Sasikala Varadachari  
 Tejpreet Singh Chopra  
 K R Srinivasan - President and Whole-time Director

## CHIEF FINANCIAL OFFICER

AN Meyyappan

## COMPANY SECRETARY

S Suresh

## REGISTERED OFFICE

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

## PLANTS

### ENGINEERING

Tube Products of India, Avadi, Chennai  
 Tube Products of India, Tiruttani  
 Tube Products of India, Shirwal  
 Tube Products of India, Mohali  
 Tube Products of India, Rajpura  
 Tube Products of India, Nashik

### METAL FORMED PRODUCTS

TIDC India, Ambattur, Chennai  
 TIDC India, Kazipally, Medak  
 TIDC India, Uttarakhand  
 TIDC India, Hosur  
 TIDC India, Aurangabad

## PLANTS

### METAL FORMED PRODUCTS

TI Metal Forming, Nemilicherry, Chennai  
 TI Metal Forming, Kakkalur, Chennai  
 TI Metal Forming, Bawal  
 TI Metal Forming, Uttarakhand  
 TI Metal Forming, Sanand

### MOBILITY

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

### OTHERS

TIDC India - Industrial Chains, Ambattur  
 TIDC India - Industrial Chains, Athipet  
 TIDC India - Industrial Chains, Pattavakkam  
 TIDC India - Industrial Chains, Tiruttani  
 TI Optoelectronic Solutions, Chittoor

### CORPORATE IDENTIFICATION NUMBER

L35100TN2008PLC069496

### AUDITORS

S R Batliboi & Associates LLP  
 Chartered Accountants

### BANKERS

Bank of America  
 HDFC Bank Limited  
 Standard Chartered Bank  
 Hongkong & Shanghai Banking Corporation Limited  
 BNP Paribas  
 Kotak Mahindra Bank Limited  
 MUFG Bank Ltd  
 Shinhan Bank

## Board of Directors

### Mr. M A M Arunachalam

#### *Executive Chairman*

Mr. M A M Arunachalam, also known as Arun Murugappan (56 years; DIN-00202958) holds a Master of Business Administration degree from the University of Chicago, USA. A senior member of the Murugappa family, he is an Industrialist and has over 25 years' experience in the field of varied industrial activities. He joined the Board on 11<sup>th</sup> November 2020 and was the Non-Executive Chairman from 11<sup>th</sup> February 2021 to 31<sup>st</sup> March 2022. He was appointed as Executive Chairman (Whole-time Director) from 1<sup>st</sup> April 2022. He is the Chairman of Shanthi Gears Limited and Parry Enterprises India Limited and also on the Board of various companies including Cholamandalam Investment and Finance Company Limited, CG Power and Industrial Solutions Limited.

### Mr. Vellayan Subbiah

#### *Executive Vice Chairman*

Mr. Vellayan Subbiah (53 years, DIN-01138759) is a Bachelor of Technology in Civil Engineering from IIT Madras and holds a Master's degree in Business Administration from the University of Michigan. He has over 25 years of work experience in consulting, technology and financial services. He was appointed as Managing Director (Designate) of the Company with effect from 19<sup>th</sup> August 2017 and then took over as the Managing Director from 14<sup>th</sup> August 2018 till 31<sup>st</sup> March 2022. He was appointed as Executive Vice Chairman Whole-time Director from 1<sup>st</sup> April 2022. He was earlier the Managing Director of Cholamandalam Investment and Finance Company Limited (CIFCL). He is currently the Chairman of CIFCL and CG Power and Industrial Solutions Limited and is also a Director on the Board of various companies including SRF Limited and Cholamandalam Financial Holdings Limited.

### Mr. Mukesh Ahuja

#### *Managing Director*

Mr. Mukesh Ahuja, (51 years; DIN-09364667), is a graduate in Production Engineering from Dr. BA Marathwada University and MBA in Marketing. He has completed Executive General Management Program in IIM-Bangalore and Advance Management Program in the Harvard Business School, Boston. He has over two decades of experience in managing operations, strategy, business development and sales & marketing. He started his career as Graduate Trainee Engineer in Production Planning & Control with LPS Ltd, Rohtak. He joined the Board on 1<sup>st</sup> April 2022 consequent to his appointment as the Managing Director. He is also on the Board of various companies including Shanthi Gears Limited and TI Clean Mobility Private Limited.

### Mr. Sanjay Johri

#### *Non-Executive Director*

Mr. Sanjay Johri (70 years, DIN-00032015) is a graduate from St. Stephens College and a post graduate in Economics from the Delhi School of Economics. He joined the Tata Administrative Services in 1975 and has served his entire working career with the Tata Group. Amongst his assignments with the Tatas, he has held office as the Managing Director of RDI Print & Publishing Ltd., as a Director of Tata Infomedia Ltd. & Timex Watches Ltd. and as the Managing Director & Chief Executive Officer of Voltas Ltd. He joined the Board on 14<sup>th</sup> August 2018.

### Mr. Anand Kumar

#### *Non-Executive Director*

Mr. Anand Kumar (56 years; DIN-00818724) holds an MBA from Vanderbilt University, United States of America. He is a co-founder and Partner of Gateway Partners, an investment firm focused on growth capital and strategic opportunities across markets in Southeast Asia, South Asia, the Middle East and Africa. He has over 30 years of experience in investments, mergers & acquisitions, equity capital markets and leveraged finance in South and Southeast Asia with a strong network of relationships in the region. Prior to co-founding Gateway Partners in 2014, has held leadership positions in several leading investment banks including Standard Chartered Bank and Morgan Stanley. He joined the Board on 24<sup>th</sup> March 2021. He is also on the Boards of Cholamandalam Investment and Finance Company Limited, TVS Supply Chain Solutions Limited, Medall Healthcare Private Limited and a few other companies in India and abroad.

### Ms. Sasikala Varadachari

#### *Non-Executive Director*

Ms. Sasikala Varadachari (68 years; DIN-07132398) holds Masters in Economics and a Chartered Associate of Indian Institute of Bankers (CAIIB). She was associated with State Bank of India (SBI) group since 1977 and was holding several important portfolios in SBI including, Chief Executive Officer of SBI - Tel Aviv, Israel. She retired as Chief General Manager, Strategic Training Unit, Corporate Centre of SBI. She is on the Board of various companies including Sundaram-Clayton Limited, Cholamandalam Securities Limited and CG Power and Industrial Solutions Limited. She joined the Board on 17<sup>th</sup> June 2021.

### Mr. Tejpreet Singh Chopra

#### *Non-Executive Director*

Mr. Tejpreet Singh Chopra (53 years; DIN-00317683) graduated from The Lawrence School, Sanawar and holds an MBA degree from the Cornell University, a B.A. Honors degree in Economics from St. Stephen's College, Delhi University and attended an Executive Program at the Harvard Kennedy School. He is the Founder & CEO of Bharat Light & Power (BLP) Group. Until 2010, Mr. Tejpreet Singh Chopra was the President & CEO of GE India, Sri Lanka & Bangladesh. Prior to that, he served as President & CEO of GE Commercial Finance in India. He is also currently on the Board of Gujarat Pipavav Port Limited, Indian Energy Exchange Limited and SRF Limited as an Independent Director. He joined the Board on 16<sup>th</sup> March 2022.

### Mr. K R Srinivasan

#### *President and Whole-time Director*

Mr. K R Srinivasan (60 years; DIN-08215289) is the President of TI Metal Formed Products Division of the Company. He is a Mechanical Engineering graduate with Honors from Regional Engineering College (REC), Trichy and a post graduate in Business Administration from University of Madras. He is a Fulbright Fellow in Leadership in Management from Carnegie Mellon University, Pittsburgh, USA. He has over 25 years' of experience in various functions viz., sales, marketing, application engineering, product management, manufacturing and other plant operations, process re-engineering, project management and information technology. He joined the Board on 11<sup>th</sup> November 2020. He is also on the Board of Parry Enterprises India Limited.

## Financial Highlights

<b>OPERATING RESULTS</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>
Net Sales	6,792	5,987	4,026	4,053	4,983
Profit before Depreciation, Interest & Tax (PBDIT)	1095	785	549	610	563
Profit before Interest & Tax (PBIT)	950	640	400	450	423
Profit before Tax (PBT)	928	628	381	421	371
Profit after Tax (PAT)	665	475	273	331	244
Earnings Per Share (₹)	34.46	24.64	14.44	17.60	13.02
Dividend Per Share (₹)	3.50	3.50	3.50	3.50	2.50
Book Value Per Share (₹)	170.51	142.16	118.94	91.14	75.92
<b>SOURCES AND APPLICATION OF FUNDS</b>					
<b>SOURCES OF FUNDS</b>					
Share Capital	19	19	19	19	19
Reserves and Surplus	3,273	2,682	2,274	1,694	1,406
Net Worth	3,292	2,701	2,293	1,713	1,425
Debt	473	348	309	268	517
Deferred Tax Liability (Net)	(4)	2	(3)	14	42
Derivative Instruments	1	-	-	-	-
<b>Total</b>	<b>3,763</b>	<b>3,051</b>	<b>2,600</b>	<b>1,994</b>	<b>1,983</b>
<b>APPLICATION OF FUNDS</b>					
Net Fixed Assets	961	985	954	1,012	981
Right-of-use assets	27	32	38	43	-
Capital Work-In-Progress	97	56	126	52	69
Investment Property	5	5	5	5	5
Intangible Assets	2	1	1	1	-
Investments	2,041	1,666	1,534	629	557
Inter Corporate Deposit and Other Deposit	318	64	-	-	-
Net Working Capital and Others	313	242	(58)	251	372
<b>Total</b>	<b>3,763</b>	<b>3,051</b>	<b>2,600</b>	<b>1,994</b>	<b>1,983</b>
<b>RATIOS</b>					
PBT To Sales (%)	13.7	10.5	9.5	10.4	7.5
PAT To Sales (%)	9.8	7.9	6.8	8.2	4.9
Interest Cover (times)	50.7	60.4	25.3	21.1	10.7
ROIC (%) (pre-tax) *	54.5%	46.5%	31.5%	29.0%	26.4%
Return on Networth (%)	20.2	17.6	11.9	19.3	17.1
Total Debt Equity Ratio	0.1	0.1	0.1	0.2	0.4
Long Term Debt Equity Ratio	0.0	0.0	0.0	0.1	0.1
Sales / Fixed Assets (times)	6.4	5.7	3.7	3.8	4.7
Sales / Net Working Capital and Others (times)	21.7	24.7	(69.5)	16.1	13.4
Net Debt #	69	65	(10)	149	491
Free Cash Flow	608	205	533	320	212

\* ROIC (pre-tax) is calculated based on monthly average capital employed

# Debt net of Cash & Cash Equivalents, Debt Securities and Current Investments



# Board's Report & Management Discussion and Analysis

## Dear Shareholders,

The Directors take pleasure in presenting the 15<sup>th</sup> Annual Report together with the audited financial statements of the Company for the year ended 31<sup>st</sup> March 2023.

### 1. Business Environment

The financial year 2022-23 was a challenging year for the global economy starting with the conflict between Russia and Ukraine leaving the oil/energy prices to go up significantly. This was followed by inflation due to increase in the prices of commodities across the globe and energy crisis. Most of the major economies witnessed unprecedented inflation rates in its history and all the central banks started continuously raising the interest rates. Due to increasing oil prices, the US dollar had gained against all currencies which resulted in inflationary pressures on emerging economies who are import dependent and the chain effect continued.

The aforesaid developments in the global economy influenced and posed a downside risk to the Indian economy. The erratic climate conditions including unseasonal rains also affected the food supply and resulted in increased food inflation in India during FY 2022-23. Consequently, Reserve Bank of India continued to increase the repo rates to tame the inflation within the upper tolerance limit. In spite of all the headwinds, India continued to be the fastest growing major economy for FY 2022-23 @ 7.2% as a result of the strong macro-economic fundamentals, domestic consumption and increase in exports.

The Indian economy is projected to grow at around 6.3% in FY 2023-24 amid global headwinds and rising costs. This is mainly driven by private consumption and private investments backed by supportive Government policies to improve the infrastructure and business ecosystem. The Government has indicated that to sustain the current growth trajectory, structural changes for ensuring financial discipline and compliance will be introduced. The digital infrastructure expansion, implementation of production linked incentive schemes have incentivised the corporates for setting up of infrastructure for sustained growth in the future.

The latest episodes of banking sector crisis across the major economies have exposed the financial risks faced not only by these countries but also globally. Also, with the fear of recession looming large at the world, 2023-24 is expected to be an even more challenging and turbulent year. However, it is expected that the Indian economy will remain insulated to some extent due to its strong domestic demand and sound macro-economic fundamentals.

The automotive industry, a sector in which the Company has a large exposure, has witnessed a healthy revival in FY 2022-23 and is expected to carry forward similar momentum going forward. The Government's push for capital outlay of ₹2.4 lakh crores for railways as part of the Union Budget, will be favourable to the Company which expects its railways business to benefit out of this spend. Further, other announcements to boost domestic manufacturing, promote exports and green energy will be advantageous to the Company.

Reserve Bank of India has finally paused the rate hike after six consecutive increases in April 2023. It is an indicator of the strong resilience shown by the Indian economy. Though there appears to be a pause in the investment climate, it is expected that a mix of cautious and necessary investments will still continue through this financial year which may help the Indian economy to continue its growth momentum.

### 2. Standalone Financial Highlights

Particulars	₹ in Cr.	
	2022-23	2021-22
<b>Sale of Products</b>	<b>6,791.61</b>	<b>5,986.79</b>
<b>Profit Before Exceptional Items and Tax</b>	<b>928.29</b>	<b>628.04</b>
Exceptional Items	(52.72)	-
<b>Profit Before Tax</b>	<b>875.57</b>	<b>628.04</b>
Tax Expense	(210.37)	(152.87)
<b>Profit After Tax</b>	<b>665.20</b>	<b>475.17</b>

The Board of Directors has decided to retain the entire amount of profit for the financial year 2022-23 in the Statement of Profit and Loss.

### 3. Performance Overview

During 2022-23, the Company has achieved a turnover of ₹6,792 Cr., registering a growth of 13% over the previous year. The Profit before Depreciation, Interest, Exceptional Items and Tax was at ₹1,095 Cr. as against ₹785 Cr. in the previous year. The Profit before Tax and Exceptional Items was at ₹928 Cr. as against ₹628 Cr. in the previous year.

The Engineering segment registered a revenue of ₹4,562 Cr. as compared to ₹3,868 Cr. during the previous year, a growth of 18%. The operating profit before interest and tax stood at ₹549 Cr. as compared to ₹376 Cr. during previous year, a growth of 46%.

The Metal Formed Products segment recorded a revenue of ₹1,424 Cr. as compared to ₹1,240 Cr. during the previous year, a growth of 15%. The operating profit before interest and tax stood at ₹174 Cr. as compared to ₹136 Cr. during previous year, a growth of 27%.

The Mobility segment recorded a revenue of ₹800 Cr. as compared to ₹963 Cr. during previous year, a de-growth of 17%, due to adverse market conditions. The operating profit before interest and tax stood at ₹17 Cr. as compared to ₹55 Cr. during the previous year.

Other businesses segment including Industrial Chains registered a revenue of ₹768 Cr as compared to ₹562 Cr. during the previous year, a growth of 37%. The operating profit before interest and tax stood at ₹48 Cr. as compared to ₹36 Cr. during previous year, a growth of 31%.

#### 4. New business initiatives

##### 4.1. Clean Mobility business: TI Clean Mobility Private Limited

The Company had incorporated M/s. TI Clean Mobility Private Limited ("TICMPL") in February 2022 as a wholly-owned subsidiary to focus on clean mobility solutions. TICMPL is pursuing electric three-wheelers business and has launched the passenger three-wheeler in the market. TICMPL is also developing cargo and e-rick variants, which are expected to be launched in the second half of FY 2023-24.

In March 2022, TICMPL had acquired 69.95% of M/s. Celestial E-Mobility Private Limited ("CEMPL"), manufacturer of electric tractor, for ₹161 Cr. During the year, TICMPL had acquired the balance 30.05% for ₹51 Cr. making it a wholly-owned subsidiary. CEMPL is in the advanced stage of introducing electric tractors in the market. A new manufacturing facility is coming up at Poonamalle, near Chennai for electric tractors.

During the year, TICMPL had acquired 65.2% of the equity share capital of M/s. IPLTech Electric Private Limited ("IPLT"), a company engaged in manufacturing of electric heavy commercial vehicles for ₹245 Cr., through a combination of primary and secondary purchase of shares. IPLT is the first manufacturer for 55T electric truck predominantly used in steel and cement industry for short haulages. IPLT is awaiting necessary approvals, under the new and revised guidelines, for launch of electric heavy commercial trucks and is expected to expand rapidly in FY 2023-24. A dedicated facility with automated assembly line is coming up near Manesar. The unique selling proposition offered by IPLT to its customers includes reduction in logistics cost, higher uptime and

comprehensive annual maintenance. IPLT is working on development of other variants to cater to different customer segments and enhancing its presence.

As of 31<sup>st</sup> March 2023, TII has invested ₹250 Cr. towards Equity Shares and ₹167 Cr. towards Compulsorily Convertible Preference Shares ("CCPS") in TICMPL. TII and TICMPL entered into definitive agreements with M/s. Multiples Private Equity Fund III & M/s. State Bank of India (together "Investors") for raising about ₹600 Cr. through issue of Equity Shares and CCPS. The Investors have so far invested about ₹400 Cr. towards 100 Equity Shares and 4,00,00,000 Series A1 CCPS. Pursuant to the said agreement, TII has agreed to invest ₹425 Cr. towards CCPS and has already invested ₹167 Cr. 16700000 Series B CCPS.

On 5<sup>th</sup> May 2023, TICMPL entered into definitive agreements with TII, M/s. Multiples Private Equity Fund III, M/s. Multiples Private Equity Fund IV, M/s. Multiples Private Equity Gift Fund IV and their co-investors (together "Investors") for raising about ₹600 Cr. through issue of Equity Shares and CCPS to Investors and ₹75 Cr through issue of CCPS to TII.

##### 4.2. Foray into Contract Development and Manufacturing Services

The Company has identified contract development and manufacturing operation ("CDMO") and active pharmaceutical ingredients as a new line of business with the potential to grow and expand in the future. The approval of the Members was obtained for amendment to the Memorandum of Association of the Company on 16<sup>th</sup> April 2023 to include this business in the Objects Clause.

The Company had entered into an agreement with Mr. N Govindarajan, an experienced and well recognised professional in the Indian pharmaceutical industry to incorporate a subsidiary for pursuing the CDMO business. Pursuant to the said agreement, the Company proposes to invest up to ₹285 Cr. into this subsidiary in the form of equity and compulsorily convertible preference shares in tranches and Mr. N Govindarajan will be investing up to ₹15 Cr. in equity and compulsorily convertible preference shares in tranches. Subject to the performance and other terms and conditions specified in the agreement, Mr. N Govindarajan will be entitled to get up to 25% of the equity for his investment. The CDMO subsidiary, M/s. 3xper Innoventure Limited, was incorporated on 12<sup>th</sup> May 2023.

The CDMO subsidiary is finalising a strategic location for establishment of the manufacturing facility. The R&D facility is coming up at Chennai.

#### 4.3. Acquisition of M/s. Lotus Surgicals Private Limited, a medical devices company

The Company joined hands with M/s. PI Opportunity Fund I Scheme II ("Premji Invest") to acquire M/s. Lotus Surgicals Private Limited ("Lotus"). TII acquired 33,61,902 equity shares representing 67% of the share capital for about ₹233 Cr. and Premji Invest acquired 16,55,862 equity shares representing 33% of the share capital for about ₹115 Cr. on 10<sup>th</sup> May 2023. Lotus is a subsidiary company under Section 2(87) of the Companies Act, 2013 with effect from the date of acquisition (10<sup>th</sup> May 2023). Lotus will be vehicle for medical devices business of TII.

Lotus was incorporated in 2005 and is engaged in the business of manufacturing and supply of surgical sutures & other medical devices. It has a comprehensive product portfolio focused on high end specialties such as cardiac, liver transplant, GI oncology and bariatrics. Lotus is the second largest domestic player in the aforesaid segments. The product portfolio includes sutures, mesh, skin staplers, laparoscopy instruments, energy devices etc. It has state of the art manufacturing facility and is also setting up in-house needle manufacturing capabilities.

#### 4.4. Acquisition of M/s. Moshine Electronics Private Limited

The Company as part of its foray into electronics business, acquired 20,66,628 equity shares representing 76% of the share capital of M/s. Moshine Electronics Private Limited ("Moshine") on 23<sup>rd</sup> September 2022.

Moshine is engaged in manufacture and sale of camera module for mobile phones. Moshine is engaging with new customers for growth in FY 2023-24.

### 5. Business Review – Standalone

#### 5.1. Engineering

##### TI's Presence

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

#### Industry Scenario

During 2022-23, the automotive industry's production volume grew by 13%. Passenger vehicle and commercial vehicle grew by 25% and 29% respectively and two-wheeler segment grew by 9% over the last fiscal year.

#### Review of Performance

The Engineering segment was able to grow its volumes leveraging the growth of passenger vehicles and commercial vehicles. The business also focussed and realized the increased opportunities in the export market. The volumes of tubes grew by 13%, cold rolled steel strips business grew by 6% and large diameter tubes grew by 12%.

The business continued to drive efficiency improvement and spending capital expenditure prudently on critical growth projects. The business is in the process of increasing capacities for large diameter tubes and Cold Rolled steel strips to meet the increased market demand.

The business started Lean implementation for eliminating/reducing wastes in the value chain by focussing on productivity & quality improvement, inventory reduction & creating a flow in production system using Lean tools & techniques.

Career path initiatives were taken up to provide opportunities to employees within the organization for new openings and to enable cross function exposure and growth.

The business continued to participate in the reviews of US Department of Commerce on complaint of alleged dumping of cold-drawn steel mechanical tubes from India and some other countries, the Countervailing Duty (CVD) and Anti-dumping Duty (AD) on the Company's exports to the US market, to reduce duty rates to enhance export volumes.

#### 5.2. Metal Formed Products

##### TI's presence

Automotive chains, fine blanked products, roll-formed car doorframes and shell sub-assemblies for passenger coaches constitute the Metal Formed Products segment.

#### Industry scenario

During 2022-23, production of two-wheeler segment grew by 9.2% and passenger cars grew by 18.4%.

FY 2022-23 is the first full year of business without any disruption post pandemic. Continuing from the



last year, the business was faced with increase in steel prices, increase in the input costs and inflation during first half of the year. During second half of the year, steel prices began softening. The business continued to prove its mettle by taking advantage of economies of scale, prudent capital spending, operating with an optimum working capital along with control on the costs through various cost reduction measures. Lean initiatives are being driven through inculcating kaizen culture in all the areas.

With international car majors continuing to invest in the country and increasingly using India as an export base, many component manufacturers have the opportunity to cater to the global needs of automobile manufacturers and their Tier 1 Suppliers.

The Railways business continued to go through a subdued phase as demand continues to be at lower levels.

### Review of Performance

Backed by the demand in the four-wheeler segment, the business dependent on these segments did extremely well. Despite the two-wheeler industry volume not reaching the pre-pandemic level, business maintained its market share in key segments. The Company continued to focus in the aftermarket segment benefiting from the two-wheeler population growth. The replacement market continues to provide opportunities for growth notwithstanding good competition and the business expects to strengthen on the sales structure, deepen its coverage and launch new products for new categories.

Fine blanking and Doorframe sales were higher by 26% during 2022-23 and the business manages to hold on to the market due to good traction seen in four wheeler segment. The businesses continue to gain additional market share by maintaining high quality standards and customer satisfaction. The focus has been on generating more new businesses from the Original Equipment Manufacturers (OEMs) / Tier 1 Suppliers to OEMs by value addition and cost competitiveness. The business is also focused on exploring new products / technologies for growth in the top line.

In addition, increased volumes and increased price realisation in coach parts, focus on metros and expanding the customer/product base are some of the driving factors that will put the Railways business back on track.

## 5.3. Mobility Business

### TI's Presence

Mobility segment of the Company comprises of bicycles of Standards and Specials including alloy bikes & performance bikes, cycling accessories, bicycle components sold as spares and home/semi commercial fitness equipment. This year the scope of business has expanded by introducing SMART - Spares Maintenance Accessories Recreational Toddler. Company has also embarked on the export business as a growth lever/strategy.

### Industry Scenario

Bicycles fall under two distinct categories – Standards and Specials. While standard cycles are largely used for commuting, especially in small towns & rural areas, special cycles cater to recreational usage, where the product is used for fun, fitness, and leisure activities. During the financial year, the organised trade industry witnessed a decline of 12% as against the previous year. Standards segment dropped by 2% and specials segment by about 16%.

Consumer demand continued towards economy range of products and unbranded players with low priced products gained an edge in the industry. To counter the penetration of unbranded players, playing on price, the organised players i.e., AICMA (All India Cycle Manufacturer's Association) have ventured into launching low priced products in Kids and Mountain Terrain Bikes ("MTB") segments.

FY 2020-21 witnessed a pent-up demand in cycles due to lockdown of schools, workplaces, and fitness centres. However, in the current scenario, the usage of cycles has significantly reduced due to resumption of all activities leading to a drop in demand.

Over 60% of the country's requirements are met by four major players. The smaller regional players and imports constitute the balance. TI Cycles enjoys a share of about 25.1% of the total organised trade market.

### Review of Performance

TI Cycles sold 17 lakh bicycles during the year in trade, which was lower by 16% compared to previous year. Overall Trade bicycle industry itself registered de-growth of 12% over the previous year. The thrust on Specials segment was driven through frequent new product launches, product innovations, enhanced digital marketing and superior consumer experience through exclusive retail outlets under the exclusive retail brand 'Track & Trail' and a new concept "Star MBO"- a shop-in-shop experience leveraging multi-brand outlets. We have opened 45 of such

shops during last year. Expansion of export business and domestic spares business are considered to be new avenues of business to the Company. To participate in the growing economy sub-segment, 5 economy products were launched in major categories like Kids and MTB.

In 2022-23, 49 new model bicycles were launched, and 55 models were refreshed. 33% of the trade sales volume came from new products. We have lined up 7 launch ready innovations - such as knuckle guard light, saddle sensor light, balenso, agresso, dirt tricks, buddy back rest, integrated utility solution slated to be launched during 2023-24.

On the consumer outreach front, we ran digital, influencer campaigns for its major brands, with BSA, Hercules, Roadeo, and Montra delivering a significant lift in brand awareness. We have started various demand generation offline activities. The objective of the campaigns/demand generation activities was to increase brand awareness and product consideration among the target group.

## 6. Dividend

The Board of Directors declared an Interim Dividend of ₹2/- per share (@ 200%) on equity share of face value of ₹1/- each for the financial year 2022-23, which was paid on 27<sup>th</sup> February 2023 to all the eligible shareholders. ₹1.50/- per share (@ 150%) of Final Dividend has been proposed by the Board for the said financial year and together with the Interim Dividend of ₹2/- per equity share, already declared and paid, in respect of the financial year 2022-23, ₹3.50 per share (@ 350%) will be considered as the total Dividend for the said financial year.

The dividend pay-out is in line with the Company's policy on Dividend Distribution. The Company has proposed to conserve cash for the capital expenditure and funding requirements. The said Policy as approved by the Board is uploaded and is available on the following link on the Company's website: <https://tiindia.com/dividend-distribution-policy/>

## 7. Share Capital

The paid-up Equity Share Capital of the Company as on 31<sup>st</sup> March 2023 was ₹19,31,21,076/- consisting of 19,31,21,076 Equity Shares of the face value of ₹1/- each fully paid up. During the financial year 2022-23, the Company allotted 1,70,855 equity shares consequent to exercise to employees stock options.

## 8. Finance

Cash and Cash Equivalents as at 31<sup>st</sup> March 2023 were ₹111 Cr. In addition, Company has investments in Liquid Schemes of Mutual Funds for ₹293 Cr.

The Company continues to focus on judicious management of its working capital. The Company has taken many steps during the year to improve the working capital turns. The working capital parameters were kept under strict check through continuous monitoring.

### 8.1. Non-Convertible Debentures

During the year, Non-Convertible Debentures (NCDs) aggregating ₹50 Cr. were redeemed by the Company. As at 31<sup>st</sup> March 2023, there are no NCDs outstanding.

### 8.2. Deposits

The Company has not accepted any fixed deposits under Chapter V of the Companies Act, 2013 and as such no amount of principal and interest were outstanding as on 31<sup>st</sup> March 2023.

### 8.3. Particulars of Loans, Guarantees or Investments

As per Section 186 of the Companies Act, 2013, details of the loans, guarantees and investments made during the FY 2022-23 are given below:

Name of the Companies	Nature of transaction - Loans/Investments	₹ in Cr.
TI Clean Mobility Private Limited	Investment in equity shares	150.00
	Investment in Compulsorily Convertible Preference Shares	167.00
	Inter-Corporate Deposits / Loans	325.00
Moshine Electronics Private Limited	Acquisition of equity shares from the existing shareholders	7.38
	Inter-Corporate Deposits / Loans	3.75
X2Fuels and Energy Private Limited	Investment in equity shares	6.15
CG Power and Industrial Solutions Limited	Conversion of share warrants to equity shares	54.72

The aforesaid investments are in compliance with Section 186 of the Companies Act, 2013 and used for the business activities by the respective companies. Further details form part of the Notes to the financial statements provided in this Annual Report.

As part of treasury management, the Company also deploys any short-term surplus in units of mutual funds, the details relating to which form part of the Notes to the financial statements provided in this Annual Report.

## 8.4. Consolidated Financial Highlights

	₹ in Cr.	
Particulars	2022-23	2021-22
Revenue from contract with customers (net)	14,430.95	11,982.53
Profit / (Loss) Before share of Profit / Loss of Associates / Joint Ventures, Exceptional Items and Tax	1,592.51	1,111.15
Exceptional items	8.06	20.21
Profit / (Loss) Before share of Profit / Loss of Associates / Joint Ventures and Tax	1,600.57	1,131.36
Tax Expense	422.59	160.83
Profit / (Loss) Before share of Profit / Loss of Associates / Joint Ventures	1,177.98	970.53

## 9. Business Review – Subsidiaries and Joint Venture

### 9.1. Shanthi Gears Ltd (SGL)

SGL, a subsidiary of the Company, recorded revenue of ₹446 Cr. in 2022-23 against ₹337 Cr. in the previous year. Profit before tax was ₹90 Cr. (Previous year: ₹59 Cr.). During the year, SGL renewed its focus on re-establishing itself in the market and gaining new customers.

SGL continued to look at enlarging its market presence, create a robust channel, enhance its process capabilities and launch new products to meet the growing expectations of customers.

SGL also declared and paid an Interim Dividend of ₹3/- per share for the financial year 2022-23.

### 9.2. Financière C10 SAS (FC10)

FC10, the Company's wholly owned subsidiary in France, recorded consolidated revenue of Euro 39 Mn in 2022 (previous year: Euro 33 Mn). The profit after tax for the year was Euro 0.39 Mn as compared with the profit after tax of Euro 0.25 Mn. in the previous year. The consolidated results of FC10 include results of its subsidiaries viz., Sedis SAS, Sedis GmbH and Sedis Co Ltd in UK.

### 9.3. Great Cycles (Private) Limited (GCPL)

GCPL is the Company's subsidiary in Sri Lanka acquired in March 2018. The Company holds 80% of GCPL's equity capital.

During the year under review, GCPL recorded revenue of ₹6 Cr. (Previous year: ₹32 Cr.) and registered loss before tax of ₹1 Cr. (previous year profit before tax: ₹9 Cr.)

### 9.4. Creative Cycles (Private) Limited (CCPL)

CCPL is the Company's subsidiary in Sri Lanka acquired in March 2018. The Company holds 80% of CCPL's equity capital.

During the year under review, CCPL recorded revenue of ₹32 Cr. (Previous year: ₹77 Cr.) and registered profit before tax of ₹3 Cr. (Previous year loss before tax: ₹14 Cr.).

### 9.5. CG Power and Industrial Solutions Limited (CG Power)

CG Power is the Company's subsidiary acquired in November 2020. The Company holds 58.05% of CG Power's equity capital.

During the year under review, CG Power at a consolidated level recorded revenue of ₹6,973 Cr. (previous year: ₹5,484 Cr.) and registered profit before tax & exceptional items of ₹950 Cr. (Previous year: ₹504 Cr.)

CG Power has registered an impressive turnaround which only reaffirms the confidence of the Board at the time of acquisition that CG Power would create better value for itself and the Company in the coming years.

CG Power also declared and paid an Interim Dividend of ₹1.50 per share for the financial year 2022-23.

### 9.6. TI Clean Mobility Private Limited (TICMPL)

TICMPL, the Company's subsidiary was incorporated on 12<sup>th</sup> February 2022.

During the year under review, TICMPL on a standalone basis registered a loss before tax of ₹79 Cr.

During the year under review, IPLTech Electric Private Limited registered a loss before tax of ₹33 Cr. from acquisition date.

During the year under review, Celestial E-Mobility Private Limited registered a loss before tax of ₹11 Cr. and Celestial E-Trac Private Limited registered a loss before tax of ₹13 Cr. from acquisition date.

### 9.7. Moshine Electronics Private Limited (MEPL)

During the year under review, MEPL recorded ₹6 Cr as revenue and registered a loss before tax of ₹1 Cr. from acquisition date.

### 9.8. X2Fuels and Energy Private Limited (X2Fuels)

During the year under review, X2Fuels registered a loss before tax of ₹0.06 Cr. from acquisition date.

## 10. Financial Review

### 10.1. Profits & Profitability

The Profit before Tax and exceptional items has registered a growth by 48%. All the business segments of the Company maintained their focus on servicing customers, improving efficiencies, controlling working capital and reducing resources employed in the business.



## 10.2. Capital Expenditure

The Company continues to assess the trends emerging in the industry and the changing requirements of its customers and invests appropriately for the long-term, with a view to servicing its customers in a more timely and efficient manner.

## 10.3. Interest Cost

The Company's interest cost during FY 2022-23 was ₹22 Cr. compared to ₹12 Cr. in the previous year. The Company had a net debt of ₹69 Cr. (Net of Cash & Cash Equivalents and investment in mutual funds) as on 31<sup>st</sup> March 2023 as compared to ₹65 Cr. as on 31<sup>st</sup> March 2022.

## 10.4. Financial Ratios

The key financial ratios of the Company during the financial year compared to the previous financial year are as under:

Sl. No.	Financial Ratio*	FY 2022-23	FY 2021-22	% change over previous year
1	Interest Coverage Ratio (times)	50.7	60.4	(19.2%)
2	Debt-Equity Ratio (times)	0.1	0.1	11.5%
3	Net Profit Margin	9.2%	7.5%	23.0%
4	Return on Net Worth	20.2%	17.6%	12.9%
5	Return on Capital Employed	27.6%	22.6%	22.2%
6	Revenue Growth	13.8%	49.4%	
7	Debtors Turnover (times)	10.4	9.9	4.7%
8	Inventory Turnover (times)	7.5	7.1	4.5%
9	Current Ratio (times)	1.1	1.1	2.9%
10	Operating Profit Margin	13.0%	10.9%	16.0%

\*Ratios are tracked by the Company on a standalone basis

## 10.5. Internal Control Systems

Internal control systems in the organisation are looked at as the key to its effective functioning. The Company believes that internal control is one of the key pillars of governance which provides freedom to the management within a framework of appropriate checks and balances. Given the nature of business and size of operations, the Company has designed and instituted a robust internal control system that comprises well-defined organisation structure, roles and responsibilities, documented policies and procedures to reduce business risks through a framework of internal controls and processes. These controls ensure:

- Recording of transactions are accurate, complete and properly authorised;
- Adherence to Accounting Standards, compliance to applicable Statutes, Company policies and procedures and timely preparation of financial statements;
- Effective usage of resources and safeguarding of assets;

- Prevention and detection of frauds/errors; &
- Efficient conduct of operations.

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

In its continued efforts to further strengthen its Internal Audit process through utilizing the services of a specialist agency in order to benefit from the best of practices available (including the use of analytical tools) to monitor various processes, the Company has re-appointed M/s. Pricewaterhouse Coopers (“PwC”) as Internal Auditors of the Company for the financial years 2023-24 and 2024-25. The Company is seeing benefits from the professional approach and practises adopted by the said Internal Auditors.

The Audit Committee of the Board of Directors, comprising of independent directors, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with accounting standards as well as reasons for changes in accounting policies and practices, if any.

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

Revenue and capital expenditures are governed by approved budgets and the levels are defined by a delegation of authority mechanism. Review of capital expenditure is undertaken with reference to benefits expected in line with the policy for the same.

Investment decisions are subject to formal detailed evaluation and approved by the relevant authority as defined in the delegation of authority mechanism. The Audit Committee reviews the plan for internal audit, significant internal audit observations and functioning of the Company’s Internal Audit department on a periodic basis.

**10.6. Internal Financial Control Systems with reference to the Financial Statements**

The Company has complied with the specific requirements of the Companies Act, 2013 which call for establishment and implementation of an Internal

Financial Control framework that supports compliance with requirements of the said Act in relation to the Directors’ Responsibility Statement.

The Company’s business processes are enabled by an Enterprise-wide Resource Platform (ERP) as its core IT system. The operating management is not only responsible for revenue and profitability, but for also maintaining financial discipline and accountability. The systems and processes are continuously improved by adopting best in class processes, automation and implementing latest Information Technology tools.

The Company has a formal system of internal financial control to ensure the reliability of financial and operational information, and regulatory and statutory compliances. This is reviewed regularly and tested by Internal Audit Team. The Company’s business processes are enabled by the ERP for monitoring and reporting processes resulting in financial discipline and accountability.

**11. Enterprise Risk Analysis and Management**

The Company has an established risk assessment and minimisation framework. This framework provides a mechanism to identify the risk, evaluation of likelihood of happening and consequences. It also provides for assessment of options to mitigate the risk and develop appropriate risk management plans. There are normal constraints of time, efficiency and cost.

The Risk Management Committee of the Board of Directors reviews the risk mitigation plans periodically to monitor the key risks of the Company and evaluate the management of such risks for effective mitigation.

During the year under review, the Risk Management Committee met on 1<sup>st</sup> August 2022, 4<sup>th</sup> November 2022 & 22<sup>nd</sup> March 2023 and reviewed the risks and mitigation plans of the divisions.

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

### 11.1. Engineering

Risk	Why considered as Risk	Mitigation Plan/Counter Measure
User Industry Concentration Risk	<ul style="list-style-type: none"> <li>• Significant exposure to auto sector</li> <li>• Time lag in pass through of input cost changes</li> </ul>	<ul style="list-style-type: none"> <li>• New products/applications to existing customers</li> <li>• Introduction of new products catering to non-auto users</li> <li>• Increase in exports volume with focused business development on select product segments</li> <li>• Leverage application engineering skills for tubular solutions</li> <li>• To study the new opportunities that will emerge with the launch of electric vehicles and plan for participation in the same</li> <li>• Drive efficiency improvement through Lean approach for sustainable competitive advantage.</li> </ul>
Technology Obsolescence Risk	<ul style="list-style-type: none"> <li>• Cheaper alternatives for auto applications affecting revenue streams</li> </ul>	<ul style="list-style-type: none"> <li>• Imbibing new and relevant technologies</li> <li>• Equipment upgradations to address emerging demand for light weighting and high strength tubes (stabilizer bar tubes)</li> </ul>
Raw Material Risk	<ul style="list-style-type: none"> <li>• Volatility in steel price</li> <li>• Inconsistency in quality</li> <li>• High inventory holding</li> </ul>	<ul style="list-style-type: none"> <li>• Alliance with steel producers</li> <li>• Back-to-back arrangement with customers to ensure timely recovery of steel price increases</li> <li>• Global sourcing</li> <li>• Strategic sourcing including developing new grades by suppliers</li> <li>• Rationalization and standardization of grades</li> <li>• Move to products with higher value addition</li> </ul>
Competition Risk	<ul style="list-style-type: none"> <li>• Competition from integrated steel mills</li> <li>• New entrants with financial strength</li> <li>• Imports</li> </ul>	<ul style="list-style-type: none"> <li>• Consistent quality and timely delivery</li> <li>• Import substitution, development of new grades</li> <li>• Product range of offering leveraging all businesses of the Company</li> <li>• Innovate on products, process and applications</li> <li>• Leveraging metallurgy skills</li> <li>• Regional balancing and common capability across all plants</li> <li>• Digital initiatives for faster response</li> </ul>
Export related risks	<ul style="list-style-type: none"> <li>• Increased trade protectionism and import tariff</li> <li>• Global competition</li> <li>• Need for higher capability</li> </ul>	<ul style="list-style-type: none"> <li>• Identification of new export markets and customers</li> <li>• Capability building</li> <li>• Focussing on new product categories and newer markets across geographies</li> <li>• Continue participation in US AD/CVD reviews to reduce duty rates</li> <li>• Efficiency improvement through Lean approach for sustainable competitive advantage</li> </ul>



## 11.2. Metal Formed Products

Risk	Why considered as Risk	Mitigation Plan/Counter Measure
Product Risk	<ul style="list-style-type: none"> <li>• Slowdown in 2W industry growth</li> </ul>	<ul style="list-style-type: none"> <li>• Widen profile across product and customer portfolio.</li> <li>• Continue to focus on cost reduction opportunities.</li> <li>• Improving focus on exports.</li> </ul>
Pricing Risk	<ul style="list-style-type: none"> <li>• Year-on-Year price reduction expectation</li> </ul>	<ul style="list-style-type: none"> <li>• Relationship building and joint / dynamic estimation of cost with OEMs leading to smooth price increase settlement.</li> <li>• Arrangement with customers for the timely recovery of steel price increases in line with the industry standards.</li> <li>• Maximize the benefit from sourcing and consolidated buying to reduce impact</li> <li>• Value Analysis / Value Engineering (VAVE) initiatives.</li> <li>• Optimal investment and reduced cost of operations.</li> </ul>
Product Risk	<ul style="list-style-type: none"> <li>• Revenues are model specific</li> <li>• Risk of product failures</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous engagement with customers</li> <li>• Indigenization of equipment</li> <li>• Pursue options for other business using the same facilities</li> <li>• Model specific investments to be done by OEMs</li> <li>• More rigorous analysis of risks before taking up the project</li> </ul>
Technology Risk	<ul style="list-style-type: none"> <li>• Adoption of Electric Vehicles</li> </ul>	<ul style="list-style-type: none"> <li>• Engagement with major EV manufacturers.</li> <li>• Focus on adjacencies and exports.</li> <li>• Identification of new business opportunities.</li> </ul>
Employee Risk	<ul style="list-style-type: none"> <li>• Increase in labour cost and non-availability of skilled resource</li> <li>• Gap in talent availability</li> </ul>	<ul style="list-style-type: none"> <li>• Identifying talent and training for critical roles.</li> <li>• Skill development of employees.</li> <li>• Process automation</li> </ul>
Sourcing Risk	<ul style="list-style-type: none"> <li>• Availability of raw material</li> <li>• Dependency on few vendors</li> </ul>	<ul style="list-style-type: none"> <li>• Vendor relationship building</li> <li>• Strengthening planning system to ensure timely availability.</li> <li>• Identification of alternate source for critical items.</li> </ul>

### 11.3. Bicycles and Components

Risk	Why considered as Risk	Mitigation Plan/Counter Measure
Product Obsolescence Risk	<ul style="list-style-type: none"> <li>Decline in sales, revenue and profitability</li> <li>Increase in inventory</li> </ul>	<ul style="list-style-type: none"> <li>Adapt to product alternatives like E-bikes</li> <li>Export markets</li> <li>Activations to promote cycling as a lifestyle/fitness category</li> <li>Monitor NPD (new product development) cycle and address the exceptions periodically</li> </ul>
Sourcing Risk	<ul style="list-style-type: none"> <li>Raw material supply chain issues due to pandemic</li> <li>Volatility in volumes</li> <li>Continuous increase in raw material price</li> </ul>	<ul style="list-style-type: none"> <li>Continuous upgrading of vendor capability through vendor score card rating and closing the gaps, implementing Kaizens and ensuring timely delivery.</li> <li>Relationship building and ensuring stable volumes to keep the supplier operations running through altering SoBs and rationalizing the supply base continuously.</li> <li>Reduce import dependency and pass on the increase to market, ensuring commodity settlement to suppliers every month.</li> </ul>
Competition Risk	<ul style="list-style-type: none"> <li>Competitors investing in capacity expansion</li> <li>Investment in e-Cycle manufacturing plant to capitalize on domestic and exports volume</li> <li>International range licensing</li> </ul>	<ul style="list-style-type: none"> <li>Increase focus on brand awareness &amp; visibility initiatives</li> <li>Launch of e-cycles targeting global market</li> <li>Introducing new models with a healthy innovation funnel</li> <li>Consistent quality and timely delivery</li> </ul>
Volume & Profitability Risks	<ul style="list-style-type: none"> <li>Shift to mass premium from Premium</li> <li>High price competition in specials</li> <li>Increase in number of unbranded players with competitive offering</li> </ul>	<ul style="list-style-type: none"> <li>Be price competitive and leverage innovation</li> <li>Premium imagery and designs at competitive price points</li> <li>Star Multi Brand Outlets with a vision to enhance consumer in-store experience and store footprint</li> <li>Focus on optimized sourcing thereby have price competitive products</li> <li>Increase focus on brand awareness &amp; visibility initiatives</li> </ul>
Technology Risk	<ul style="list-style-type: none"> <li>Lack of capacity and capability to handle large scale shift to alloy bikes</li> </ul>	<ul style="list-style-type: none"> <li>Capability building for manufacture and assembly of alloy bikes</li> <li>Frame alloy manufacturing</li> <li>Water Decal establishing</li> <li>Support Indigenization for all imported components except gears &amp; shifters</li> <li>Establishing reliable source for high end bikes by approval of alloy tube manufacturer</li> <li>Development of alloy child parts</li> </ul>

#### 11.4. General

Risk	Why considered as Risk	Mitigation Plan/Counter Measure
Human Resource Risk	<ul style="list-style-type: none"> <li>• Build Talent Pipeline for meeting growth aspirations</li> <li>• Retention of talent</li> <li>• Availability and skill upgradation of non-permanent workforce</li> </ul>	<ul style="list-style-type: none"> <li>• Conceptualize and implement TI Talent Management approach as a key focus area</li> <li>• Coaching and team building</li> <li>• Individual career and development plan</li> <li>• Effective communication exercises</li> <li>• Continuous engagement with identified talent pool</li> <li>• Deskill operations</li> <li>• Continuously engage with contractors and contract labour for their wellness &amp; engagement.</li> </ul>
Currency Risk	<ul style="list-style-type: none"> <li>• Foreign currency exposure on exports, imports and borrowings</li> </ul>	<ul style="list-style-type: none"> <li>• Early identification and monitoring of exposures</li> <li>• Hedging of exposures based on risk profile.</li> </ul>
IT/Cyber Related Risk	<ul style="list-style-type: none"> <li>• Confidentiality, integrity and availability</li> </ul>	<ul style="list-style-type: none"> <li>• Access controls</li> <li>• Secure Network Architecture</li> <li>• Infrastructure redundancies &amp; disaster recovery mechanism</li> <li>• Audit of controls</li> </ul>
Project Management Risk	<ul style="list-style-type: none"> <li>• Delay in implementation</li> <li>• Increase in cost</li> <li>• Potential delay in stabilization of production.</li> </ul>	<ul style="list-style-type: none"> <li>• Effective project management</li> <li>• Pre-implementation planning</li> <li>• Deployment of adequate resources</li> <li>• Effective monitoring</li> </ul>

#### 12. Corporate Social Responsibility (CSR)

The Company, being part of the Murugappa Group, is known for its tradition of philanthropy and community service. The Company's philosophy is to reach out to the community by establishing service-oriented philanthropic institutions in the field of education and healthcare as the core focus areas. The CSR Policy of the Company is available on the Company's website at the following link: <https://tiindia.com/csr-policy/>.

As per the provisions of the Companies Act, 2013, the Company was required to spend ₹9.09 Cr. and had also carried forward an excess balance of ₹0.31 Cr. After adjustment of the said excess carried forward balance, the minimum mandatory amount required to be spent during the financial year 2022-23 was ₹8.78 Cr, against which, the Company spent ₹9.04 Cr. towards identified CSR projects in the fields of education, health care and community development during the year.

The Annual Report on CSR for 2022-23 is annexed to and forms part of this Report (refer Annexure-B) as well as on the Company's website at the following link: <https://tiindia.com/wp-content/uploads/2023/07/CSR-Annual-Report-2022-23.pdf>

#### 13. Corporate Governance

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

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

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

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



#### 14. Business Responsibility and Sustainability Reporting

As required under the SEBI Listing Regulations which mandate the inclusion of a Business Responsibility and Sustainability Report as part of the Annual Report for the top 1000 listed entities, the Business Responsibility and Sustainability Report forms part of the Annual Report (refer Annexure-D).

The Business Responsibility Policy of the Company is displayed on the Company's website at the following link: <https://tiindia.com/business-responsibility-policy/>

The report emphasises reporting on the ESG (Environmental, Social and Governance) matters and describes the initiatives taken by the Company with specific focus on ESG.

#### 15. Human Resources

This year the focus has been on continuing the journey towards nurturing a high performing work culture to achieve organisational goals. We continued to march ahead with process discipline, creating more and more oneness across all verticals of TII and driving a culture of high drive for achievement.

To foster the organisational oneness the theme of "One TII - Many possibilities - Ample opportunities" was unveiled at the Annual Communication meeting. Employees can aspire to grow within TII as the organisation itself is in the precipice of exploring possibilities in newer business areas. A core focus of the organisation has been towards employee engagement and well-being. Several focussed group discussions, manager conversations have helped the organisation to move forward with a concrete plan to drive engagement as a key metric. Insights from all the conversations have been translated into tangible actions which are being deployed across various employee groups. Safety and employee involvement continues to be a focus areas and in that regard various trainings, audits and corrective actions are implemented across all Business units.

Company continues to lay emphasis on the initiatives that are part of its long-term Human Resources Strategy. Significant work towards driving High Performance Work Culture through standardization of metrics across various business units and arriving at consistent People Productivity Index has helped identify various avenues to improve the same. TI Way of working, by standardizing various policies and processes, is progressing across all work locations.

The adoption of TI Way will be a game changer as the Company continues to pursue aggressive growth paths through several green field and M&A activities.

Consistent and significant efforts have been put in place to ensure that the TI Talent Development Engine (TDE) supports the growing needs of the leaders as the company progresses ahead.

As part of the TDE, three senior leaders were nominated for the Harvard AMP to make them future ready to take on leadership roles in existing as well as new businesses. 11 leaders have graduated this year from the group's Business Leadership Program and were assigned additional responsibilities or new roles. A total of 20% of overall Managers are going through development journeys to move to next level roles. The Talent Board continues to guide, support and mentor the various developmental actions, interventions and suggest appropriate next steps for accelerated talent development in TI.

Lot of focus this year has also been on improving the digital capabilities of the HR functions. A new system is being implemented in phases and the journey towards paperless HR has started. These are steps that the organisation is taking towards sustainable practices.

The Company embarked on its Lean (Kaizen) journey with the guidance from Japanese consultants in order to be competitive, adapt changes to market & economy. The focus was to eliminate/reduce waste in the value chain, create value to customer and be more productive in "what we do" & the "way we do". The main focus will be on improving productivity (daily despatches), quality improvement, reducing inventory & lead time, creating a flow in production processes using lean tools like Takt time production, line balancing, operator load balancing (Yamazumi), standard work combination, levelled production, operator & machine cycle time reduction.

The total number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March 2023 is 3,038.

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

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

obtaining a copy thereof, such Member may write to the Company Secretary in the said regard.

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

#### 16. Prevention of sexual harassment at workplace

The Company has policy on prevention of sexual harassment at workplace in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment has been constituted in compliance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy extends to all employees (permanent, contractual, temporary and trainees). Employees at all levels are being sensitized about the Policy and the remedies available thereunder.

No complaints were received by the ICC during the year under review and no complaint was pending as at the end of the year.

#### 17. Employee Stock Option Scheme

During the year under review, the Company had granted 1,89,800 options to eligible employees under its Employee Stock Option Plan viz., ESOP 2017.

Details in respect of the ESOP 2017 as required under the relevant SEBI Regulations are displayed on the Company's website at the following link: <https://tiindia.com/esop/>

#### 18. Directors' Responsibility Statement

The Board of Directors confirm that the Company has in place a framework of internal financial controls and compliance system, which is monitored and reviewed by the Audit Committee and the Board besides the statutory, internal and secretarial auditors. To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the annual Financial Statements for the year ended 31<sup>st</sup> March 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- b) that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2023 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual Financial Statements have been prepared on a going concern basis;
- e) that proper internal financial controls to be followed by the Company have been laid down and that the financial controls are adequate and were operating effectively; &
- f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 19. Auditors

M/s. S R Batliboi & Associates LLP, Chartered Accountants (LLP Identity no.AAB-4295) were appointed as Statutory Auditors at the 14<sup>th</sup> Annual General Meeting held on 2<sup>nd</sup> August 2022 for a period of four years viz., from the conclusion of the said 14<sup>th</sup> Annual General Meeting till the conclusion of the ensuing 18<sup>th</sup> Annual General Meeting. The remuneration payable to them for the financial year 2022-23 has already been fixed at the 14<sup>th</sup> Annual General Meeting.

The Company is required to maintain cost records in respect of Steel Products, Metal Formed Products and parts & accessories of auto components of the Company and such accounts and records are made and maintained. M/s. S Mahadevan & Co. (firm no.000007), Cost Accountants were appointed as the Cost Auditors of the Company for auditing the cost accounting records maintained by the Company in respect of the applicable products for the financial year 2023-24. Necessary resolution for ratification of their remuneration in respect of the aforesaid terms of appointment for the financial year 2023-24 forms part of the Notice for the ensuing Annual General Meeting, which the Board recommends for the shareholders' approval.

## 20. Related Party Transactions

All related party transactions that were entered into during the financial year under review were on an arm's length basis and were in the ordinary course of business.

The Company did not enter into any materially significant related party contracts or arrangements or transactions during the financial year which may have a potential conflict with the interest of the Company at large or which is required to be reported in Form No. AOC-2 in terms of Section 134(3) (h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Necessary disclosures as required under the Indian Accounting Standards have been made in the notes to the Financial Statements.

The policy on Related Party Transactions as approved by the Board is uploaded and is available on the following link on the Company's website: <https://tiindia.com/rpt-policy/>

None of the Directors had any pecuniary relationships or transactions vis-à-vis the Company.

## 21. Directors

During the year under review, the following key Board level changes were effected to evolve and realign the senior management team after considering the growth aspirations in the existing businesses, the number of new initiatives/businesses in the anvil and towards long-term succession planning:

- Mr. M A M Arunachalam was appointed as a Whole-time Director (Key Managerial Personnel), designated as the Executive Chairman for a 5-year term of Office from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2027 (both days inclusive);
- Mr. Vellayan Subbiah was appointed as a Whole-time Director (Key Managerial Personnel), designated as the Executive Vice Chairman for a 5-year term of Office from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2027 (both days inclusive); and
- Mr. Mukesh Ahuja was appointed as Managing Director (Key Managerial Personnel) for a 5-year term of Office from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2027 (both days inclusive).
- Mr. Vellayan Subbiah, Executive Vice Chairman retires by rotation at the ensuing Annual General Meeting to facilitate the compliance of the requirements of Section 152 of the Companies Act, 2013 ("the Act") and being eligible, he

offers himself for re-appointment. The Board, based on and after taking into consideration the recommendations of the Nomination and Remuneration Committee, recommends the re-appointment of Mr. Vellayan Subbiah as Director, liable to retire by rotation only to comply with the provisions of the Act, at the forthcoming Annual General Meeting.

All the Independent Directors of the Company have furnished the necessary declaration in terms of Section 149(6) of the Act affirming that they meet the criteria of independence as stipulated thereunder. In the opinion of the Board, all the Independent Directors have the integrity, expertise and experience including the proficiency as required to effectively discharge their roles and responsibilities in directing and guiding the affairs of the Company and, are independent of the management.

- Mr. Sanjay Johri will be retiring at the conclusion of the ensuing Annual General Meeting on completing his term of office as an Independent Director. The Board places on record its grateful appreciation for the distinguished services rendered by Mr. Sanjay Johri during his association, since August 2018, as an Independent Director of the Company.

## 22. Declarations/Affirmations

During the year under review:

- there were no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate viz., 31<sup>st</sup> March 2023 and the date of this Report; &
- there were no significant material orders passed by the regulators or courts or tribunals impacting the Company's going concern status and its operations in future.

## 23. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. R Sridharan of Messrs R. Sridharan & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith and forms part of this Report (refer Annexure-F).



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

#### 24. Annual Return

A copy of the Annual Return of the Company is placed on the website of the Company and the same is available on the following link: <https://tiindia.com/financial-information/>.

#### 25. Key Managerial Personnel

Mr. M A M Arunachalam, Executive Chairman, Mr. Vellayan Subbiah, Executive Vice Chairman, Mr. Mukesh Ahuja, Managing Director, Mr. K R Srinivasan, President & Whole-time Director, Mr. AN Meyyappan, Chief Financial Officer and Mr. S Suresh, Company Secretary are the Key Managerial Personnel (KMPs) of the Company as per Section 203 of the Companies Act, 2013. Mr. K Mahendra kumar ceased to be the Chief Financial Officer with effect from the close of business hours on 8th September 2022.

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

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

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

Chennai  
15th May 2023

On behalf of the Board  
**M A M Arunachalam**  
Executive Chairman

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#### Declaration on Code of Conduct

To

The Members of Tube Investments of India Limited,

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

It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March 2023, as envisaged under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Chennai  
15th May 2023

On behalf of the Board  
**Mukesh Ahuja**  
Managing Director

## Annexure-A

## Form AOC - I

## Part A - Information in respect of each Subsidiary

Sl. No.	Name of the subsidiary	Reporting period of the subsidiary	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Equity Share Capital	Preference Share Capital	Reserves & Surplus	Total Assets (Non-Current and Current Assets)	Total Liabilities (Non-Current and Current Liabilities)	Investments (Non Current and Current Investments)	Turnover	Profit / (Loss) Before Tax	Provision / (Reversal) for Tax	Profit / (Loss) After Tax	Proposed Dividend	% of Shareholding
1	Shanthi Gears Limited	31-Mar-2023	INR	7.67	-	294.68	377.90	75.55	57.31	445.65	90.19	23.14	67.05	2	70.47%
2	Financiere C10 SAS	31-Dec-2022	EUR 1 EUR = 89.42	31.62	-	50.55	14.84	26.68	94.00	5.77	(1.34)	0.00	(1.34)	Nil	100.00%
3	SEDIS SAS	31-Dec-2022	EUR 1 EUR = 89.42	58.12	-	29.59	227.78	208.25	68.19	345.01	3.51	(0.87)	4.38	Nil	100.00%
4	Sedis GmbH	31-Dec-2022	EUR 1 EUR = 89.42	0.22	-	(9.49)	1.49	10.75	-	8.84	(0.21)	-	(0.21)	Nil	100.00%
5	SEDIS Co.Ltd.	31-Dec-2022	GBP 1 GBP = 101.33	2.30	-	4.49	8.96	2.18	-	8.94	1.47	0.28	1.19	Nil	100.00%
6	Creative Cycles (Private) Limited	31-Mar-2023	LKR 1 LKR = 0.25	1.26	-	(5.20)	11.59	15.53	-	32.42	2.61	0.05	2.56	Nil	80.00%
7	Great Cycles (Private) Limited	31-Mar-2023	LKR 1 LKR = 0.25	1.26	-	15.33	18.57	1.98	-	5.72	(1.64)	(0.14)	(1.50)	Nil	80.00%
8	CG Power and Industrial Solutions Limited	31-Mar-2023	INR	305.43	-	2,124.62	4,218.43	1,788.37	302.77	6,579.63	983.07	197.71	785.36	Nil	58.05%
9	CG Adhesive Products Limited (formerly known as "CG-PPI Adhesive Products Limited)	31-Mar-2023	INR	3.90	-	19.06	27.09	4.13	0.32	23.60	2.90	0.74	2.16	Nil	82.77%
10	CG Power Solutions Limited	31-Mar-2023	INR	0.05	-	(1,870.37)	0.03	1,870.35	-	-	(0.38)	-	(0.38)	Nil	100.00%
11	CG Power Equipments Limited	31-Mar-2023	INR	3.18	-	(3.18)	0.01	0.01	-	-	(0.01)	-	(0.01)	Nil	100.00%
12	CG Sales Networks Malaysia Sdn. Bhd.(formerly known as "Crompton Greaves Sales Network Malaysia Sdn.Bhd.")	31-Mar-2023	MYR 1 MYR = 18.62	0.38	-	1.04	1.47	0.05	-	-	(1.88)	-	(1.88)	Nil	100.00%
13	CG International Holdings Singapore PTE Limited	31-Mar-2023	EUR 1 EUR = 89.42	206.20	-	(325.79)	47.71	167.30	-	-	(86.36)	-	(86.36)	Nil	100.00%
14	CG International B.V.	31-Mar-2023	EUR 1 EUR = 89.42	1,384.88	-	(2,975.27)	431.75	2,022.14	-	-	75.21	-	75.21	Nil	100.00%
15	CG Power Systems Canada Inc.*	31-Mar-2023	CAD 1 CAD = 60.66	-	-	-	-	-	-	-	(3.72)	-	(3.72)	Nil	100.00%
16	PT Crompton Prima Switchgear Indonesia	31-Dec-2022	IDR 1 IDR = 0.0051	39.95	-	(64.74)	146.49	171.29	-	-	(0.19)	-	(0.19)	Nil	51.00%
17	CG Power Solutions UK Limited	31-Mar-2023	GBP 1 GBP = 101.33	0.00	-	(15.73)	27.64	43.37	-	-	-	-	-	Nil	100.00%
18	CG Industrial Holdings Sweden AB	31-Mar-2023	SEK 1 SEK = 7.92	110.91	-	16.87	235.75	107.97	-	-	20.40	-	20.40	Nil	100.00%
19	CG Drives and Automation Sweden AB	31-Mar-2023	SEK 1 SEK = 7.92	20.31	-	190.11	264.09	53.67	-	236.57	17.23	3.55	13.68	Nil	100.00%
20	CG Drives and Automation Netherlands B.V.	31-Mar-2023	EUR 1 EUR = 89.42	5.31	-	29.90	54.60	19.39	-	71.32	5.14	1.00	4.14	Nil	100.00%
21	CG Drives and Automation Germany GmbH	31-Mar-2023	EUR 1 EUR = 89.42	0.23	-	29.44	76.62	46.95	-	196.20	13.40	4.21	9.19	Nil	100.00%

Sl. No.	Name of the subsidiary	Reporting period of the subsidiary	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Equity Share Capital	Preference Share Capital	Reserves & Surplus	Total Assets (Non-Current and Current Assets)	Total Liabilities (Non-Current and Current Liabilities)	Investments (Non Current and Current Investments)	Turnover	Profit / (Loss) Before Tax	Provision / (Reversal) for Tax	Profit / (Loss) After Tax	Proposed Dividend	% of Shareholding
22	CG Middle East FZE*	31-Mar-2023	EUR 1 EUR = 89.42	1.85	-	(1.85)	-	-	-	-	534.42	-	534.42	Nil	100.00%
23	CG Power Americas, LLC	31-Mar-2023	USD 1 USD = 82.19	-	-	(208.93)	38.21	247.14	-	-	18.71	(1.12)	19.83	Nil	100.00%
24	QEI, LLC	31-Mar-2023	USD 1 USD = 82.19	-	-	30.42	109.01	78.59	-	94.23	11.62	3.16	8.46	Nil	100.00%
25	CG Power and Industrial Solutions Limited Middle East FZOO*	31-Mar-2023	EUR 1 EUR = 89.42	-	-	-	-	-	-	-	-	-	-	Nil	100.00%
26	TI Clean Mobility Private Limited	31-Mar-2023	INR	250.00	-	(87.76)	1,024.05	861.81	815.28	1.54	(86.22)	(6.84)	(79.38)	Nil	99.99%
27	Celestial E-Mobility Private Limited	31-Mar-2023	INR	0.20	-	36.52	43.52	6.80	35.00	-	(10.71)	(0.01)	(10.70)	Nil	100.00%
28	Celestial E-Trac Private Limited	31-Mar-2023	INR	35.00	-	(13.50)	45.63	24.13	-	-	(13.49)	0.00	(13.49)	Nil	100.00%
29	JPLTech Electric Private Limited	31-Mar-2023	INR	0.02	-	114.49	196.68	82.17	-	5.56	(39.31)	-	(39.31)	Nil	65.25%
30	Moshine Electronics Private Limited	31-Mar-2023	INR	2.72	-	(4.87)	6.07	8.21	1.46	12.20	(1.38)	0.86	(2.24)	Nil	76.00%

\* Entities were Deconsolidated / Liquidated / Discontinued during the year.

### Part B - Joint Ventures & Associates

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

S.No.	Particulars	Joint Venture	Associate
1	Name of Joint Venture company	X2Fuels and Energy Private Limited	Aerostrovilos Energy Private Limited
2	Latest Audited Balance Sheet date	31-Mar-23	31-Mar-23
3	Shares of Joint Venture held by the Company on year-end		
	No of Shares	10,753	4,151
	Amount of Investment (₹ in Crores)	6.15	3.46
	Extent of Holding (%)	50.00%	27.78%
4	Description of how there is significant influence	Through Shareholding	Through Shareholding
5	Reason why the Joint Venture is not consolidated	It is getting consolidated under Equity method (IND AS 111 & 28)	It is getting consolidated under Equity method (IND AS 111 & 28)
6	Networth attributable to our Shareholding as per latest audited Financials (₹ in Crores)	2.92	0.82
7	Loss for the year (₹ in Crores)	0.03	0.13
	Considered for Consolidation		



## Annual Report on Corporate Social Responsibility (CSR) Activities

### 1. Brief outline on CSR Policy of the Company

Tube Investments of India Limited (“Company” or “TI”), being part of the Murugappa Group firmly believes that social responsibility is not just a corporate obligation that has to be carried out but it is one’s Dharma (path of righteousness) and has been earmarking a part of its income for carrying out its social responsibilities much ahead of its time through the philanthropic arm of the Murugappa Group. TI’s philanthropic endeavours are therefore a reflection of its spiritual conscience and this provides it a way to discharge its responsibilities to the various sections of the society. The CSR Policy of the Company inter alia provides for identification of CSR projects and programmes, modalities of execution, monitoring process. The Policy can be accessed on the Company’s website under the below link: <https://tiindia.com/csr-policy/>

#### Overview of the CSR Projects and Programmes:

TI is committed to identifying and supporting programmes aimed at -

- Empowerment of the underprivileged sections of the society through education, access to and awareness about financial services and the like;
- Provision of access to basic necessities like healthcare, drinking water & sanitation and the like;
- Working towards eradicating hunger and poverty, through livelihood generation and skill development;
- Supporting environmental and ecological balance through afforestation, soil conservation, rainwater harvesting, conservation of flora & fauna, and similar programmes; and
- Any other programme that falls under TI’s CSR Policy and is aimed at the empowerment of underprivileged sections of the society.

The CSR spend during the financial year, 2022-23 has been in the area of health, education and community development.

Details of the same can be accessed in the Company’s website under the below link: <https://tiindia.com/csr-budget-and-spend-details/>

### 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. Sasikala Varadachari, Chairperson	Independent Director	2	2
2	Mr. M A M Arunachalam	Executive Chairman	2	2
3	Mr. Tejpreet Singh Chopra	Independent Director	2	2
4	Mr. K R Srinivasan	President & Whole-time Director	2	2

### 3. Provide the weblink(s) where Composition of CSR committee, CSR policy and CSR projects approved by the board are disclosed on the website of the company:

CSR Policy : <https://tiindia.com/csr-policy/>

CSR Committee : [https://tiindia.com/wp-content/uploads/2022/05/TII-Board\\_Committees\\_17thMarch2022.pdf](https://tiindia.com/wp-content/uploads/2022/05/TII-Board_Committees_17thMarch2022.pdf)

CSR Reports : <https://tiindia.com/csr-budget-and-spend-details/>

### 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

- |        |   |             |
|--------|---|-------------|
| 5. (a) | Average net profit of the Company as per section 135(5)   | ₹454.37 Cr. |
| (b)    | Two percent of average net profit of the Company as per section 135(5)                              | ₹9.09 Cr.   |
| (c)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years | Nil         |
| (d)    | Amount required to be set off for the financial year, if any  | ₹0.31 Cr.   |

(e) Total CSR obligation for the financial year (b + c – d). ₹8.78 Cr.

6. (a) Amount spent on CSR Projects:

(i) Ongoing Project Nil  
 (ii) Other than ongoing Project ₹9.04 Cr.

(b) Amount spent in Administrative Overheads. Nil

(c) Amount spent on Impact Assessment, if applicable. NA

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]. ₹9.04 Cr.

(e) CSR amount spent or unspent for the financial year :

Total Amount Spent for the Financial Year. (in ₹ Cr.)	Amount Unspent (in ₹ Cr.)				
	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
₹9.04 Cr.	-	-	-	-	-

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹ Cr.)
(i)	Two percent of average net profit of the Company as per section 135(5)	9.09
(ii)	Total amount spent for the Financial Year	9.04
(iii)	Excess amount spent for the financial year ((ii)-(i))	0.26*
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years ((iii)-(iv))	0.26*

\* after set off of excess spent of ₹0.31 Cr carried forward from previous financial year 2021-22.

7. Details of unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to unspent CSR Account under section 135 (6) (in ₹)	Balance amount in unspent CSR amount under section 135(6) (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per section 135(5), if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹ Cr.)	Date of transfer		
1	2019-20	-	-	-	-	-	-	-
2	2020-21	-	-	-	-	-	-	-
3	2021-22	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created / acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
-	-	-	-	-	-	-	-

9. 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

**Mukesh Ahuja**  
Managing Director

**Sasikala Varadachari**  
Chairperson, CSR Committee

Place: Chennai  
Date : 15<sup>th</sup> May 2023



## Report on Corporate Governance

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

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

### Board of Directors

The Board provides leadership, strategic guidance and objective judgement on the affairs of the Company. The Board comprises of persons of eminence with excellent professional achievements in their respective fields. The Independent Directors provide their independent judgement, external perspective and objectivity on the issues which are placed before them. The Nomination and Remuneration Committee considers the key skills, expertise, competencies and attributes in the domains, as identified by the Board, while recommending appointment of Directors to the Board. The skill matrix for the Board of Directors is given in Para (A) of the annexure to this report.

The Board of Directors of the Company consists of eight Directors, with knowledge and experience in different fields viz., engineering, manufacturing, finance and business management. Effective 1<sup>st</sup> April 2022, Mr. M A M Arunachalam, Executive Chairman (Whole-time Director) [Promoter Executive], Mr. Vellayan Subbiah, Executive Vice Chairman (Whole-time Director) [Promoter Executive], Mr. Mukesh Ahuja, Managing Director (Executive) and Mr. K R Srinivasan, President & Whole-time Director (Executive) and are the Non-Independent Directors in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (referred to in this Report as "SEBI Listing Regulations"). Mr. Sanjay Johri, Mr. Anand Kumar, Ms. Sasikala Varadachari and Mr. Tejpreet Singh Chopra are the Independent Directors in terms of the SEBI Listing Regulations. All the Independent Directors of the Company are eminent professionals with vast experience in the fields of their expertise. None of the Directors of the Company are related to each other. In the Board's opinion, all the Independent Directors of the Company fulfil the conditions specified in the SEBI Listing Regulations and are independent of the management. The terms and conditions on appointment of Independent Director is disclosed on the Company's website: <https://tiindia.com/wp-content/uploads/2021/07/TI-Appt-of-Ind-Dirs-Terms-Condns.pdf>

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

To familiarise the new Director with the Company's operations and businesses, plant visits are organised in respect of all divisions of the Company, as part of the induction programme, where the Director is taken around the facilities and explained in detail about the process. During such visit, besides interaction with the Business Heads and key executives, detailed presentations on the business of the divisions are also made to the Director. Direct meetings with the Executive Management are further facilitated for the new appointee to familiarise him/her about the Company/ its businesses and the Group practices. In addition, it is also ensured in the Board meeting agenda that besides the review of operations, information on the industry scenario in respect of the Company's businesses, competition and strategy are presented on a quarterly basis. The information, as required under Regulation 17(7) read with Schedule II Part A of the SEBI Listing Regulations, is made available to the Board. The details of the familiarisation programme are also disclosed on the Company's website at the following link: <https://tiindia.com/wp-content/uploads/2023/07/Familiarisation-Programme.pdf>.

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

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

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

The Company has a well-established practice regarding deciding the dates of meetings. The annual calendar for the meetings of the Board is finalised early on in consultation with all the Directors. A minimum of five Board meetings are held each year. Evolving strategy, annual business plans, review of actual performance and course correction, as deemed fit, constitute the primary business of the Board. The role of the Board also includes de-risking, investment, divestment and business reorganisation. Matters such as capital expenditure, recruitment of senior level personnel, safety

& environment, Human Resources related developments, compliance with statutes and foreign exchange exposures are also reviewed by the Board from time to time.

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

During the financial year 2022-23, there were 6 meetings of the Board of Directors. The dates of the Board meetings, attendance and the number of Directorships/Committee memberships held by the Directors are given in Para (B) of the annexure to this Report.

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

#### **Audit Committee**

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

The Audit Committee of the Company has four members, three of whom are Independent Directors. Mr. Sanjay Johri, Independent Director is the Chairman of the Committee. The other Members are Mr. M A M Arunachalam, Mr. Anand Kumar and Mr. Tejpreet Singh Chopra.

All the members of the Committee have excellent financial and accounting knowledge. The other Directors and the members of the management committee are invitees to the meetings of the Audit Committee.

The quarterly financial results are placed before the Audit Committee for its review, suggestions and recommendations, before taking the same to the Board. The statutory audit plans and progress are shared with the Committee for its review. The internal audit plans are drawn up in consultation with the Executive Directors, Chief Financial Officer, heads of Divisions and the Audit Committee. The Committee reviews the observations of the internal auditor periodically. The Committee also provides guidance on compliance with the Accounting Standards and accounting policies. The statutory and the internal auditors attend the Audit Committee meetings. The Company Secretary acts as the Secretary to the Committee. The Committee also tracks the implementation of its guidelines/suggestions through review of action taken reports. The terms of reference of Audit Committee are in line with the requirements of the

Companies Act, 2013 and the Corporate Governance norms under the SEBI Listing Regulations.

The Committee met 6 times during the year ended 31<sup>st</sup> March 2023. The composition of the Audit Committee and the attendance of each member at these meetings are given in Para (E) of the annexure to this Report.

#### **Remuneration to Directors**

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

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

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

#### **Nomination and Remuneration Committee**

The role of the Nomination and Remuneration Committee is in accordance with the requirement of Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations. Under the terms of reference, the Committee's role includes formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on Board diversity and identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment, removal and remuneration payable to them. The Committee's scope further covers recommending to the Board the appointment/re-appointment of the executive and non-executive Directors.

The Committee consists of three members, all of whom are Independent Directors. The Chairman of the Committee is Mr. Anand Kumar. The other Members are Mr. Sanjay Johri and Mr. Tejpreet Singh Chopra.

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

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

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

Accordingly, the Committee will determine the periodic increments in salary and annual incentive of the Executive Directors. The increments and incentive of the Executive Directors is determined based on the balanced score card with its three components viz., Company financials, Company score card and strategic business unit scores being given appropriate weightage.

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

The Committee has further laid down the qualifications, positive attributes and independence criteria in terms

of Section 178(3) of the Companies Act, 2013 to be considered for nominating candidates for Board positions/re-appointment of Directors.

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

The Committee met 3 times during the year ended 31<sup>st</sup> March 2023. The composition of the Committee and the attendance of each member at these meetings are given in Para (F) of the annexure to this Report.

The details of remuneration paid/payable for the year ended 31<sup>st</sup> March 2023 to the executive Directors viz., Mr. M A M Arunachalam, Executive Chairman, Mr. Vellayan Subbiah, Executive Vice Chairman, Mr. Mukesh Ahuja, Managing Director, Mr. K R Srinivasan, President & Whole-time Director and to the non-executive Directors are given in Para (G) and Para (H) respectively of the annexure to this Report.

#### **Corporate Social Responsibility Committee**

The Corporate Social Responsibility (CSR) Committee is constituted in accordance with the requirements of the Companies Act, 2013 and the Rules thereunder. The Committee consists of four members. Ms. Sasikala Varadachari, Independent Director is the Chairperson of the Committee. The other Members are Mr. M A M Arunachalam, Mr. K R Srinivasan and Mr. Tejpreet Singh Chopra.

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

The Committee met 2 times during the year ended 31<sup>st</sup> March 2023. The composition of the Corporate Social Responsibility Committee and the attendance of each member at the meeting of the Committee are given in Para (J) of the annexure to this Report.

#### **Risk Management Committee**

The role of the Risk Management Committee, in brief, is to review the Risk Management Policy developed by the Management, Risk Management framework and its implementation thereby ensuring that an effective risk management system is in place.

The Risk Management Committee monitors and evaluates the key risks of the Company and apprises the management

of such risks for effective mitigation. The Committee provides support to the Board in the discharge of the Board's overall responsibility in overseeing the risk management process. The Committee consists of three members, Mr. Sanjay Johri, Independent Director is the Chairman of the Risk Management Committee. The other Members are Mr. M A M Arunachalam, and Mr. K R Srinivasan. Mr. Vellayan Subbiah is permanent invitee to the meetings of the Risk Management Committee.

The Managing Director and the Division heads are invitees to the meetings of the Committee. The Committee met 3 times during the year ended 31<sup>st</sup> March 2023. The composition of the Committee and attendance of its members at the meeting are given in Para (K) of the annexure to this Report.

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

### General Meetings

The Company conducts its Annual General Meetings pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations every year in the months of July / August at Chennai, where its Registered Office is situated. The Company convened the 14<sup>th</sup> AGM as an electronic general meeting through video conferencing in August 2022 pursuant to the conditions stipulated and relaxations provided by Ministry of Corporate Affairs and SEBI.

The Company also conducts Extraordinary General Meetings between two Annual General Meetings if shareholders' approval, is required, for certain matters. The Company also gets shareholders' approval through postal ballots, if required, in certain matters.

The details of the Annual General Meeting held and Postal Ballot Notices issued during the financial year 2022-23 are given in Para (C) and Para (D) respectively of the annexure to this Report.

### Performance Evaluation

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

To take the evaluation exercise forward, all the Independent Directors of the Company met on 21<sup>st</sup> March 2023 without the attendance of the non-Independent Directors and members of the management to discuss inter alia the matters specified under Schedule IV of the Companies Act, 2013 and Regulation 25(4) of the SEBI Listing Regulations.

The Board reviewed the process of evaluation of the Board of Directors and its Committees including the Executive Chairman, Executive Vice Chairman, Managing Director, the President & Whole-time Director and the individual Directors.

### Subsidiary Companies

The Company does not have any material unlisted subsidiary in terms of SEBI Listing Regulations for the financial year 2022-23.

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

M/s. TI Clean Mobility Private Limited (TICMPL) is the subsidiary of the Company.

During the year, M/s. Celestial E-Mobility Private Limited (CEMPL), became a wholly owned subsidiary of TICMPL and M/s. Celestial E-Trac Private Limited is the wholly owned subsidiary of CEMPL.

TICMPL had acquired 65.2% of the equity share capital of M/s. IPLTech Electric Private Limited ("IPLT"), about for ₹245 Cr, and IPLT became a subsidiary of TICMPL with effect from 21<sup>st</sup> September 2022.

TII acquired 76% of the share capital of M/s. Moshine Electronics Private Limited on 23<sup>rd</sup> September 2022 and it became a subsidiary company.

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

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

The Board of Directors is apprised of the business plan and the financial performance of the unlisted subsidiary companies.

The Company's policy for determining 'material' subsidiaries, as per SEBI Regulations, is available on the Company's website at the following link: <https://tiindia.com/mat-sub-policy/>

### Related Party Transactions

During the financial year under review, all the transactions entered with the Related Parties, as defined under the



Companies Act, 2013 and the SEBI Listing Regulations were in the ordinary course of business and on arms' length basis only. Accordingly, these transactions do not attract the provision of Section 188 of the Companies Act, 2013.

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

The policy for related party transactions approved by the Board had been uploaded on the Company's website at the following link: <https://tiindia.com/rpt-policy/>

### Dissemination of Information

The Company is conscious of the importance of timely and proper dissemination of adequate information. A press release is given along with the publication of the quarterly/annual results, explaining the business environment and performance. This is being provided to enable the investing community to understand the financial results better and in a more meaningful manner. The press release includes non-financial aspects including the business conditions. The quarterly and audited annual financial results are normally published in 'Business Standard' & 'The New Indian Express' (English) and in 'Dinamani' (Tamil). Press releases are given to all the important dailies. The financial results, press releases, shareholding pattern and the presentations made to Analysts and Brokers are posted on the Company's website. The Company's commitment to transparency is reflected in the information-rich Annual Report, investors' meets, periodic press releases and continuous updating of its website.

### Investors' Service

The Company promptly attends to investors' queries/grievances. The Board has also authorised the Chairman/Managing Director/Chief Financial Officer/Company Secretary to approve transfers/transmissions. Requests for transfer of securities held in dematerialised form are processed within the statutory timelines. M/s. KFin Technologies Limited (Formerly, KFin Technologies Private Limited), Hyderabad is the Company's registrar and share transfer agent.

The Stakeholders Relationship Committee specifically focuses on investor service levels. This Committee has prescribed norms for attending to the investors' services and the Committee periodically reviews the service standard achieved by the Company and its Registrar and Transfer Agent as against the prescribed norms.

The terms of reference of the Committee are in accordance with the requirement of Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and provide for the resolution of grievances of security holders of the Company including complaints, if any, non-receipt of balance sheet and non-receipt of declared dividends etc.

The Committee met once during the year under review. The Committee consists of Ms. Sasikala Varadachari, Independent Director as its Chairperson and Mr. M A M Arunachalam, Executive Chairman and Mr. Vellayan Subbiah, Executive Vice Chairman as members. The composition of the Committee and attendance of its members at the meeting are given in Para (I) of the annexure to this Report.

No investor complaints were pending as at 31<sup>st</sup> March 2022 and six investor complaints were received and resolved during the financial year 2022-23. There was no complaint pending as at 31<sup>st</sup> March 2023.

In order to expedite the redressal of complaints, if any, investors are requested to register their complaints and also to take follow up action, as necessary, to the exclusive e-mail id i.e. [investorservices@tii.murugappa.com](mailto:investorservices@tii.murugappa.com). Mr. S Suresh, Company Secretary is the Compliance Officer.

### Statutory Compliance

The Company attaches the highest importance to compliance with statutes. Every function/department of the business is aware of the requirements of various statutes relevant to them. The Company has systems in place to remain updated with the changes in statutes and the means of compliance. An affirmation regarding material compliance with the statutes by the heads of businesses and functions is placed before the Board on a quarterly basis for its review.

### Internal Controls

The Company is conscious of the importance of the internal processes and controls. The Company has a robust business planning & review mechanism and has adequate internal control systems commensurate with the nature of its business, size and geographical spread. These systems are regularly reviewed and improved upon.

The Chief Financial Officer and the Managing Director have certified to the Board *inter alia* on the accuracy of financial statements and adequacy of internal controls for the financial reporting purpose as required under the SEBI Listing Regulations, for the year ended 31<sup>st</sup> March 2023.

### Whistle Blower Policy/Vigil Mechanism

The Company has established a vigil mechanism (Whistle Blower Policy) for the employees and the Directors as an avenue to voice concerns relating to unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The said mechanism/Policy is in accordance with the requirements of Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations. The Ombudsperson appointed by the Board deals with the complaints received and ensures appropriate action. The mechanism also provides for adequate safeguards against

victimisation of persons using the mechanism and provides direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. No person was denied access to the Audit Committee.

### Compliance of Corporate Governance Norms

The Company has complied with all the mandatory requirements of corporate governance norms during the financial year ended 31<sup>st</sup> March 2023. Quarterly financial results of the Company are published in leading newspapers, uploaded on the Company's website and any major developments are covered in the press releases issued by the Company and posted on its website.

In line with its stated policy of being committed to the principles and practices of good corporate governance, the Company is in compliance with most of the requirements forming part of the discretionary requirements under Schedule II, Part E of SEBI Listing Regulations. As regards the remaining discretionary requirements, the Company after careful evaluation would strive to implement the same progressively, as appropriate.

The Board of Directors has laid down a Code of Conduct for all the Board members and the senior management of the Company. The Directors and the senior management of the Company have furnished their affirmation of compliance with the Code during the financial year 2022-23. The Code of Conduct has been posted on the website of the Company at the following link: <https://tiindia.com/code-of-conduct/> A declaration of affirmation in this regard certified by the Managing Director is annexed to this Report.

The key policies framed in accordance with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations are posted on the website of the Company and available under the link: <https://tiindia.com/corporate-governance/>

### Other Disclosures

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

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

Related party transactions during the year have been disclosed as a part of the financial statements as required under the relevant Ind AS issued by the Institute of Chartered Accountants of India.

There have been no instances of non-compliance by the Company or have any penalty or strictures been imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India or by any statutory authority on any matter related to the capital markets during the last three years except an instance where a fine was paid for delay in disclosure to one of the stock exchanges.

### Details of loans and advances given by the Company's subsidiaries to firms / companies in which directors are interested.

During the year, M/s. TI Clean Mobility Private Limited had provided an inter-corporate deposit of ₹25 Cr. to M/s. IPLTech Electric Private Limited for the purposes of its business.

### General Shareholder Information

A separate section has been annexed to the Annual Report furnishing various details viz., the previous Annual General Meeting, time and venue thereof, share price movement, distribution of shareholding, location of factories, means of communication etc., for shareholders' reference.

Chennai  
15<sup>th</sup> May 2023

On behalf of the Board  
**M A M Arunachalam**  
Executive Chairman

## Annexure to the Corporate Governance Report

### (A) Board Skills Matrix

The Board has identified the key qualifications, skills and attributes as essential for effective oversight of the Company considering its varied business interests. These are presented as a matrix below:

Domain	Attributes
Financial management	Proficiency in financial management
Business environment perspective	Understanding diverse business environments, with a broad perspective of global business opportunities
Business Leadership	Leadership experience and practical understanding of significant organizations, their processes, strategies, planning etc.
Technology	Good appreciation of technology and trends
Mergers & Acquisitions	Ability to assess mergers and acquisition decisions including the suitability of a target with the Company's strategy
Board insights	Service on listed public company boards to develop insights into board accountability, guarding shareholder interests, regulatory environment and observing good governance practices

The brief profile of the Directors as furnished in this Annual Report would provide an insight into their education, expertise and skills. In terms of the requirement of the SEBI Listing Regulations, the individual skills, experience and expertise of each of the Directors of the Company is mapped to the core skills/expertise/ competencies of the Directors already identified by the Board, as furnished above, in the context of the Company's business for effective functioning and as available with the Board:

Name of the Director	Key Qualifications, Skills and Attributes identified					
	Financial management	Global Business environment perspective	Business Leadership	Technology	Mergers & Acquisitions	Board insights
Mr. M A M Arunachalam	✓	✓	✓	✓	✓	✓
Mr. Vellayan Subbiah	✓	✓	✓	✓	✓	✓
Mr. Mukesh Ahuja	✓		✓	✓		✓
Mr. Sanjay Johri	✓	✓	✓	✓	✓	✓
Mr. K R Srinivasan	✓		✓	✓		✓
Mr. Anand Kumar	✓	✓	✓	✓	✓	✓
Ms. Sasikala Varadachari	✓		✓	✓		✓
Mr. Tejpreet Singh Chopra	✓	✓	✓	✓	✓	✓

### (B) Board Meeting Dates and Attendance

The Board of Directors of the Company met 6 times during the financial year 2022-23. The dates of the Board meetings were 12<sup>th</sup> May 2022, 18<sup>th</sup> July 2022, 2<sup>nd</sup> August 2022, 4<sup>th</sup> November 2022, 3<sup>rd</sup> February 2023 and 22<sup>nd</sup> March 2023 and the gap between two meetings did not exceed one hundred and twenty days.

Pursuant to the relaxations granted by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI), the Board meetings were held physically with an option to attend through video conferencing facility during the year.

The attendance of each Director at the meetings, the last Annual General Meeting and number of other Directorships/ Committee memberships held by them as on 31<sup>st</sup> March 2023 are as follows:

Sl. No.	Name of Director <sup>(a)</sup>	Board meetings attended (no. of meetings held)	Number of Directorships <sup>(b)</sup> - including the Company (out of which as Chairperson)	Number of committee memberships <sup>(c)</sup> - including the Company (out of which as Chairperson)	Attendance at last AGM	No. of shares held as on 31 <sup>st</sup> March 2023
1.	Mr. M A M Arunachalam	6(6)	8(5)	5(1)	Present	6,18,820
2.	Mr. Vellayan Subbiah	6(6)	7(2)	3(1)	Present	-
3.	Mr. Mukesh Ahuja	6(6)	7(1)	0(0)	Present	15,000
4.	Mr. Sanjay Johri	6(6)	1(0)	1(1)	Present	-
5.	Mr. Anand Kumar	6(6)	3(0)	2(0)	Present	-
6.	Ms. Sasikala Varadachari	5(6)	6(1)	3(1)	Present	-
7.	Mr. Tejpreet Singh Chopra	6(6)	4(1)	3(2)	Present	-
8.	Mr. K R Srinivasan	6(6)	2(0)	1(0)	Present	65,362

<sup>(a)</sup> Directors are not related to each other.

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

<sup>(c)</sup> Includes only membership in Audit and Stakeholders' Relationship Committees.

The names of listed companies, where the Directors, hold directorship as on 31<sup>st</sup> March 2023 and the category thereof are furnished below:

Sl. No.	Name of Director	Name of the listed entity in which Directorship held	Category of Directorship
1.	Mr. M A M Arunachalam	1. Tube Investments of India Limited	Executive
		2. CG Power and Industrial Solutions Limited	Non-Independent
		3. Shanthy Gears Limited	Non-Independent
		4. Cholamandalam Investment and Finance Company Limited	Non-Independent
2.	Mr. Vellayan Subbiah	1. Tube Investments of India Limited	Executive
		2. SRF Limited	Non-Independent
		3. CG Power and Industrial Solutions Limited	Non-Independent
		4. Cholamandalam Investment and Finance Company Limited	Non-Independent
		5. Cholamandalam Financial Holdings Limited	Non-Independent
3.	Mr. Mukesh Ahuja	1. Tube Investments of India Limited	Executive
		2. Shanthy Gears Limited	Non-Independent
4.	Mr. Sanjay Johri	1. Tube Investments of India Limited	Independent
5.	Mr. Anand Kumar	1. Tube Investments of India Limited	Independent
		2. Cholamandalam Investment and Finance Company Limited	Independent
6.	Ms. Sasikala Varadachari	1. Tube Investments of India Limited	Independent
		2. Sundaram –Clayton Limited	Independent
		3. CG Power and Industrial Solutions Limited	Independent
7.	Mr. Tejpreet Singh Chopra	1. Tube Investments of India Limited	Independent
		2. SRF Limited	Independent
		3. Gujarat Pipavav Port Limited	Independent
		4. Indian Energy Exchange Limited	Independent
8.	Mr. K R Srinivasan	1. Tube Investments of India Limited	Executive

### (C) Annual General Meeting (AGM)

During the year, the Company had conducted its 14<sup>th</sup> Annual General Meeting through video conferencing / other audio-visual means on 2<sup>nd</sup> August 2022 pursuant to conditions stipulated and the relaxations granted by MCA and SEBI in conduct of e-AGMs through multiple circulars/notifications.



All the Directors, Key Managerial Personnel, Statutory Auditors and Scrutiniser joined the AGM through video conferencing. The Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee attended the meeting.

**(D) Extra-Ordinary General Meetings (EGMs)**

There were no Extra-Ordinary General meetings conducted during the year.

**(E) Composition of Audit Committee and Attendance**

The Committee met six times during the year ended 31<sup>st</sup> March 2023. The dates of the Committee's meetings were 12<sup>th</sup> May 2022, 18<sup>th</sup> July 2022, 2<sup>nd</sup> August 2022, 4<sup>th</sup> November 2022, 3<sup>rd</sup> February 2023 and 22<sup>nd</sup> March 2023 and the gap between two meetings did not exceed one hundred and twenty days.

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

Name of the Member	Number of meetings attended (Number of meetings held)
Mr. Sanjay Johri, Chairman	6(6)
Mr. M A M Arunachalam	6(6)
Mr. Anand Kumar	6(6)
Mr. Tejpreet Singh Chopra	6(6)

**(F) Composition of Nomination and Remuneration Committee and Attendance**

The Committee met three times during the year ended 31<sup>st</sup> March 2023. The dates of the Committee's meetings were 12<sup>th</sup> May 2022, 2<sup>nd</sup> August 2022 and 3<sup>rd</sup> February 2023.

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

Name of the Member	Number of meetings attended (Number of meetings held)
Mr. Anand Kumar, Chairman	3(3)
Mr. Sanjay Johri	3(3)
Mr. Tejpreet Singh Chopra	3(3)

**(G) Remuneration of Executive Directors**

The details of remuneration paid/provision made for payment to the Managing Director and the President & Whole-time Director are as follows:

(Amount in ₹)					
Name	Salary	Incentive <sup>(a)</sup>	Allowance	Perquisites & Contribution <sup>(b)</sup>	Total
Mr. M A M Arunachalam, Executive Chairman	1,42,56,000	1,42,56,000	1,71,19,380	1,12,41,704	5,68,73,084
Mr. Vellayan Subbiah, Executive Vice Chairman	2,30,31,630	2,30,31,630	2,92,68,415	1,25,47,397	8,78,79,072
Mr. Mukesh Ahuja, Managing Director	96,75,000	66,76,735	75,22,950	45,86,048	2,84,60,733
Mr. K R Srinivasan, President & Whole-time Director	65,57,610	43,35,700	42,43,366	30,80,034	1,82,16,710

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

<sup>(b)</sup> Executive Directors' remuneration excludes provision for Gratuity and compensated absences since the amount cannot be ascertained individually.

**(H) Remuneration of Non-Executive Directors**

The details of commission provided for/sitting fees paid to non-executive Directors for the year ended 31<sup>st</sup> March 2023 are as follows:

(Amount in ₹)			
Name of the Director	Commission *	Sitting fees	Total
Mr. Sanjay Johri	10,00,000	7,80,000	17,80,000
Mr. Anand Kumar	10,00,000	6,90,000	16,90,000
Ms. Sasikala Varadachari	10,00,000	3,40,000	13,40,000
Mr. Tejpreet Singh Chopra	10,00,000	7,50,000	17,50,000

\* Commission will be paid after the adoption of audited accounts by the shareholders at the 15<sup>th</sup> Annual General Meeting.

**(I) Composition of Stakeholders Relationship Committee and Attendance**

The Committee met once on 21<sup>st</sup> March 2023 during the year ended 31<sup>st</sup> March 2023.

The composition of the Stakeholders Relationship Committee and the attendance of each member at the above meeting are as follows:

Name of the Member	Number of meetings attended (Number of meetings held)
Ms. Sasikala Varadachari, Chairperson	1(1)
Mr. M A M Arunachalam	1(1)
Mr. Vellayan Subbiah	1(1)

**(J) Composition of Corporate Social Responsibility Committee and Attendance**

The Committee met twice on 12<sup>th</sup> May 2022 and 4<sup>th</sup> November 2022 during the year ended 31<sup>st</sup> March 2023.

The composition of the Corporate Social Responsibility Committee and the attendance of each member at the above meeting are as follows:

Name of the Member	Number of meetings attended (Number of meetings held)
Ms. Sasikala Varadachari, Chairperson	2(2)
Mr. M A M Arunachalam	2(2)
Mr. Tejpreet Singh Chopra	2(2)
Mr. K R Srinivasan	2(2)

**(K) Composition of Risk Management Committee and Attendance**

The Committee met three times on 1<sup>st</sup> August 2022, 4<sup>th</sup> November 2022 and 22<sup>nd</sup> March 2023 for the year ended 31<sup>st</sup> March 2023.

The composition of the Risk Management Committee and the attendance of each member at this meeting are as follows:

Name of the Member	Number of meetings attended (Number of meetings held)
Mr. Sanjay Johri, Chairman	3(3)
Mr. M A M Arunachalam	3(3)
Mr. K R Srinivasan	3(3)

Chennai  
15<sup>th</sup> May 2023

On behalf of the Board  
**M A M Arunachalam**  
Executive Chairman

**CORPORATE GOVERNANCE CERTIFICATE**

The Members,  
**TUBE INVESTMENTS OF INDIA LIMITED**  
Dare House,  
234, N S C Bose Road,  
Chennai - 600001

We have examined documents, books, papers, minutes, forms and returns filed and other relevant records maintained by **TUBE INVESTMENTS OF INDIA LIMITED, (CIN: L35100TN2008PLC069496)** (hereinafter referred as “the Company”) having its Registered Office at Dare House, 234, N S C Bose Road, Chennai 600001, for the purpose of certifying compliance of the conditions of Corporate Governance under Regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V and Regulation 34 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (hereinafter called “SEBI (LODR) Regulations 2015”) for the financial year ended 31<sup>st</sup> March 2023. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied regarding the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V and Regulation 34 (3) of SEBI (LODR) Regulations, 2015 for the financial year ended 31<sup>st</sup> March 2023.

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

**FOR R.SRIDHARAN & ASSOCIATES**  
COMPANY SECRETARIES

**CS R.SRIDHARAN**

FCS No. 4775

CP No. 3239

PR. NO.657/2020

UIN: S2003TN063400

UDIN: F004775D000291160

Place : Chennai  
Date : 15<sup>th</sup> May 2023

## General Shareholder Information

### Company Registration

The Company is registered in the State of Tamil Nadu. The Corporate Identity Number (CIN) of the Company is L35100TN2008PLC069496.

### Registered Office

'Dare House', 234 NSC Bose Road, Chennai 600 001

### Annual General Meeting

Day : Thursday

Date : 3<sup>rd</sup> August 2023

Time : 3.30 P.M. IST

Venue : Through Video Conference or Other Audio-Visual Means (OAVM)

### Tentative Calendar for 2023-24

The financial year of the Company is the period ending on 31<sup>st</sup> day of March every year. The tentative calendar for Board meetings for approving the quarterly financial results is given below:

Results for the first quarter ending	: 3 <sup>rd</sup> August 2023
30 <sup>th</sup> June 2023	
Results for the second quarter/half	: 30 <sup>th</sup> October,
year ending 30 <sup>th</sup> September 2023	2023
Results for the third quarter ending	: January/
31 <sup>st</sup> December 2023	February 2024
Results for the fourth quarter ending	: April/May 2024
31 <sup>st</sup> March 2024/Annual Results for	
the financial year 2023-24	

### Record Date / Book Closure

Thursday, 27<sup>th</sup> July 2023 to Thursday, 3<sup>rd</sup> August 2023 (both days inclusive).

### Dividend

The Board of Directors had declared an Interim Dividend of ₹2.00 per Equity Share for the financial year 2022-23, which was paid on 27<sup>th</sup> February, 2023 to all those Members whose names appeared on the Register of Members on 15<sup>th</sup> February 2023. The Board has further recommended a Final Dividend of ₹1.50 per Equity Share for the financial year 2022-23 which will be paid on or before 1<sup>st</sup> September, 2023 in the following manner :-

- in case of shares held in physical form, to those shareholders whose names appear in the Register of Members as on 26<sup>th</sup> July 2023; and

- in case of shares held in dematerialised form, to those beneficial holders of the dematerialised shares as on 26<sup>th</sup> July 2023, as per the details furnished by the depositories for this purpose.

### Unclaimed Dividend

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

Financial year to which dividend relates	Date of declaration	Due date of transfer to IE&P Fund
2016-17	06.11.2017	12.12.2024
2017-18 - Interim	12.02.2018	20.03.2025
- Final	13.08.2018	18.09.2025
2018-19 - Interim	05.02.2019	12.03.2026
- Final	24.07.2019	29.08.2026
2019-20 - Interim	28.02.2020	04.04.2027
2020-21 - Interim	11.02.2021	19.03.2028
- Final	13.08.2021	18.09.2028
2021-22 - Interim	07.02.2022	15.03.2029
- Final	02.08.2022	07.09.2029
2022-23 - Interim	03.02.2023	11.03.2030

As provided under the Companies Act, 1956/2013, dividends remaining unclaimed for a period of seven years shall be transferred by the Company to the IE&P Fund. In the interest of investors, the Company has the practice of sending reminders to the concerned investors to come forward and claim, and will continue to do so, before transfer of unclaimed dividend to the IE&P Fund as per the timelines above.

### Instructions to Shareholders

#### (a) Shareholders holding shares in physical form

Members are requested to intimate the Registrar and Transfer Agent viz., KFin Technologies Ltd., (formerly, KFin Technologies Private Ltd.), "Selenium Tower-B", Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Telengana (RTA) any change in their address/details about their Bank Account number, Name of the Bank, Bank's Branch name and address to enable the Company to send letters, remit dividend electronically or alternatively, for incorporating in the dividend warrants. For shares held in dematerialised form, change in address/bank account particulars may be intimated directly to the Member's Depository Participant(s).



**(b) Shareholders holding shares in demat form**

The Company uses National Automated Clearing House (NACH) facility for payment of dividends declared directly to the bank accounts of shareholders. The shareholders may use the facility by providing the bank account number to the depository participant/ RTA, as may be relevant, to enable the Company to effect the dividend payment through the NACH mode. If there is any change in bank account details, Shareholders are requested to advise their Depository Participant(s)/Company's RTA, as the case may be, immediately about the change.

**Name and address of Stock Exchanges**

Name of Stock Exchanges	Address
National Stock Exchange of India Ltd.	: Exchange Plaza, 5 <sup>th</sup> Floor, Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051

Name of Stock Exchanges	Address
BSE Ltd.	: New Trading Ring, 1 <sup>st</sup> Floor, P J Towers, Rotunda Building Dalal Street, Mumbai – 400 001

Listing fee for the year ended 31<sup>st</sup> March 2023 has been paid to the above Stock Exchanges in time.

**Listing on Stock Exchanges - Equity Shares**

Name of Stock Exchanges	Stock Code
National Stock Exchange of India Ltd.	: TIINDIA
BSE Ltd.	: 540762

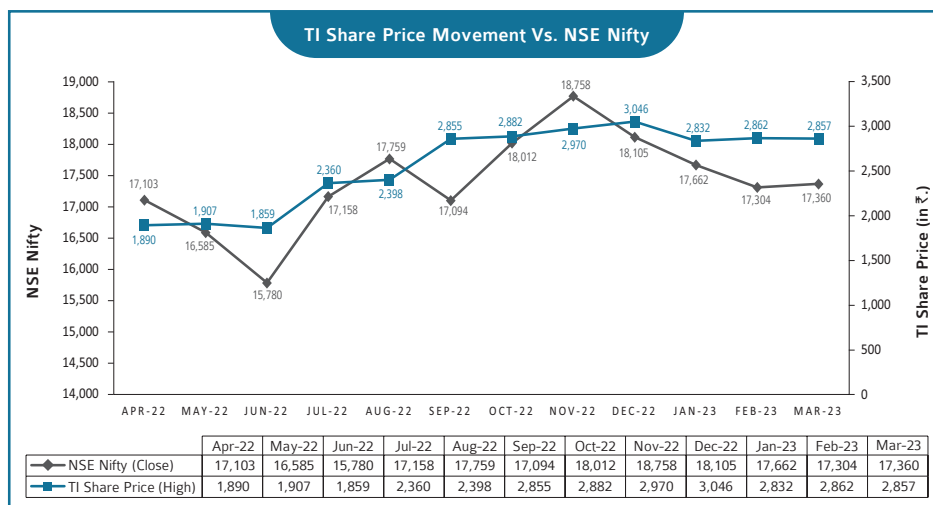
**Non-Convertible Debentures**

As on the date of this Report, there are no outstanding Non-Convertible Debentures.

**Market Price Data and Comparison**

Monthly high and low price of the equity shares of the Company from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023 are as follows: (Amount in ₹)

Month	National Stock Exchange of India Ltd		BSE Ltd	
	High	Low	High	Low
April, 2022	1,890.00	1,602.05	1,885.45	1,601.65
May, 2022	1,906.70	1,496.10	1,905.80	1,495.95
June, 2022	1,858.90	1,457.60	1,859.90	1,458.70
July, 2022	2,360.00	1,729.25	2,359.95	1,725.00
August, 2022	2,398.00	1,981.00	2,397.80	1,983.25
September, 2022	2,855.00	2,211.25	2,851.70	2,212.40
October, 2022	2,881.90	2,595.00	2,881.15	2,595.00
November, 2022	2,969.85	2,480.00	2,968.00	2,491.55
December, 2022	3,046.20	2,665.10	3,046.25	2,665.05
January, 2023	2,832.45	2,528.00	2,829.15	2,529.90
February, 2023	2,861.95	2,375.00	2,855.55	2,375.05
March, 2023	2,857.20	2,422.00	2,855.55	2,432.00



**Registrar and Share Transfer Agent**

KFin Technologies Limited  
 (formerly, Kfin Technologies Private Limited)  
 Selenium Tower B, Plot nos. 31-32, Financial District  
 Nanakramguda, Serilingampally Mandal  
 Hyderabad - 500 032  
 e-mail: [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com)  
 Tel : (040) – 67162222  
 Fax: (040) - 23420814  
 Toll Free: 1800-345-4001

**Share Transfer and Investor Service System**

The Board has authorised Chairman/Managing Director/Chief Financial Officer/Company Secretary to approve transfers/transmissions in addition to the Committee of the Board constituted for the purpose.

**Shareholding Pattern as on 31<sup>st</sup> March 2023**

Category	No. of shares held	% of shareholding
<b>A Promoter &amp; Promoter Group</b>	8,92,47,752	46.21
<b>B Non-Promoter Holding</b>		
1 Institutional Investors		
a) Mutual Funds	1,99,74,607	10.34
b) Banks, Financial Institutions, Insurance Companies	9,52,993	0.50
c) Foreign Institutional Investors	5,58,33,570	28.91
2 Others		
a) Private Corporate Bodies	80,40,057	4.16
b) Indian Public	1,77,30,578	9.18
c) NRI	13,41,519	0.70
<b>Grand Total</b>	<b>19,31,21,076</b>	<b>100.00</b>

**Distribution of Shareholding as on 31<sup>st</sup> March 2023**

Category	No. of holders	% to Total	No. of shares	% to Total
1 - 5000	86,024	98.80	1,08,00,421	5.59
5001 - 10000	393	0.45	28,70,780	1.49
10001 - 20000	187	0.21	26,47,975	1.37
20001 - 30000	101	0.12	24,63,236	1.28
30001 - 40000	49	0.06	16,89,961	0.88
40001 - 50000	36	0.04	15,95,751	0.83
50001 - 100000	96	0.11	66,84,551	3.46
100001 & Above	180	0.21	16,43,68,401	85.10
<b>Total</b>	<b>87,066</b>	<b>100.00</b>	<b>19,31,21,076</b>	<b>100.00</b>

### Nomination Facility

The Shareholders holding shares in physical form may avail of the nomination facility under Section 72 of the Companies Act, 2013. The nomination form (Form SH.13), along with instructions, will be provided to the Members on request. In case the Members wish to avail of this facility, they are requested to write to the Company's RTA viz., M/s. KFin Technologies Limited.

Shareholders holding shares in physical mode may submit Form ISR-3 to opt out of nomination and to modify the nomination already made in Form SH. 14 have to be submitted.

### Dematerialisation of Shares

The Equity shares of the Company are compulsorily traded in dematerialised form. The code number allotted by the National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) to Tube Investments of India Ltd is ISIN INE974X01010.

### GDR details

The GDR programme was terminated by the Company in May 2022.

### Commodity Price Risk/Foreign Exchange Risk and Hedging Activities

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

### Means of Communication

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

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

Date of AGM	Whether any Special Resolution was passed	Particulars
23.07.2020	Yes	a) Payment of a commission of ₹100 lakhs to Mr. M M Murugappan, Chairman (non-executive, promoter) for the financial year 2019-20.
13.08.2021	Yes	a) Payment of a commission of ₹61.64 lakhs to Mr. M M Murugappan, former Chairman (non-executive, promoter) for the financial year 2020-21. b) Payment of remuneration by way of commission to Directors other than Directors in whole-time employment/Managing Director/Manager of the Company for FYs 2021-22 to 2025-26. c) Further investment not exceeding ₹2 Cr. in M/s Watsun Infrabuild Private Limited. d) Investment up to ₹25 Cr. in start-up companies/body corporate(s) engaged in innovative research and development of new technology/ies.
02.08.2022	Yes	a) Payment of a commission of ₹2 Cr. to Mr. M A M Arunachalam, Chairman (non-executive, promoter) for the financial year 2021-22.

### Special Resolutions by Postal Ballot

During the year 2022-23, the Company sought approval of the shareholders by way of Postal Ballot for the following Special Resolutions:

Sl. No.	Resolution	Notice dated	% of valid votes in favour
1	Alteration of the Main Objects Clause of the Memorandum of Association of the Company for insertion of new sub-clauses 11 to 13 after the existing sub-clause 10 thereunder, to facilitate the Company pursuing certain new lines of business	12 <sup>th</sup> May 2022	99.3314
2	Appointment of Mr. Tejpreet Singh Chopra as Independent Director of the Company for a term of 5 years from 16 <sup>th</sup> March 2022 to 15 <sup>th</sup> March 2027 (both dates inclusive)	12 <sup>th</sup> May 2022	92.4591
3	Alteration of the Main Objects Clause of the Memorandum of Association of the Company for insertion of new sub-clause 14 after the existing sub-clause 13 thereunder, to facilitate the Company pursuing a new line of business.	13 <sup>th</sup> March 2023	99.3268

The Board of Directors of the Company had appointed Mr. R Sridharan (ICSI Membership CP No.3239-FCS No.4775) of M/s. R Sridharan & Associates, Company Secretaries, as the Scrutinizer for conducting the aforesaid Postal Ballots through remote e-voting process, in a fair and transparent manner.

#### Procedure for Postal Ballot:

The Postal Ballots were carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and in compliance with the General Circulars issued by the Ministry of Corporate Affairs.

#### General Body Meeting

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

Year	Date	Time	Venue
2019-20	23.07.2020	3.30 P.M.	Through Video Conferencing (VC)
2020-21	13.08.2021	3.30 P.M.	Through Video Conferencing (VC)
2021-22	02.08.2022	3.30 P.M.	Through Video Conferencing (VC)

#### Unclaimed Shares

The details in respect of the unclaimed shares of erstwhile Tube Investments of India Ltd., lying in the TII Demerger Unclaimed Share Suspense Account are given below:

Sl. No.	Particulars	No. of Shareholders	No. of Shares
1	Aggregate number of Shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on 01.04.2022	1,761	14,83,786
2	Number of Shareholders who approached the Company for transfer of their shares from TII Demerger Unclaimed Share Suspense Account during the year [from 01.04.2022 to 31.03.2023]	63	60,685
3	Number of Shareholders to whom shares were transferred from TII Demerger Unclaimed Share Suspense Account during the year [from 01.04.2022 to 31.03.2023]	63	60,685
4	Aggregate number of Shareholders and the outstanding shares in the TII Demerger Unclaimed Share Suspense Account lying as on 31.03.2023.	1,698	14,23,101

The voting rights on the Outstanding Shares in the TII Demerger Unclaimed Share Suspense Account as on 31<sup>st</sup> March 2023 shall remain frozen till the rightful owner of such shares, claim the shares. On receipt of the claim, the Company will, after verification, arrange to credit the Equity Shares to the demat account of the Shareholder concerned.



In its continuous efforts towards bringing down the number of shares in the Unclaimed Share Suspense Account, the Company, during the year under review has taken steps through direct contact of the shareholders at their last known address and also by sending a postal reminder to come forward with their claim for the shares.

### Credit Rating

Details of credit rating obtained by the Company for its fund-raising programmes during the financial year along with revisions thereto are furnished below:

Facility rated	Credit Rating Agency	Rating
Bank loan facilities – Long term rating	CRISIL	CRISIL AA+/Stable
	ICRA	ICRA AA+/Stable
Bank loan facilities – Short term rating	CRISIL	CRISIL A1+
	ICRA	ICRA A1+
Commercial Paper	CRISIL	CRISIL A1+
	ICRA	ICRA A1+

### Other Disclosures

- 1) M/s. R Sridharan & Associates, Practising Company Secretaries have confirmed that none of the Directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
- 2) There was no instance of any non-acceptance by the Board of Directors of the recommendations of any Committee of the Board, where it is mandatorily required, during the financial year under review.
- 3) Details of total fees for all services paid/payable by the Company and its subsidiaries, on a consolidated basis, to M/s. S R Batliboi & Associates LLP, Chartered Accountants & Statutory Auditors of the Company and all their network firms/entities during the financial year 2022-23 are furnished below:

a) Fees for audit and related services paid to M/s. S R Batliboi & Associates LLP and all their network firms/entities	₹2.88 Cr.
b) Fees for Other services paid to M/s. S R Batliboi & Associates LLP and all their network firms/entities	₹0.61 Cr.

- 4) Disclosures regarding prevention of sexual harassment of women at the workplace are furnished in a separate section of the Board's Report. There was no complaint received during the year.
- 5) There is no non-compliance of any requirement of Corporate Governance Report of sub-paragraphs (2) to (10) of section 'C. Corporate Governance' relating to disclosures under Corporate Governance.
- 6) There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016, during the year.
- 7) There is no one-time settlement with the banks or financial institutions made during the year.
- 8) The Company has ensured compliance under SEBI (Prohibition of Insider Trading) Regulations, 2015.

## Business Responsibility and Sustainability Report (BRSR)

The SEBI circular SEBI/HO/CFD/CMD-2/P/CIR/2021/562 has stated that with effect from the financial year 2022-2023, filing of BRSR shall be mandatory for the top 1,000 listed companies (by market capitalization) and shall replace the existing BRR.

The BRSR seeks disclosures from listed entities on their performance against the nine principles of the 'National Guidelines on Responsible Business Conduct' (NGBRCs) and reporting under each principle is divided into essential and leadership indicators. The essential indicators are required to be reported on a mandatory basis while the reporting of leadership indicators is on a voluntary basis.

### Section A - General Disclosures

#### I. Details of the listed entity

<b>Corporate Identity number:</b>	L35100TN2008PLC069496
<b>Name of the Listed Entity:</b>	Tube Investments of India Limited
<b>Year of incorporation:</b>	2008
<b>Registered office address:</b>	Dare House, 234 N S C Bose Road, Chennai – 600001
<b>Corporate address:</b>	Dare House, 234 N S C Bose Road, Chennai – 600001
<b>E-mail:</b>	<a href="mailto:investorservices@tii.murugappa.com">investorservices@tii.murugappa.com</a>
<b>Telephone:</b>	044 42177770-5
<b>Website:</b>	<a href="http://www.tiindia.com">www.tiindia.com</a>
<b>Financial year for which reporting is being done:</b>	1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023
<b>Name of the Stock Exchange(s) where shares are listed:</b>	National Stock Exchange of India Ltd. BSE Ltd.
<b>Paid-up Capital:</b>	₹19.31 Crores
<b>Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:</b>	Ramanujam Rajagopalan Phone: 044-42286730 Email: <a href="mailto:ramanujamr@tii.murugappa.com">ramanujamr@tii.murugappa.com</a>
<b>Reporting boundary:</b>	The reporting boundary covers all the manufacturing plants of the Company in India for the period from 1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023

#### II. Products/services

##### 14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
i.	Steel Strips & Tubes	A leading supplier of precision tubes, including Electric Resistance Welded (ERW) and Cold Drawn Welded (CDW), to major automobile and non-automotive sectors in India and internationally. The Company is the leading name in CDW tubes for the automotive and non-automotive sectors in India.	63%
ii.	Metal Formed Products	A pioneer and market leader in precision sheet metal formed components with added value. Chains for Auto sector, Fine blanked products, Car door frames, Window and Guide channels, Impact beams and Yokes for various types of motor casings.	20%
iii.	Cycles and Accessories	Leading industry player in bicycle industry with a range of products in standards cycles, specials cycles, fitness equipment and accessories	11%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
i	Steel Strips & Tubes	NIC Code: 2431	63%
ii	Metal Formed Products	NIC Code: 2511	20%
iii.	Cycles and Accessories	NIC Code: 3092	11%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	25*	76	101
International	0	1	1

\*including satellite units

17. Markets served by the entity:

The Company predominantly serves the Indian market. The Company also has sizable export of bicycles, tubes and industrial chains to other countries in Asia, Europe and the Americas.

a. Number of locations

Locations	Number
National (No. of states)	17
International (No. of countries)	20

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports contribute around 13% of the total turnover of the entity.

c. A brief on types of customers:

The entity has B2B and B2C customers. In the B2B category, the entity supplies to auto and industrial OEM's. In the B2C category, the entity supplies to dealers, sub-dealers and retailers.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees (including differently abled):

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>						
1	Permanent (MS/SS)	1512	1420	94%	92	6%
2	Workers (NMS/SGS)	1526	1525	100%	1	0%

b. Differently abled Employees:

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (MS/SS)					
2.	Workers (NMS/SGS)					

19. Participation/Inclusion/Representation of women

Category	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	1	12.5%
Key Management Personnel	6	0	0

## 20. Turnover rate for permanent employees

	Turnover rate in FY 2022-23			Turnover rate in previous FY			Turnover rate in the year prior to the previous FY		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees (MS/SS)	15%	12%	15%	15%	16%	15%	10%	9%	10%

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

## 21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether it is a holding / Subsidiary / Associate / or Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Shanthy Gears Limited	Subsidiary	70.47%	Yes
2	Financiere C10	Subsidiary	100.00%	No
3	Great Cycles Private Limited	Subsidiary	80.00%	No
4	Creative Cycles Private Limited	Subsidiary	80.00%	No
5	CG Power and Industrial Solutions Limited	Subsidiary	58.05%	No
6	Aerostrovilos Energy Private Limited	Associate	27.78%	No
7	TI Clean Mobility Private Limited	Subsidiary	99.99%	Yes
8	Moshine Electronics Private Limited	Subsidiary	76.00%	No
9	X2Fuels and Energy Private Limited	Joint Venture	50.00%	Yes

## VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹): 6791.61 Crores

(iii) Net worth (in ₹): 3292.47 Crores

## VI. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year		FY 2021-22 Previous Financial Year	
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Number of complaints filed during the year	Number of complaints pending resolution at close of the year
Communities	Yes <a href="https://tiindia.com/business-responsibility-policy/">https://tiindia.com/business-responsibility-policy/</a>	0	0	0	0
Investors (other than shareholders)	Yes <a href="https://tiindia.com/business-responsibility-policy/">https://tiindia.com/business-responsibility-policy/</a>	0	0	0	0
Shareholders	Yes <a href="https://tiindia.com/business-responsibility-policy/">https://tiindia.com/business-responsibility-policy/</a>	6	0	4	0



Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year		FY 2021-22 Previous Financial Year	
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Number of complaints filed during the year	Number of complaints pending resolution at close of the year
Employees and workers	Yes The company has in place a policy for prevention of sexual harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act). Apart from this, the Company conducts Communication meetings, Daily Shift Assembly meetings, POSH meetings, Monthly Communication Meeting and Union Meetings at regular intervals. Further, grievance redressal is acknowledged through respective manager / HR and direct discussion with HR head.	0	0	0	0
Customers	Yes <a href="https://tiindia.com/business-responsibility-policy/">https://tiindia.com/business-responsibility-policy/</a>	0	0	0	0
Value Chain Partners	Yes <a href="https://tiindia.com/business-responsibility-policy/">https://tiindia.com/business-responsibility-policy/</a>	0	0	0	0

24. Overview of the entity’s material responsible business conduct issues Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Change Action	Risk and Opportunity	With the increasing awareness and concern about Climate across our key stakeholder groups like investors, customers, local communities, and employees, it becomes imperative that we treat this global risk as a company risk and turn it into an opportunity.	TiI has adopted a clear road map to reduce its Green House Gas (GHG) footprint in its aim to reduce 40% GHG emission by 2030	Negative
2	Water Management	Risk	We are conscious that fresh water is a scarce resource and that we have a duty to our social and ecological ecosystems to ensure adequate availability of fresh and clean water including its conservation.	Rainwater harvesting mechanisms have been constructed across our business units in order to recharge ground water, while effluent treatment plants (ETPs) at our plants treat waste water and reuse it in the manufacturing processes. In a move to reduce fresh water consumption, we plan to upgrade existing ETPs at all business units to zero liquid discharge and estimate this will result in savings of 150 KL per day. We are also considering introducing processes that will minimize the use of water in and reduce water consumption.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Waste Management	Risk and Opportunity	Our approach to waste management at TII reflects the principles of a circular economy, namely Reduce, Reuse and Recycle. We operate to zero defect standard in our manufactured products in order to minimize the generation of waste and maximize its reuse and recycling after the completion of manufacturing processes	Waste at all of our units is segregated as hazardous and non-hazardous and disposed in appropriate ways, while adhering to the applicable safety norms and regulations for each type of waste. Going forward, we are committed to reducing landfill wastes from TII operations.	Negative
4	Product Stewardship	Opportunity	TII believes in producing and providing the best to its customers. At TII, we strive to maintain our brand reputation and produce products that ensure customer and end user safety		Positive
5	Responsible Supply Chain	Risk and Opportunity	We understand that a responsible supply chain is paramount to a business' survival. More importantly, in today's world, it extends to protecting our partners in value chain. It is our responsibility to build responsible supply chains, towards which we engage with our supply partners to adopt and implement practices that align with our ESG requirements and policies.	Presently, we are looking into formulating a sustainable supply chain program to assess social and environmental practices of our suppliers. We generate local employment by engaging with local suppliers and service providers and actively develop and manage local supply chains around our manufacturing sites.	Positive
6	Occupational Health and Safety	Risk	Employees are the backbone of our organisation. We emphasize and safeguard the health and safety of our employees. We are constantly working towards ensuring total adherence to the Company's safety, health, and environmental policy.	Our Safety policies (EHS) are instrumental in ensuring our employee performance. We work to promote a 'Zero incident work culture' and provide health and safety training to all our employees on how to maintain safety in the workplace environment.	Negative
7	Employee Wellbeing	Opportunity	We continuously ensure the physical, mental, emotional and financial well-being through various employee welfare initiatives.		Positive
8	Human Rights	Risk	One of the core values that acts as an anchor for TII is respect for individual rights and non-tolerance of discrimination. Our commitment to fair and dignified treatment of those we engage-with draws from the Five Guiding Lights of the Murugappa Group.	Our Company's Code of Conduct covers our respect for Human Rights and encompasses both our internal as well as external stakeholders and extends to subsidiaries as well. The Company also encourages suppliers, contractors and others to follow the values enshrined in our founding philosophy. We also follow 'Zero non-compliance to human rights.	Negative
9	Social Responsibility and Equitability	Opportunity	Social Responsibility is enshrined in our founding philosophy. We recognize the rights of communities around our operations and uphold these in the various social initiatives through which we engage with them.		Positive
10	Customer Centricity	Opportunity	Customer centricity will remain a key driver of our growth initiatives and we will continue to align all our operations with internationally established standards to address dynamic customer needs and deliver zero deficit products		Positive
11	Economic Performance	Opportunity	TII continuously strives to improve its economic performance and create value to its stakeholders		

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
12	Confidentiality	Risk	TII continuously emphasizes the need to protect its stakeholders' privacy and customers' business plans. TII has identified IT/cyber security as a risk associated with their business as these can pose a threat to the confidentiality and integrity of TII's data.	Demonstrating our respect for people's privacy, TII's Mobile Privacy Policy discloses how personal data is collected from customers/stakeholders on our proprietary mobile app ROTOGRO, as well as how it is used, shared and protected. We also make it public that we use data collection devices like cookies on certain pages of the application to help analyse the flow of the app, measure promotional effectiveness and promote trust and safety. The policy covers customer rights, such as the choice to opt out of Google Analytics for Display Advertising and customize Google Display network advertisements using the Ads Preferences Manager.	Negative
13	Compliance	Risk and Opportunity	An uninterrupted adherence to applicable regulations and monitoring of upcoming regulations is crucial in the sustenance of TII.	TII relentlessly strives to ensure zero noncompliance towards regulatory requirements and also uses various digital tools to ensure and track regulatory compliance and changes thereto.	Negative

**Section B: Management and process disclosures**

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	<a href="https://tiindia.com/business-responsibility-policy/">https://tiindia.com/business-responsibility-policy/</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/ No)	No								
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001, ISO 14001, OHSAS 45001 and Company's Environment, Health and Safety (EHS) Guidelines								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	100% suppliers to be assessed on supplier code of conduct by 2030	Encourage employees to participate in 10K Challenge by 2025 Improve employee volunteering by 5% Year on Year To achieve 100% increase in training & development to all employees from the baseline by 2025 Sustain 100% operations of TI compliance towards OHSAS certification (Either ISO 18001 / 45001) and ensuring "Zero Incident work culture"	Zero non-compliance to human rights principles and policies	Reduce Greenhouse Gas (GHG) Emission to 40% by increasing Renewable energy share by the year 2030 Reducing 10% of energy intensity by 2030 (kWh/ ton of product) Intend to reduce waste generation based on 3R principles (Reduce, Reuse & Recycle) by 2030 Reducing 20% of water intensity by 2030 Achieve Zero liquid discharge by 2030	Achieve 10% gender balance by 2025 Implement high impact CSR programs at grass roots in the areas of Education, Health and Community Development	Achieve & sustain 85% + customer satisfaction rate by 2030			



Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.		The Company is in the process of formulating its Supplier Code of Conduct	Achieved 51% improvement in training man-days year on year. Over 90% of TI operation has achieved ISO 45001 certification			Achieved 14% reduction in CO2 emission (baseline 2020-21 data) Achieved 3% reduction in energy use intensity Achieved 19% reduction in waste generation intensity Achieved 19% reduction in water use intensity Achieved zero liquid discharge across operation		Achieved 6% female to male employee ratio	The Company regularly conducts satisfaction survey, intend to enhance by including multiple dimensions in the survey process
<b>Governance, leadership and oversight</b>									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements:									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	1. DIN (if applicable) 09364667 2. Name Mr. Mukesh Ahuja 3. Designation: Managing Director 4. Telephone number: 044 42177770-5 5. E-mail id: <a href="mailto:MukeshAhuja@tji.murugappa.com">MukeshAhuja@tji.murugappa.com</a>								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	No								
10. Details of Review of NGRBCs by the Company:									
	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee		Frequency (Annually/ Half-yearly/ Quarterly / Any other – please specify)						
Performance against above policies and follow up action	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Board Committee								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Internal Steering Committee		Monthly and Quarterly						

**11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**

No

The Company has in place an internal task force which evaluates the working of this policy.

**12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

TII has policies covering every BRSR principle

**Principle wise Disclosures**

Principle 1: Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable

**Essential Indicators**

**1. Percentage coverage by training and awareness programmes on any of the BRSR Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors		The Board is updated on ESG/BRSR development at regular intervals	
Key Managerial Personnel	2	Business Ethics, Bribery & Corruption, Gifts and Entertainment policy, Conflict of Interest, etc.,	100%
Employees other than BoD and KMPs	60	Employees of the Company undergo various training programmes throughout the year. New joinees are trained on a series of programmes as a part of induction program. Various trainings were undertaken during the year such as Prevention of Sexual Harassment at the Workplace (Principle 5), Policy on Conduct and Vision Mission on Five Lights of Murugappa. There are programs to orient employees to various policies, processes and ways of working.	75.5%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

Monetary					
	NGRBC Principle	Name of the regulatory enforcement	Amount (in INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/Fine					
Settlement			Nil		
Compounding Fee					
Non-Monetary					
	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case		Has an appeal been preferred? (Yes/No)	
Imprisonment					
Punishment		Nil			

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

There were no fines or penalties being imposed during FY22.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Nil

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company’s governance policies are based on upholding ethics, being transparent with stakeholders, providing proper and timely disclosure, etc. All of the Group’s entities have similar policies in place. All stakeholders of the Company – internal as well as external are expected to work within the framework of the aforesaid policies/principles. The Company’s commitment to ethical and lawful business conduct is a fundamental shared value of the Board of Directors, the Senior Management and all other employees of the Company. It encourages the stakeholders of the entity to take positive actions, which not only are commensurate with the Company’s values and beliefs but are also perceived to be so.

Further, the Code of Conduct is applicable to the Directors and Senior Management personnel which includes executives who are in the grade of General Manager and above; all executives directly reporting to the Chief Executive and Company Secretary. The Code of Conduct embodies the belief that acting always with the Company’s legitimate interest in mind and being aware of the Company’s responsibility towards its stakeholders is an essential element of the Company’s long-term excellence. In the selection of its vendors and contractors, the Company ensures to identify and deal with those who can maintain and follow ethical standards. The Company further on a regular basis endeavour to reiterate awareness and impart training on these values to its employees. The relevant stakeholders of the Company are also made aware through different engagement channel of the said values from time to time.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2021-22	FY 2022-23
Directors		
KMPs	Nil	Nil
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

Total number of complaints received in relation to issues of conflict of interest	FY 2021-22	FY 2022-23
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

There were no complaints received during FY22-23 therefore no corrective action plan has been undertaken.

**Leadership Indicators:**

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with each partner) under the awareness programmes
FY 2022-23	Safety, Workplace ethics and discipline. The company has engaged with its value chain partners to conduct these awareness programs covering all our manufacturing locations	90% of the major value chain partners engaged in facility management are covered

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes. The Code of Conduct specifies avoidance of conflict of interest. However, this is only a guiding principle and in case of any potential conflict, it will be disclosed, and necessary action will be considered by the Board and the management. Further, the Board of Directors provide necessary disclosures about entities/firms in which they and/or their relatives are interested. Any transactions with these entities/firms gets prior approval of the Audit Committee or the Board as part of Related Party Transactions. If a Director is interested, she or he does not participate in the discussion in which this item is considered.

**Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicators**

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively**

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	-	-	1. Conversion of Liquid fuel at Tube Products of India and TI Cycles
Capex	127.72 Lakhs (0.64%)	59.15 Lac (0.44%)	2. LED Lights for Tube Products of India and Metal Formed Products Division 3. Evaporator, ATFD for waste-water to achieve Zero liquid discharge at Avadi location 4. ETP improvement at Tube Products of India, Metal Formed Products Division & TI Cycles 5. Improvement in Rain-water harvesting system at Tube Products of India and Metal Formed Products Division 6. Energy efficient EC motor implementation for AHUs 7. Replacing LPG burners in canteen by Induction cook stoves – In progress 8. Roof-top solar power generation – In progress

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) If yes, what percentage of inputs were sourced sustainably?**

Yes, TII always advocates for sustainable supply chain. Vendors/service providers are encouraged to follow management practises outlined in international standards such as ISO 9001 and ISO 14001. In the future, the company plans to create a sustainable supply chain programme that will formalise environmental and social assessments for suppliers.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

We have environmental management system where we have operational control procedures to generate, handle, store and disposal of wastes like plastics, E waste, hazardous wastes and other wastes. Reclamation of product is not applicable due to the nature of business.



**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

EPR is now required for all plastic packaging materials used in businesses. As a result, the organisation is in the process of and registering for the EPR. The SOP's for recycling plastic waste is under development and it will be established across all operations after the registration process

**Leadership Indicators**

**1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

TII manufactures products based on OEM specifications, we are in the process of shortlisting few products aligning business demands. TII intends to evaluate the life cycle impact of those products in the near future.

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same:**

TII intends to evaluate the life cycle impact of products in future. Hence, this is not applicable at the moment.

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
Steel (TPI)	10%	10%

**4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format**

Reclamation of product is not applicable due to the nature of business.

**5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category:**

Reclamation of product is not applicable due to the nature of business.

**Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

**1. a. Details of measures for the well-being of employees:**

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Employees (MS, SS, NMS & SGS)											
Male	2945	2945	100%	2945	100%	0	0%	1420	48%	Nil	
Female	93	93	100%	93	100%	93	100%	0	0%	Nil	
Total	3038	3038	100%	3038	100%	93	3.06%	1420	47%	Nil	

**2. Details of retirement benefits, for Current FY.**

Benefits	No. of employees covered as a % of total employees	FY 22-23		FY 21-22	
		Deducted and deposited with the authority (Y/N/NA)		Deducted and deposited with the authority (Y/N/NA)	
PF	70%	Y		69.98%	Y
Gratuity	52.18%	NA	The Company does not deposit it with authority but has opted for a Gratuity Scheme with Life Insurance Corporation of India	56.16%	NA The Company does not deposit it with authority but has opted for a Gratuity Scheme with Life Insurance Corporation of India
ESI	18.96%	Y		24.87%	Y

3. **Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes, the venues where the Company conducts business are accessible to those with disabilities. Elevators, ramps, and other infrastructure are present in corporate office buildings and manufacturing facilities to accommodate people with diverse abilities. In all significant sites, occupational health centres have wheelchairs available.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes. We have implemented equal opportunity policy across all our operating facilities in accordance with the Rights of Persons with Disabilities Act, 2016. The policy is available to all our employees through the company portal. <https://tiindia.com/wp-content/uploads/2023/07/Policy-for-equal-employment-opportunity.pdf>

5. **Return to work and Retention rates of permanent employees that took parental leave.**

Gender	Total number of people returned after parental leave in FY22 (A)	Total Number of people who took parental leave in FY22 (B)	Permanent Employees			
			Return to work rate (A/B)	Total Number of people retained for 12 months after returning from parental leave (C)	Total number of people returned from parental leave in prior FY (D)	Retention rate (C/D)
Male	28	28	100%	28	28	100%
Female	0	0	0	0	0	0
Total	28	28	100%	28	28	100%

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees? If yes, give details of the mechanism in brief.**

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Employees	The Company has in place the Whistle Blower policy and Welfare Committee that takes care of employee grievances. It also conducts POSH Meetings and Monthly Communication Meeting and Monthly Union Meetings, Canteen / Works / Safety Committee meetings. Dedicated channels for raising such grievances have been put in place and communicated to all the concerned stakeholders for smooth and direct communication.
Other than Permanent Employees	All non-permanent employees who work in TII manufacturing locations are covered as part of TII's policy frameworks. We have dedicated channels to capture the grievances of non-permanent employee (if any).

7. **Membership of employees in association(s) or Unions recognised by the listed entity:**

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)
Total Permanent Employees						
- Male						
- Female						
Total Permanent Workers	1526	1331	88%	1531	1370	89%
- Male	1525	1331	88%	1531	1370	89%
- Female	1	0	0	0	0	0

**8. Details of training given to employees:**

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (A)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (B)	% (B/A)	No. (C)	% (C/A)
Employees										
Male	1420	384	27%	1136	80%	1497	129	9%	1225	82%
Female	92	33	36%	73	79%	84	11	13%	59	70%
Total	1512	417	28%	1209	80%	1581	140	8.86%	1284	81%
Workers										
Male	1525	1186	77%	738	48%	1531	1287	84%	703	46%
Female	1	0	0	0	0	0	0	0	0	0
Total	1526	1186	78%	738	48%	1531	1287	84%	703	46%

**9. Details of performance and career development reviews of employees:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (A)	No. (B)	% (B/A)
Employees						
Male	1420	1358	96%	1497	1294	86%
Female	92	79	86%	84	72	86%
Total	1512	1437	95%	1581	1366	86%
Workers*						
Male						
Female						
Total						

Note: \*Performance and Career Development reviews are not applicable as per Wage Settlement

**10. Health and Safety Management System**

**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, Occupational health & safety management system has been implemented in all major plant locations. 90% of our employees are covered under the OH&S management system. All the major plants are certified for ISO 45001 (Occupational health & Safety standards) and ISO 14001 (Environmental Management standards).

Management standards	Total plant locations	Certified	Planned certification by Q3'23	Remarks
ISO 14001	22	16	1	3 new units certification will applied for in phased manner
ISO 45001	22	14	3	

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

For identifying work related hazards and assess risks, on a routine basis safety patrol / walk through audits are conducted. Apart from this, the following actions are taken:

- a) Hazard identification and risk assessment is being carried out for identifying potential hazards/risks. Risk reduction programs are taken up for elimination/minimizing risks.
- b) Safety audits are also being planned and conducted for identifying potential hazards / risks.

- c) EHS committee meetings are conducted with equal participation from workmen, management & contractors for addressing safety hazards & risks.
- d) Safety critical installations such as limit switches, sensors etc., are covered under PM checklist and their working conditions are ensured.
- e) Apart from internal safety audits, annual safety audit through external experts are also planned for all plant locations from this year onwards.
- f) Work permit system to ensure safety during hazardous and non-routine activities.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes, workers' participation to report work related hazards are covered as part of Safety Committee meetings. Reporting of unsafe conditions & acts are also piloted in one plant through a mobile app. Going forward this is planned to be horizontally deployed in other locations.

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes. The employees / workers have access to non-occupational medical and health care services. For smaller issues/concerns they get treated at factory occupational health centres. For other issues, on a need basis they are referred to hospitals and get covered under medical insurance.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	All categories of employees	0.0229	0.0245
Total recordable work-related injuries	All categories of employees	15	14 (Including fatal)
No. of fatalities	All categories of employees	0	1
High consequence work-related injury or ill-health (excluding fatalities)	All categories of employees	15	13

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

For ensuring a safe and healthy workplace, the following actions are being taken,

- 1) For preventing re-occurrence of same phenomenon, each accident is being analysed, root causes are identified, and corrective measures are taken.
- 2) As a proactive approach, for eliminating potential hazards & risks the following actions are being taken:
  - a) Leadership reviews on Safety performance.
  - b) Safety patrol / walkthroughs / Tool box talks.
  - c) Safety audit (Internal & External experts)
  - d) Process-wise hazard identification & risk assessment.
  - e) Leadership cross plant safety audit (under progress).
  - f) Safety training to all categories of employees including safety induction.
  - g) Incident alerts (Safety flash reports covering internal / external incidents)
  - h) Fire drills & mock drills for emergency preparedness and handling.
  - i) Health camps & medical check-ups.
  - j) Consequence management for safety.
  - k) LOTO system for electrical safety
  - l) Work permit system,
  - m) Safety checks & testing on material handling equipment, pressure vessels, earth pits, Power presses for ensuring safe operation.
  - n) Acoustic enclosures for identified high noise equipment (presses).
  - o) Two hand control switch for manual operation.



**13. Number of Complaints on the following made by employees:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	53	1	Currently, TII is in the process of resolving the pending complaints	60	0	
Health & Safety	90	0		65	1	

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Corrective actions completed:

- 1) Double earthing provided for propane yard unloading station.
- 2) Emergency shut off valve provided for Propane storage tank.
- 3) UPVC sheets replaced at pickling section.
- 4) Secondary containment provided for HSD tank
- 5) Portable cylinder handling trolleys provided for safe movement.
- 6) ELCB provided at welding points.
- 7) Acid blower replaced for preventing build-up of fumes in working area.
- 8) LPG leak detection system provided in manifold area.
- 9) Dust collectors installed to prevent grinding dust.
- 10) Safety sensor with interlock provided for quench tank lid.
- 11) Additional turbo ventilators provided for improving air circulation.

**Leadership Indicators**

- 1. Does the entity extend any life insurance or any compensatory package in the event of death of**  
**(A) Employees (Y/N):**  
 Yes, the Company extends life insurance/compensatory package in the event of death of its employees  
**(B) Other than Permanent Employees (Y/N):**  
 Yes, the Company extends life insurance/compensatory package in the event of death of its other than permanent employees
- 2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**  
 This is not applicable at the moment
- 3. Provide the number of employees /having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**
- |                  | Total no. of affected employees/ workers |            | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment |            |
|------------------|--|------------|---|------------|
|                  | FY 2022-23                               | FY 2021-22 | FY 2022-23  | FY 2021-22 |
| <b>Employees</b> | 0  | 0          | 0   | 0          |
| <b>Workers</b>   | 1  | 1          | 1   | 0          |
- 4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No):**  
 No. TII does not provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.
- 5. Details on assessment of value chain partners:**
- |                             | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|---|
| Health and safety practices | Nil   |
| Working Conditions          |   |
- 6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**  
 Nil

**Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

At TII, stakeholders’ inputs and feedback are given high importance and is considered in the formulation of business strategy and in our practices. We engage with stakeholders to uncover the economic, environmental and social issues that are material to them and employ various formal and informal channels to do so. These include digital and social media channels, internal learning and development delivery platforms, statutory reports and presentations, Corporate Social Responsibility (CSR) initiatives, dealer conferences etc.

The Company considers its employees, business associates, suppliers, dealers, customers, shareholders/investors and communities surrounding its operations and regulatory authorities who have the potential to impact the Organisation, as its key stakeholders.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Digital platforms and social media Retail outlets Customer satisfaction survey	Regular	<ul style="list-style-type: none"> <li>• High standards of product quality and service delivery</li> <li>• Consistent improvement in customer satisfaction</li> </ul>
Local communities	No	Corporate Social Responsibility initiatives	Regular	<ul style="list-style-type: none"> <li>• Improved access to healthcare, education</li> <li>• Skill development and livelihood opportunities</li> <li>• Disaster management and relief</li> <li>• Community development</li> <li>• Environmental preservation</li> </ul>
NGO partners	No	Corporate Social Responsibility initiatives	Regular	<ul style="list-style-type: none"> <li>• Improved access to healthcare, education</li> <li>• Skill development and livelihood opportunities</li> <li>• Disaster management and relief</li> <li>• Community development</li> <li>• Environmental preservation</li> </ul>
Investors	No	Investor calls/ presentations Press releases and publications Statutory reports Annual General Meeting Stock Exchange announcements	Regular	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Business updates</li> <li>• Growth plans and product pipeline</li> <li>• Sustainability performance</li> </ul>
Regulators	No	Mandatory compliance reports	Regular	<ul style="list-style-type: none"> <li>• Statutory compliance requirements; governance, social, environmental</li> </ul>
Employees	No	Internal communication platforms Digital learning platforms and career progression programs engagement initiatives Talent Management Engine	Regular	<ul style="list-style-type: none"> <li>• High Performance Work Culture</li> <li>• Talent development and retention</li> <li>• Fulfilment of Company’s vision, mission and achieving sustainability objectives</li> <li>• Professional capacity building</li> <li>• Cordial industrial relation</li> <li>• Occupational health and safety and safe working environment</li> </ul>

### Leadership Indicators

**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The Company leverages various formal as well as informal channels communication to engage its stakeholders with the Board. These encompass digital means as well as Corporate Social Responsibility (CSR) initiatives, statutory report, learning and development platforms and events for internal communications. Other significant topics are communicated to the Board at regular intervals through various channels.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes. Stakeholder Consultation plays a pivotal role in arriving at the material issues for Tube Investments. Each of the stakeholder group bring a different perspective on materiality and the Company has developed the strategy basis stakeholder priorities. Further, action plan and roadmap have been set in place to fulfil the requirements of expectations of stakeholders.

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

The Company recognizes its responsibility and identifies underprivileged communities around its business locations as disadvantaged, vulnerable and marginalized stakeholders and continuously engages with all such stakeholders identifying, prioritising and serving their needs accordingly. The systems and processes are in place for understanding their concerns and engaging with them which are reviewed from time to time. In its holistic approach towards serving the underprivileged and disadvantaged sections of the community, the Company is focused on Education, Infrastructure, Healthcare, Community development and related areas. The Company is involved in projects like community development, infrastructure support in the local areas around the factories. The Company on a periodical basis undertakes dedicated activities as a part of its CSR initiatives for the disadvantaged, vulnerable and marginalized stakeholders in and around the Company's factories/ plants. Education, sports and health aids are provided to schools in rural/under-developed areas. Through the Company's Group trust, it has established hospitals, schools, colleges such as Sir Ramaswamy Mudaliar Higher Secondary school, AMM school, TI Matriculation Higher Secondary school, Murugappa Polytechnic college, etc. Vellayan Chettiar Higher Secondary school caters to 2200+ students providing English and Tamil Medium education. Due to pandemic, online classes were conducted for the students throughout the year. The Company through AMM Foundation has established AMMC Centenary scholarship that provides full fee scholarships to poor, meritorious students who are pursuing Professional/ Arts and Science courses. Trainings like soft skills were imparted to the scholars. Some of them have cleared the TNPSC Group-II and IV exams. Sir Ivan Stedford Hospital serves the community in and around Ambattur, Chennai by rendering excellent medical care facilities at free of cost or a nominal charge for special facilities to the community. The Company also pursues other local community assistance programmes in and around its plants and office locations.

The Company in the recent times has taken initiatives of providing infrastructure support to Government schools in the form of smart digital learning tools, refurbishing classrooms to upgrade the facilities available to students, worked with local authorities for conservation of water bodies, engaged with premier educational institutes like IIT Madras for dedicated social projects, and projects in partnership with organizations dealing with differently abled children.



**Principle 5: Businesses should respect and promote human rights**

Essential Indicators										
<b>1. Employees who have been provided training on human rights issues and policy(ies) of the entity, in the following format:</b>										
Category	FY 2022-23			FY 2021-22						
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (A)	No. of employees / workers covered (B)	% (B / A)				
Employees										
Permanent (MS/SS)	1512	1141	75.5%	1581	920	58.2%				
Workers										
Permanent (NMS)	1526	1186	77%	1610	1287	84%				
Others	-	-	-	-	-	-				
<b>2. Details of minimum wages paid to employees, in the following format:</b>										
Category	Total (A)	FY 2022-23				Total (A)	FY 2021-22			
		Equal to Minimum Wage		More than Minimum Wage			Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (B)	% (B / A)	No. (C)	% (C / A)
Employees										
Permanent	1512	0	0%	1512	100%	1581	0	0	1497	100%
Male	1420	0	0%	1420	100%	1497	0	0	1413	100%
Female	92	0	0%	92	100%	84	0	0	84	100%
Workers										
Permanent	1526	0	0%	1526	100%	1531	0	0	1531	100%
Male	1525	0	0%	1525	100%	1531	0	0	1531	100%
Female	1	0	0	1	100%	0	0	0	0	0
<b>3. Details of remuneration/salary/wages, in the following format:</b>										
	Number	Male		Female						
		Number	Median remuneration/ salary/ wages of respective category (in INR)	Number	Median remuneration/ salary/ wages of respective category (in INR)					
Board of Directors (BoD)	7		₹ 1.31 Cr.	1	₹ 0.09 Cr.					
Key Managerial Personnel	6		₹ 2.41 Cr.	0	-					
Employees other than BoD and KMP	1420		₹ 0.08 Cr.	92	₹ 0.08 Cr.					
<b>4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)</b>										
Yes, the Internal Complaints Committee (w.r.t POSH) and the human resources departments are responsible for addressing human rights impacts or issues caused or contributed to by the business.										
<b>5. Describe the internal mechanisms in place to redress grievances related to human rights issues.</b>										
An MIS on customer complaints is circulated to the customer grievance redressal committee ("the committee").										
The Company has a POSH policy in place that acts as a blanket in addressing grievances related to human rights issues.										
Further, TII's Whistle Blower Policy and Code of Conduct provides guidelines for the committee formation and working should there be an investigation.										

**6. Number of Complaints on the following made by employees:**

	FY 2022-23		FY 2021-22	
	Filed during the year	Pending resolution at the end of year	Filed during the year	Pending resolution at the end of year
Sexual Harassment				
Discrimination at workplace				
Child Labour				
Forced Labour/Involuntary Labour			Nil	
Wages				
Other human rights related issues				

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company has an internal committee (w.r.t POSH policy) which addresses grievances related discrimination and harassment cases.

Whistle-blower Policy provides Directors, Employees, customers and vendors an avenue to raise concerns, in line with the commitment of TII to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication.

Code of Conduct addresses grievances related to employee's conduct at work.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, the Company gives human rights high importance thereby making it an integral part of its business agreements and contracts.

**9. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	Nil
Wages	
Others – please specify	

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

There were no significant risks identified. Hence, no corrective action has been taken.

**Leadership Indicators****1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

Nil

**2. Details of the scope and coverage of any Human rights due diligence conducted.**

Nil

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, the Company's operating locations are accessible to differently abled employees, workers and visitors. Corporate office locations and plants have Ramps, sidewalks and elevators and all the necessary infrastructure to support differentially abled. Sign-boards are placed at every location to assist employees/workers with hearing aids. Wheel-chairs are available in Occupational Health Centres in all major facilities.

**4. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

Not Applicable

**Principle 6: Businesses should respect and make efforts to protect and restore the environment**

**Essential Indicators**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (in GJ)	5,54,530	5,36,237
Total fuel consumption (in GJ)	7,21,393	6,71,626
Energy consumption through other sources (C)		
<b>Total energy consumption (A+B+C) excluding aux consumption (in GJ)</b>	<b>12,75,923</b>	<b>12,07,863</b>
Energy intensity per rupee of turnover ( <i>Total energy consumption/ turnover in rupees</i> )	<b>188 GJ/₹ Cr.</b>	<b>190 GJ/₹ Cr.</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No assessment was carried out by any external agencies, however internal control points are adhered to keep track of data

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable

**3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	43,398	52,103
(ii) Groundwater	2,27,602	1,93,744
(iii) Third party water ( <i>Municipal Water Supply</i> )	3,43,209	4,02,309
(iv) Seawater / desalinated water	--	--
(v) Others ( <i>Rainwater Harvesting structures</i> )	14,386	8,584
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>6,28,595</b>	<b>6,56,740</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>6,28,595</b>	<b>6,56,740</b>
<b>Water intensity per rupee of turnover (<i>Water consumed / turnover</i>)</b>	<b>92.6 kl/₹ Cr.</b>	<b>103.3 kl/₹ Cr.</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No assessment was carried out by any external agencies, however internal control points are adhered to keep track of data

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

More than 80% facilities of TII are ensuring ZLD, and the rest of the plants are in process of implementation. The plants are equipped with effluent treatment plants for treating the process effluents and the treated water is recycled and reused for the process. Relevant consent to operate with the state pollution control boards are obtained with the limits of operations and usage of the water.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

<i>Parameter</i>	<i>Please specify unit</i>	<i>FY 2022-23</i>	<i>FY 2021-22</i>
NOx	<b>Metric Tons</b>	<b>56</b>	<b>40</b>
Sox	<b>Metric Tons</b>	<b>16</b>	<b>15</b>
Particulate matter (PM)	<b>Metric Tons</b>	<b>52</b>	<b>65</b>
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No assessment was carried out by any external agencies, however internal control points are adhered to keep track of data

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format**

<i>Parameter</i>	<i>Unit</i>	<i>FY 2022-23</i>	<i>FY 2021-22</i>
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric tonnes of CO<sub>2</sub> equivalent</i>	<b>42,063</b>	<b>41,557</b>
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric tonnes of CO<sub>2</sub> equivalent</i>	<b>66,839</b>	<b>62,422</b>
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	<i>Metric tonnes of CO<sub>2</sub> Equivalent/ Million Rs</i>	<b>16.0 tCO<sub>2</sub>e/₹ Cr.</b>	<b>16.4 tCO<sub>2</sub>e/₹ Cr.</b>

**7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

- Conversion of Liquid fuel (LPG, FO, Kerosene, C9) to Gaseous fuel (propane & PNG)
- Power purchase agreement enhancement for procurement of more renewable energy
- Solar Capacity of 305KWp and additional 200KWp initiated in TI Cycle, will become operational by next financial year
- Green Belt development up to 1.26 hectares completed. Additionally, Miyawaki Forestation Method Implemented with a coverage of more than 4500 sqft with 450 numbers of trees of native species
- Using CNG fuel Company trucks for BO material receiving from local suppliers
- All lightings changed to LED



8. Provide details related to waste management by the entity, in the following format:

<i>Parameter</i>	<b>FY 2022-23</b>	<b>FY 2021-22</b>
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	<b>424</b>	<b>365</b>
E-waste (B)	<b>1.1</b>	<b>3.6</b>
Battery waste (C)	<b>5.1</b>	<b>3.3</b>
Other Hazardous waste. Please specify, if any. (D)		
1. Used Oil	496	644
2. ETP Sludge	3,320	3,887
3. Waste containing oil	326	292
4. Phosphate Sludge	432	543
5. Empty Containers	180	168
6. Paint Sludge	210	188
7. Acid Residues	8,351	8,663
Other Non-hazardous waste generated (E). Please specify, if any.		
Boiler ash	303	304
Wooden Scrap	179	164
Paper/ Gunny	942	985
Degradable waste - bio/non-bio	365	321
(Break-up by composition i.e., by materials relevant to the sector)		
<b>Total (A+B + C + D + E)</b>	<b>15,534</b>	<b>16,530</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
(i) Recycled	<b>11,246</b>	<b>11,620</b>
(ii) Re-used		
(iii) Other recovery operations	<b>484</b>	<b>453</b>
<b>Total</b>	<b>11,731</b>	<b>12,073</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	<b>52</b>	<b>27</b>
(ii) Landfilling	<b>3,752</b>	<b>4,430</b>
(iii) Other disposal operations		
<b>Total</b>	<b>3,804</b>	<b>4,457</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency

No assessment was carried out by any external agencies, however internal control points are adhered to keep track of data.

9. a. Briefly describe the waste management practices adopted in your establishments.

TII has adopted the 3R principles (Reduce, Reuse & Recycle) to effectively manage and reduce its waste generation. Safe and effective practices are employed across all the business units for handling the wastes generated in the respective areas. We have environmental management system where we have operational control procedures for control, segregation, storage, and safe disposal of waste generation. Training is provided to all employees for identifying and disposal of Bio-degradable, Non-biodegradable and hazardous waste.

All wastes are disposed in identified drums with colour (Blue for plastic waste, Green for bio degradable waste like paper, wood and Red for Hazardous waste like oil / Paint / Thinner / Acid / Chemical / Coolant Soaked cloth waste / Gloves. Segregated waste in the respective bins is safely moved to the concerned storage area without spillage. The waste is disposed to authorised waste handlers for recycling and co processing. Hazardous waste authorisations are obtained from the respective State Pollution control boards for the safe and authorised disposals with the specified quantities.

**b. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

We have environmental management system where we identify the aspect, impact and its significance to the environment, basis the significance, we take objectives to reduce hazardous and toxic chemicals usage in the processes.

Examples:

- Reduction of acid consumption and spent acid generation.
- Surface coating process improvement.

**c. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

Not Applicable

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
-	-	-	-
-	-	-	-

**d. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year: Not Applicable**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
-	-	-	-	-	-
-	-	-	-	-	-

**e. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes, we comply with all applicable environmental laws/regulations

S. No	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
-	-	-	-	-
-	-	-	-	-

**Leadership Indicators**

**1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2022-23	FY 2021-22
<b>From renewable sources</b>		
Total electricity consumption (in GJ) (A)	2,50,400	2,51,784
Total fuel consumption (B)	56,472	53,969
Energy consumption through other sources (C)	--	--
<b>Total energy consumed from renewable sources (A+B+C) (in GJ)</b>	<b>3,06,872</b>	<b>3,05,753</b>
<b>From non-renewable sources</b>		
Total electricity consumption (in GJ) (D)	3,04,130	2,84,453
Total fuel consumption E (in GJ)	6,64,922	6,17,657
Energy consumption through other sources (F)	--	--
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>9,69,051</b>	<b>9,02,110</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No assessment was carried out by any external agencies, however internal control points are adhered to keep track of data

**2. Provide the following details related to water discharged: Not Applicable**

	FY 2022-23	FY 2021-22
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	NA	
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	NA	
- No treatment		
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No assessment was carried out by any external agencies, however internal control points are adhered to keep track of data

**3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

The Avadi plant comes under over exploited category, however TII does not withdraw and discharge any surface or ground water in that area.

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area: Not Applicable
- (ii) Nature of operations: Not Applicable
- (iii) Water withdrawal, consumption and discharge in the following format: Not Applicable

	FY 2022-23	FY 2021-22
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Surface water		
(ii) Groundwater		
<b>Total volume of water withdrawal (in kilolitres)</b>		NA
<b>Total volume of water consumption (in kilolitres)</b>		
<b>Water intensity per rupee of turnover</b> (KL Water consumed / INR Crore turnover)		
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
<b>Total water discharged (in kilolitres)</b>		NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

**Not Available**

Parameter	Unit	FY (Current Financial Year)	FY (Previous Financial Year)
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	<i>Metric tonnes of CO2 equivalent</i>		
<b>Total Scope 3 emissions per rupee of turnover</b>			
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

None of the operations/offices of TII are located in/around ecologically sensitive areas



6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Energy Efficiency	<ul style="list-style-type: none"> <li>Power factor and Harmonics improvement in the load side distribution</li> <li>Replacement of MH lights with LED lights</li> <li>Furnace insulation improvements for heat loss elimination.</li> <li>Day light improvement by providing polycarbonate sheets. Auto cut off sensors in lighting.</li> </ul>	Reduction in Max demand by 100Kva. Rs 12 Lacs saving per annum. 30% Energy saving. Rs 18 lacs saving/ annum Energy saving Rs 4 lacs/annum Energy Saving Rs 0.5 lacs/annum
2	Renewable Energy	<ul style="list-style-type: none"> <li>In-house Roof top solar power generation</li> <li>Third party power purchase</li> </ul>	Reduction in Carbon emission
3	Alternate fuel	<ul style="list-style-type: none"> <li>Conversion of Liquid fuel to Gaseous fuel and C9) to Gaseous fuel</li> <li>Conversion of fuel used from HSD to LPG</li> <li>Conversion of LPG burners to electric induction cook stoves</li> </ul>	Reduction in Carbon emission
4	Water Efficiency	<ul style="list-style-type: none"> <li>Low temperature Evaporator, Agitate Thin Film Dryer for waste-water to achieve Zero liquid discharge Effluent water recycled to process up to 97% by ETP combined with RO and MEE.</li> <li>Sludge dryer to reduce moisture in the ETP sludge</li> <li>Surface coating process improvement.</li> </ul>	Condensate water is reused in process to reduce fresh-water consumption and salt extracted to achieve zero liquid discharge Reduced moisture in ETP sludge

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The organization is working towards developing a disaster management plan in the future.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

The value chain of TII has no significant adverse impact on the environment. However, the Company stays vigilant and promotes awareness on environment sustainability.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

We are, at present, looking into formulating a sustainable supply chain program to assess social and environmental practices of our suppliers.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators					
<p><b>1. a. Number of affiliations with trade and industry chambers/ associations.</b></p> <p>The entity is associated with 6 trade and industry chambers/associations. The list of major affiliations are as below.</p>					
<p><b>b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.</b></p>					
S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)			
1	Confederation of Indian Industry	National			
2	Southern India Chamber of Commerce & Industry	State			
3	Madras Management Association	State			
4	All India Cycle Manufacturers' Association	National			
5	Employers Federation of Southern India	State			
6	Federation of Indian Chamber of Commerce and Industry	National			
<p><b>2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.</b></p> <p>No issues related to anticompetitive conduct by the entity has been identified by regulatory authorities.</p>					
Name of authority	Brief of the case	Corrective action taken			
Not Applicable					
Note: There has not been any such adverse action from regulatory authorities.					
Leadership Indicators					
<p><b>1. Details of public policy positions advocated by the entity:</b></p>					
S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
Over the course of this year, we haven't advocated for any particular public policies.					

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicators						
<b>1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.</b>						
Not Applicable, as we have not crossed the threshold limit of ₹10 Crores.						
Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link	
AMM Foundation TI – Medical Outreach Clinic, Tiruttani IIT-Madras Avishkar Hyperloop Project Rotary Club Of Madras Temple City Little Theatre Events Rukmani Devi Fine Arts College Arvi Early Intervention Center for the Deaf, Dindigul Indian Evangelical Lutheran Church School for the Deaf, Ambur Roja Muthaiah Research Library EEGAI PROJECT - Food Freezer at Ambattur and Avadi areas Short Term Projects - BU Driven Projects			NA			
ITNT Foundation - Tamil Nadu Technology Hub - <b>Year 1</b> District Development Officer, Ponpadi village Municipal High School (Thirumullaivoyal Government school) Municipal High School, Kallikuppam District Collector, tiruvallur Government Primary School, Ponpadi Sevabharathi Tamilnadu - Mobile Medical Units			NA			
<b>2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&amp;R) is being undertaken by your entity, in the following format:</b>						
S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
				NA		

**3. Describe the mechanisms to receive and redress grievances of the community**

Community development is embedded in the DNA of the Murugappa Group and the Group's social upliftment initiatives date back as far as 1924, nearly a century ago. The Company continuously endeavours for the improvement of communities around its operating locations.

All CSR programmes are closely monitored through field visits, comprehensive documentation and regular interaction with beneficiary communities. The Company has set in place a CSR Committee which streams down to personnel who act as key point of contacts for any communication from the communities.

The Company also conducts needs assessment studies and accordingly focuses its efforts on community development projects in the vicinities of its operating locations.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers		
Sourced directly from within the district and neighbouring districts		Nil

**Leadership Indicators****1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
NA	

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent (₹ in Cr.)
1	AMM Foundation	AMM-Chennai MCRC - Chengalpet, Thiruvallur, Villupuram, Cuddalore, Sivaganga, Pudukottai, Karur, Dindigul, Coimbatore	4.58
2	TI – Medical Outreach Clinic, Tiruttani	Tiruttani	0.30
3	IIT-Madras Avishkar Hyperloop Project	Chennai	1.00
4	Rotary Club Of Madras Temple City	Chennai	0.08
5	Little Theatre Events	Chennai	0.10
6	Rukmani Devi Fine Arts College	Chennai	0.05
7	Arvi Early Intervention Center for the Deaf, Dindigul	Dindigul	0.07
8	Indian Evangelical Lutheran Church School for the Deaf, Ambur	Ambur	0.08
9	EEGAI PROJECT - Food Freezer at Ambattur and Avadi areas	Chennai	0.28
10	Roja Muthaiah Research Library	Chennai	0.05
11	ITNT Foundation - Tamil Nadu Technology Hub - Year 1	Chennai	0.50
12	District Development Officer, Ponpadi village	Tiruvallur	0.04
13	Municipal High School (Thirumullaivoyal Government school)	Chennai	0.07
14	Municipal High School, Kallikuppam	Chennai	0.32
15	District Collector, Tiruvallur	Tiruvallur	0.03
16	Government Primary School, Ponpadi	Tiruvallur	0.03
17	Sevabharathi Tamilnadu - Mobile Medical Units	Chennai	0.12
18	Other BU Driven Projects	Chennai/Tiruvallur	1.34



3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**  
The nature of business does not involve sourcing of material from marginalized/vulnerable groups
- (b) **From which marginalized /vulnerable groups do you procure?**  
Not Applicable
- (c) **What percentage of total procurement (by value) does it constitute?**  
Not Applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S. No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the Case	Corrective action taken

6. **Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	AMM Foundation – Ramasamy Mudaliar School	2075	100%
2	AMM Foundation Valliammai Achi Hospital	15406	100%
3	AMM Foundation VCHSS	2326	100%
4	AMM Foundation - MCRC		
5	TI – Medical Outreach Clinic, Tiruttani	1105	100%
6	IIT-Madras Avishkar Hyperloop Project	70+	-
7	Rotary Club Of Madras Temple City	535	100%
8	Little Theatre Events	200	100%
9	Rukmani Devi Fine Arts College	19	
10	Arvi Early Intervention Center for the Deaf, Dindigul	36	100%
11	Indian Evangelical Lutheran Church School for the Deaf, Ambur	95	100%
12	Roja Muthaiah Research Library	100 books	-
13	EEGAI PROJECT - Food Freezer at Ambattur and Avadi areas	70	100%
14	ITNT Foundation - Tamil Nadu Technology Hub - Year 1	20 startups	-
15	District Development Officer, Ponpadi village	1000	100%
16	Municipal High School (Thirumullaivoyal Government school)	60	100%
17	Municipal High School, Kallikuppam	460	100%
18	District Collector, Tiruvallur	15 villages	100%
19	Government Primary School, Ponpadi	55	100%
20	Sevabharathi Tamilnadu - Mobile Medical Units	1801	100%
21	Nemilichery High School - Table chairs	10	100%
22	Protective woolen clothing for students during winter-Charodi Gram Panchayat Local School, Sanand Gujarat	300	100%
23	Facilitate Govt. school infrastructure at Kalyanapuram, Ambattur	200	100%
24	Basic Infrastructure support for Public Health center Gumididhalla, Kazipally	20000	33%
25	Government Boys Hr Sec School, Kamrajnagar	389	100%
26	Avadi Municipal Primary School, Kamrajnagar, Avadi	495	100%
27	CSI Primary School, Ponpadi	25	100%
28	Anganwadi, Ponpadi	10	100%
29	Primary School, Golakuppam	21	100%
30	Infrastructural Support for local Primary School near Mohali factory.	250	80%
31	Municipal School, Chakan	875	100%
32	Municipal High School, Cholapuram, Ambattur	1000	100%
33	E KART Rickshaw for waste collection in Nemilicherry Panchayat	5000	95%
34	Placing CCTV's Cameras on Laksar Highway	50000	21%
35	Anganwadi, Brindavan Nagar, Avadi - Child Development School	75	100%
36	Primary Health Centre, Ponpadi	500	100%
37	Medical Facilities for ICU Ward at Prabh Aasara, Village Padiyala	436	16%

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators						
<b>1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.</b>						
Customer complaints are monitored and resolved by TII's Quality team with each of its business divisions in order to facilitate faster resolution. Further, the Company also carries out periodical consumer surveys and mapping of customer satisfaction trends. The results of these activities are considered and utilized as effective business strategy tools to better understand the customers and their needs. The Company also keeps track of customer satisfaction with respect to quality on a regular basis. It encourages customer feedback on product improvement and is committed to fulfilling requisites defined by customers on environment (water management, waste management, ISO 14001, etc), social (improved LTIFR, adherence to Human Rights, ISO 26000, etc) and quality (Zero defects, ISO 9001, etc) aspects.						
<b>2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:</b>						
					As a percentage to total turnover	
Environmental and social parameters relevant to the product					NA	
Safe and responsible usage						
Recycling and/or safe disposal						
<b>3. Number of consumer complaints in respect of the following:</b>						
	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy			Tube Investments focuses on delivering exceptional experiences for its customers through various customer centric initiatives. There are no pending complaints for both FY 2021-22 and FY 2022-23.			
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other (Product related)						
<b>4. Details of instances of product recalls on account of safety issues:</b>						
		Number	Reasons for recall			
Voluntary recalls			The company manufactures safety critical products which are supplied directly supplied to automobile and non-automobile sectors as well as to Tier 1 and Tier 2 vendors manufacturing components for OEMs. The Company follows high quality standards which are monitored through productivity and quality metrics like internal and external rejections – Parts Per Million (PPM), On Time in Full (OTIF) through Lean, 5S and 6-Sigma tools.  Any quality issues are addressed through the above methods to reduce the impact of safety concerns for its products.			
Forced recalls						
<b>5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.</b>						
The Company has in place its Mobile Privacy policy that discloses how personal data is collected from customers/ stakeholders on our proprietary mobile app ROTOGRO, as well as how it is used, shared and protected. TII also makes it public that it uses data collection devices like cookies on certain pages of the application to help analyse the flow of the app, measure promotional effectiveness, and promote trust and safety, customer rights, such as the choice to opt out of Google Analytics for Display Advertising and customize Google Display network advertisements using the Ads Preferences Manager.						

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

There have no instances of issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

**Leadership Indicators**

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Mobility: TI Cycles of India – TII (<https://tiindia.com/>)

Engineering: Tube Products of India – TII (<https://tiindia.com/>); TPI CRSS – TII (<https://tiindia.com/>); TI Machine Building – TII (<https://tiindia.com/>)

Metal Formed Products: TI Machine Building – TII (<https://tiindia.com/>); TIDC Fine Blanking – TII (<https://tiindia.com/>); TI Metal Forming – TII (<https://tiindia.com/>); TIMF Railways – TII (<https://tiindia.com/>)

Other products: TI Macho TMT Bars – TII (<https://tiindia.com/>); TIDC India – TII (<https://tiindia.com/>)

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

While TII manufactures safety critical auto component products, a significant part of these are supplied to Tier 1 and Tier 2 vendors who supply auto components to OEM customers who ultimately take care of the safety aspects.

TII's mobility division manufactures bicycles and fitness products which are consumer facing. Our website has a dedicated section <https://bsahercules.com/biking-safety/> which educates our customers on many parameters on the safety aspects of the products. We also use packing material which enhance environment and safety facets.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Not applicable as the Company's products are not considered as essential from the consumer perspective.

**4. a. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.**

Our Company follows standard procedures as applicable to display product information confirming to legal requirements e.g. Legal Metrology Act.

**b. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

The Company uses formal and informal channels to ensure we take care of customer satisfaction. Regular market interactions with our dealer and distributor community on the end customer needs and demands are undertaken to address this.

**5. Provide the following information relating to data breaches:**

**a. Number of instances of data breaches along-with impact**

**b. Percentage of data breaches involving personally identifiable information of customers**

No significant instances have been encountered to with respect to data breaches.

## Annexure-E

**DISCLOSURE OF REMUNERATION UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The details of remuneration during the financial year 2022-23 as per Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 as amended, are as follows:

**(i) Ratio of remuneration\* of each Director to the median remuneration of the employees of the Company for the financial year 2022-23:**

Name	Designation	Ratio <sup>#</sup>
Mr. M A M Arunachalam	Executive Chairman	78.85
Mr. Vellayan Subbiah	Executive Vice Chairman	121.83
Mr. Sanjay Johri	Director	2.47
Mr. Anand Kumar	Director	2.34
Ms. Sasikala Varadachari	Director	1.86
Mr. Tejpreet Singh Chopra	Director	2.43
Mr. Mukesh Ahuja	Managing Director	39.46
Mr. K R Srinivasan	Whole Time Director	25.26

\* Remuneration includes sitting fees

<sup>#</sup> Number of times the median remuneration

**(ii) Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer & Company Secretary in the financial year 2022-23:**

Name	Designation	% increase
Mr. M A M Arunachalam <sup>#</sup>	Executive Chairman	-
Mr. Vellayan Subbiah	Executive Vice Chairman	11.4%
Mr. Sanjay Johri	Director	(3.3%)
Mr. Anand Kumar	Director	10.5%
Ms. Sasikala Varadachari <sup>@</sup>	Director	-
Mr. Tejpreet Singh Chopra <sup>@</sup>	Director	-
Mr. Mukesh Ahuja <sup>§</sup>	Managing Director	-
Mr. K R Srinivasan	Whole Time Director	13.7%
Mr. S Suresh	Company Secretary	18.8%
Mr. K Mahendra Kumar <sup>*</sup>	Chief Financial Officer	-
Mr. AN Meyyappan <sup>*</sup>	Chief Financial Officer	-

<sup>#</sup> Mr. M A M Arunachalam was appointed as Executive Chairman w.e.f 01.04.2022. In the financial year 2021-22, he was a Non-Executive Director.

<sup>§</sup> Mr. Mukesh Ahuja was appointed as Managing Director w.e.f 01.04.2022.

<sup>@</sup> Part of the financial year 2021-22

<sup>\*</sup> Part of the financial year 2022-23

(iii) Percentage increase / (decrease) in median remuneration of employees in the financial year 2022-23	17.4%
(iv) Number of permanent employees on the rolls of the Company as on 31.03.2023	3,038

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

Parameters	
Average % increase in the salaries of employees other than managerial personnel in the financial year 2022-23	11.2%
Average % increase in the managerial remuneration <sup>@</sup> in the financial year 2022-23	11.5%
Remarks	<p>The Executive Chairman's, Executive Vice Chairman's, Managing Director's and Whole Time Director's remuneration comprises of fixed and variable components. The annual increment in salary for the financial year 2022-23 is determined by the Nomination &amp; Remuneration Committee on the basis of Company financials, level of responsibility, experience and scales prevailing in the industry.</p> <p>The remuneration of Non-Executive Directors (NEDs) consists of commission and sitting fees. The change in remuneration is on account of the sitting fees for the board &amp; committee meetings attended during the year.</p>

<sup>@</sup> Managerial remuneration includes the remuneration of the Whole Time Directors and those NEDs who were on the Board as Directors for the full year in both the financial years, 2021-22 and 2022-23

- (vi) **Affirmation**

It is affirmed that the remuneration paid to the employees during the financial year, 2022-23 is as per the Remuneration Policy of the Company.

On behalf of the Board

**M A M Arunachalam**  
Executive Chairman

Place : Chennai  
Date : 15<sup>th</sup> May 2023



## Certificate of Non-Disqualification of Directors

Pursuant to Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

The Members,

**TUBE INVESTMENTS OF INDIA LIMITED**

CIN: L35100TN2008PLC069496

Dare House,

234, N S C Bose Road,

Chennai - 600001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **TUBE INVESTMENTS OF INDIA LIMITED (CIN: L35100TN2008PLC069496)** having its Registered Office at Dare House, 234, N S C Bose Road, Chennai – 600001 (hereinafter referred to as (“the Company”) produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34 (3) read with Schedule V Part-C Sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our knowledge and according to the verifications (including Director Identification Number (DIN) Status at the portal [www.mca.gov.in](http://www.mca.gov.in)) and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of issue of this certificate and based on such verification as considered necessary, we hereby certify that none of the Directors as stated below on the Board of the Company as on 31<sup>st</sup> March 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board India/ Ministry of Corporate Affairs or any such other statutory authority.

S.NO.	DIN	NAME OF THE DIRECTOR	DESIGNATION	DATE OF APPOINTMENT
1.	00202958	M A M Arunachalam	Executive Chairman	11/11/2020
2.	01138759	Vellayan Subbiah	Executive Vice Chairman	19/08/2017
3.	09364667	Mukesh Ahuja	Managing Director	01/04/2022
4.	08215289	K R Srinivasan	President & Whole-time Director	11/11/2020
5.	00032015	Sanjaya Shyam Johri	Non-Executive - Independent Director	14/08/2018
6.	00818724	Anand Kumar	Non-Executive - Independent Director	24/03/2021
7.	07132398	Sasikala Varadachari	Non-Executive - Independent Director	17/06/2021
8.	00317683	Tejpreet Singh Chopra	Non-Executive - Independent Director	16/03/2022

Ensuring the eligibility, for the appointment/ continuity, of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our 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.

**For R.SRIDHARAN & ASSOCIATES**

COMPANY SECRETARIES

**CS R.SRIDHARAN**

CP No. 3239

FCS No. 4775

PR.NO.657/2020

UIN: S2003TN063400

UDIN: F004775E000289323

Place : Chennai

Date : 15<sup>th</sup> May 2023

# Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023

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

The Members,

**TUBE INVESTMENTS OF INDIA LIMITED**

CIN:L35100TN2008PLC069496

Dare House

No.234, N S C Bose Road

Chennai – 600001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TUBE INVESTMENTS OF INDIA LIMITED** [Corporate Identification Number: L35100TN2008PLC069496] (hereinafter called “the Company”) for the financial year ended 31<sup>st</sup> March 2023. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2023 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Company has complied with the applicable provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment. There was no Foreign Direct Investment and External Commercial Borrowings during the year under review;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) are applicable;
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (not applicable during the year under review);
  - d) The Employee Stock Option Plan, 2017 approved under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 & the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review);
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (not applicable during the year under review); and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (not applicable during the year under review);
- (vi) We have reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Acts, Rules, Regulations and Guidelines prescribed under various laws which are applicable to the Company and categorized under the following major heads/ groups:
  - 1. Factories Act, 1948;

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

We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the systems and mechanisms established by the Company are adequate to ensure compliance of laws as mentioned above.

We have also examined compliance with the applicable clauses/ regulations of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) (revised effective from October 1, 2017) and guidance Note on Meetings of the Board of directors and General Meetings (revised) issued by The Institute of Company Secretaries of India.
- (ii) The Uniform Listing Agreement entered with BSE Limited and National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. [hereinafter referred as "listing regulations"]

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

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Woman Independent Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and the listing regulations.

Adequate notice is given to all the directors before the schedule of the Board/ Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Notes on agenda which are circulated less than the specified period, the necessary compliances under the Companies Act, 2013 and Secretarial Standards on Board Meetings are complied with. During the year under review, directors have participated in the Board/ Committee meetings through video conferencing, such meetings were properly convened and recorded in compliance with the provisions of Section 173 (2) of the Act read with Rule 3 of Companies (Meetings of Board and its Powers) Rules, 2014.

Further, the Circulars, Regulations and Guidelines issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and other relevant regulatory authorities pertaining to Board/ Committee meetings, General Meetings and other provisions of the Act, Rules and Regulations have been complied with by the Company.

Based on the verification of the records and minutes, the decisions were carried out with the consent of the Board of Directors / Committee Members and no Director / Member dissented on the decisions taken at such Board / Committee Meetings. Further, in the minutes of the General Meeting, the number of votes cast against the resolution(s) have been recorded.

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

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

**We further report that** as per the information and explanations provided by the Management, the Company does not have any Material Unlisted Subsidiary(ies)

Incorporated in India as defined in Regulation 16(1)(c) and Regulation 24A of listing regulations during the period under review.

**We further report that** during the audit period, the Company had

1. obtained the approval of the Board of Directors at their meeting held on 12<sup>th</sup> May, 2022 to convert up to 8,52,33,645 share warrants into equal number of equity shares of CG Power and Industrial Solutions Limited, by paying the balance 75% subscription money aggregating to ₹54,72,00,001 (Rupees Fifty Four Crores Seventy Two Lakhs and One) as per the terms of offer.
2. obtained the approval of the shareholders through postal ballot on 12<sup>th</sup> June, 2022 for alteration of the Main Object Clause of Memorandum of Association, by insertion of new clauses to facilitate the Company to engage in the businesses of medical devices & instruments, electronic products & components, energy related products.
3. subscribed to 15,00,00,000 equity shares of TI Clean Mobility Private Limited for ₹150 Crores on 14<sup>th</sup> September, 2022.
4. acquired 20,66,628 equity shares of face value of ₹10/- each, representing 76% of the subscribed and paid up share capital of Moshine Electronics Private Limited at a consideration of ₹7.38 Crores on 23<sup>rd</sup> September, 2022. Consequent to this, Moshine Electronics Private Limited became a subsidiary of Tube Investments of India Limited.
5. acquired 10,753 equity shares of face value of ₹10/- each, representing 50% of the subscribed and paid up share capital of X2Fuels and Energy Private Limited on 23<sup>rd</sup> February, 2023.
6. invested ₹167 Crores in TICMPL towards subscription to 1,67,00,000 Series B Compulsorily Convertible Preference Shares pursuant to the definitive agreements entered with TICMPL.
7. redeemed secured redeemable non-convertible debentures amounting to ₹50 Crores.

For **R.SRIDHARAN & ASSOCIATES**  
COMPANY SECRETARIES

**CS R.SRIDHARAN**

CP No. 3239

FCS No. 4775

PR NO.657/2020

UIN : S2003TN063400

UDIN:F004775E000289290

Place : Chennai

Date : 15<sup>th</sup> May 2023

This report is to be read with our letter of even date which is annexed as ANNEXURE-A and forms an integral part of this report.

The Members,

**TUBE INVESTMENTS OF INDIA LIMITED**

CIN: L35100TN2008PLC069496

Dare House

No.234, N S C Bose Road

Chennai – 600001

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records as per the Auditing Standards (CSAS-1 to CSAS-4) and Guidance Notes on ICSI Auditing Standards and Guidance Note on Secretarial Audit issued by The Institute of Company Secretaries of India. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as well as correctness of the values and figures reported in various disclosures and returns as required to be filed by the company under the specified laws.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. It is the responsibility of the management of the company to devise proper systems to ensure compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards and to ensure that the systems are adequate and operate effectively. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **R.SRIDHARAN & ASSOCIATES**  
COMPANY SECRETARIES

**CS R.SRIDHARAN**

CP No. 3239

FCS No. 4775

PR NO.657/2020

UIN : S2003TN063400

UDIN: F004775E000289290

Place : Chennai

Date : 15<sup>th</sup> May 2023



Annexure-G

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

## Power & Fuel Consumption

Sl. No.	Particulars	2022-23	2021-22
1	<b>Electricity</b>		
	(a) Purchased		
	Units (KWh)	15,80,39,240	15,05,30,965
	Total Cost (₹ Cr.)	120.09	109.97
	Rate per unit (₹)	7.60	7.31
	(b) Own generation through Diesel generator		
	Units (KWh)	18,24,217	16,32,152
	Total Cost (₹ Cr.)	5.97	4.56
	Rate per unit (₹)	32.71	27.97
	(c) Own generation through Solar Plant		
	Units (KWh)	3,23,898	3,25,821
	Total Cost (₹ Cr.)	0.18	0.19
	Rate per unit (₹)	5.70	5.70
2	<b>Consumption per unit of production</b>	<b>2022-23</b>	<b>2021-22</b>
	(a) Cycles (Kwh per Cycle)	4.16	4.06
	(b) Strips and Tubes (Kwh per Ton)	228	240
	(c) Metal form (Kwh per Ton)	803	882
	(d) Chains (Kwh per Ton)	996	975

The Company is committed to the conservation of energy. Some of the actions taken for energy conservation during 2022-23 are highlighted below:

The following projects were executed during FY2022-23 towards energy conservation in our businesses.

### Engineering

- Conversion to higher calorific fuels in operations.
- Energy consumption mapping and analysis to optimize usage.
- Installation of auto cut-off systems for equipment, during idling.
- Optimization of cooling tower power consumption.
- Installation of variable frequency drives as applicable.
- Increase natural lighting in factory to reduce power consumption.
- Furnace productivity improvements to reduce fuel consumption.
- Redesign of heat source to minimize energy loss.

### Mobility

- Conversion to piped natural gas for operations.
- Increase renewable power usage.
- Air-line loss reduction to optimize compressor usage.
- Monitor and correct Power Factor for the plant.

- Variable frequency drive installation for power reduction
- Redesign ETP system to optimize usage.

#### Metal Formed Products

- Installation of variable frequency drives for equipment.
- Optimize cooling tower power consumption.
- Power controller installation for heat treat operations.
- Brick re-line to reduce energy loss in furnaces.
- Intelligent motor controllers for equipment.
- Process parameter optimization to save energy.
- Motion sensor installation in shop floor to save power.
- Program equipment start/stop to optimize idle time energy consumption.
- Natural lighting in factory roof to reduce power consumption.

#### Expenditure on R&D

Particulars	2022-23	2021-22
Capital Expenditure	10.20	4.81
Recurring	9.50	7.49
<b>Total</b>	<b>19.70</b>	<b>12.30</b>
Total R&D expenditure as a % of Total Turnover (net)	0.29%	0.21%

#### Foreign Exchange Earnings and Outgo

Particulars	2022-23	2021-22
Foreign Exchange Earnings (CIF value)	908.01	906.00
Foreign Exchange Outgo	384.35	347.74

On behalf of the Board

Place : Chennai  
Date : 15<sup>th</sup> May 2023

**M A M Arunachalam**  
Executive Chairman

## Plant Locations

### Tube Products of India

P. B. No. 4&18, CTH Road,  
Avadi, Chennai 600 054  
Tel: (044) – 42291999

### Tube Products of India

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

### Tube Products of India

Shirwal Post, Khandala Taluka  
Satara District,  
Maharashtra 412 801  
Tel : (02169) - 244080 - 85

### Tube Products of India

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

### Tube Products of India

Village : Sandharsi,  
Shambu - Ghanaur road  
Tehsil : Rajpura, Dist  
Patiala Punjab – 140 417  
Tel : (01762) - 269400

### Tube Products of India

Plot No.E-8, MIDC (Malegaon)  
Sinnar District,  
Nashik - 422103

### TI Cycles of India

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

### TI Cycles of India

Sandharsi Tehsil  
Rajpura, Patiala,  
Punjab – 140 417  
Tel : (01762) – 269000, 269200

### TIDC India

Post Bag No.11, MTH Road  
Ambattur, Chennai 600 053  
Tel : (040) - 42235555

### TIDC India

Kazipally Village, Plot No.1  
Jinnaram Mandal  
Medak Dist 502 319  
Tel : (08458) - 277240,  
Fax: (08458) - 277241

### TIDC India

Gangnoui  
Laksar 247 663  
Uttarakhand  
Tel : (01332) - 271295

### TIDC India

Village Plot No. 79,  
SIPCOT Industrial Estate  
Complex, Phase-I, Zujuwad  
Village Hosur Taluk,  
Krishnagiri District, Tamilnadu

### TIDC India

No. 191, Vanagaram Road,  
Athipet, Chennai - 600 058.  
Cell: 09384675154

### TIDC India

Plot No. 108, SIDCO  
Industrial Estate, Pattravakkam,  
Ambattur, Chennai - 600 098  
Tel : (040) - 42235555  
Fax : (044) – 42235406

### TIDC India

Plot No. D-185/1, SIDCO  
MIDC Shendar Five Star,  
Industrial Area,  
Aurangabad - 431154

### TIDC India

Tirupati-Tiruttani Highway  
Ponpadi Village, Thiruvelangadu  
Block Tiruttani Taluk, Tiruvallur 631 213

### TI Metal Forming

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

### TI Metal Forming

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

### TI Metal Forming

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

### TI Metal Forming

Plot No.222 Gangnoui Village  
Tehsil – Laksar, Haridwar  
Uttarakhand 247 663  
Tel: 09219401388/9

### TI Metal Forming

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

### TI Optoelectronic Solutions

500 East, Road R1 South  
Sri City SEZ , Satyavedu Mandal  
Chittoor District  
Andhra Pradesh, India  
Pin: 517 646

## CONTACT ADDRESS

### COMPLIANCE OFFICER

Ms. S Krithika  
Company Secretary  
Tube Investments of India Limited  
'Dare House' 234 N S C Bose Road  
Chennai 600 001  
e-mail: [krithikas@tii.murugappa.com](mailto:krithikas@tii.murugappa.com)  
Tel : (044) - 42286748  
Fax : (044) - 42110404

### For all matters relating to investor services:

KFin Technologies Limited  
"Selenium Tower-B"  
Plot 31-32, Gachibowli  
Financial District, Nanakramguda  
Hyderabad 500 032  
e-mail : [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Tel : (040) – 67162222  
Fax: (040) - 23001153  
Toll Free: 1800-345-4001

The background is a complex, abstract design in various shades of blue. It features concentric circular bands, some with dashed or dotted lines, and intricate circuit-like patterns of thin lines. There are also larger, solid blue curved shapes and some vertical lines with small rectangular blocks at their ends, resembling a technical or architectural drawing. The overall effect is one of modernity and technology.

# Standalone Financial Statements

# Independent Auditor's Report

To the Members of Tube Investments of India Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone Financial Statements of Tube Investments of India Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the 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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with

the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2023. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

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



Key audit matters	How our audit addressed the key audit matter
<p><b>Timing of Revenue Recognition</b> (as described in Note 3.11 and Note 19 of the Standalone Financial Statements)</p> <p>The Company has 3 major operating segments, namely, Mobility, Engineering and Metal Formed Products. The type of customers varies across these segments, ranging from dealers in Mobility Segment to Original Equipment Manufacturers and their suppliers, dealers and Industrial Customers in respect of the Metal Formed Products and Engineering Segments.</p> <p>The Company recognizes revenue from sale of goods at a point in time based on the terms of the contract with customers which may vary case to case. Terms of sales arrangements with various customers within each of the operating segments, including Incoterms, determine the timing of transfer of control and require judgment in determining the timing of revenue recognition.</p> <p>Due to the judgement relating to determination of point of time in satisfaction of performance obligations with respect to sale of products, this matter is considered as Key Audit Matter.</p>	<p>Note 3.11 and Note 19 of the Standalone Financial Statements)</p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We understood the Company's order to cash processes, including design and implementation of controls which vary based on product segment and customer, and tested the operating effectiveness of such controls in relation to revenue recognition.</li> <li>• On a sample basis, we tested revenue transactions to contracts with customers, purchase orders issued by customers and sales invoices raised by the Company to determine the timing of transfer of control along with pricing terms and the timing of revenue recognition in respect of such contracts.</li> <li>• We performed substantive analytical procedures including analyzing revenue transactions near the reporting date and tested whether the timing of revenue was recognized in the appropriate period with reference to shipping records, sales invoices etc for sample transactions.</li> <li>• We read, understood and evaluated the Company's accounting policies pertaining to revenue recognition and assessed compliance with the policies in terms of Ind AS 115 - Revenue from Contracts with Customers.</li> <li>• We assessed the disclosures for compliance with applicable accounting standards.</li> </ul>

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report & Management Discussion and Analysis, Report on Corporate Governance, General Shareholders Information and Business Responsibility and Sustainability Report, but does not include the Standalone Financial Statements and our auditor's report thereon.

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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to

the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

### **Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone 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 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 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone 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 for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 36a to the Standalone Financial Statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 40 to the Standalone Financial Statements;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in Note 46(iv) to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 46(v) to the Standalone Financial Statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance

with Section 123 of the Act. As stated in Note 18d to the Standalone Financial Statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Aravind K**

Partner

Membership Number: 221268

UDIN: 23221268BGXPOV2714

Place of Signature: Chennai

Date: May 15, 2023

**Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date**

**Re: Tube Investments of India Limited ('the Company')**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties, included in Property, Plant and Equipment, including those deposited under custody of Banks (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in Note 4a to the Standalone Financial Statements are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed. Inventories lying with third parties have been confirmed by them and no discrepancies were noticed in respect of such confirmations.

- (b) As disclosed in Note 15a to the Standalone Financial Statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements up to the quarter ended December 31, 2022, filed by the Company with such banks are in agreement with the books of accounts of the Company. The return for the quarter ended March 31, 2023 has not been filed by the Company till the approval of these Standalone Financial Statements.

- (iii) (a) During the year the Company has not provided advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. The Company has provided loans to subsidiaries as follows:

Particulars	Amt in ₹crores
Aggregate amount granted / provided during the year	328.75
Balance outstanding as at balance sheet date	225.75

- (b) During the year the investments made and the terms and conditions of the grant of all loans to companies are not prejudicial to the Company's interest. During the year, the Company has not provided guarantees, provided security and granted advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties.
- (c) The Company has granted loans during the year to subsidiaries where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular. The Company has not granted loans and advances in the nature of loans to firms, Limited Liability Partnerships or any other parties.
- (d) There are no amounts of loans granted to companies which are overdue for more than ninety days.
- (e) There were no loans granted to companies, which had fallen due during the year.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on



clause 3(iii)(f) of the Order is not applicable to the Company.

- (iv) Loans, investments and guarantees in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company. There are no securities granted in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, relating to certain products of the Company to which such rules apply, and are of the opinion that

prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

- (vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Disputed amount unpaid (in Rs. crores)	Paid under protest (in Rs. crores)	Period to which the amount pertains to (Financial year)	Forum where the dispute is pending
Customs Act, 1962	Customs Duty	-	0.16	2011-12, 2013-14	Appraising Officer, Customs
Customs Act, 1962	Customs Duty	-	0.28	2012-13	Assistant Commissioner of Customs
Customs Act, 1962	Customs Duty	0.03	0.06	2013-14, 2015-16	CESTAT
Finance Act 1994	Service tax	0.06	5.11	2008-09, 2010-11 to 2016-17	Adjudicating Officer
Finance Act 1994	Service tax	-	4.32	2008-09 to 2016-17	CESTAT
Central Excise Act, 1944	Excise Duty/ Interest/ Penalty	0.01	0.14	1995-96, 2010-11	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty/ Interest/ Penalty	-	0.06	2011-12	Deputy Commissioner
Central Excise Act, 1944	Excise Duty/ Interest/ Penalty	-	0.02	2001-02 to 2004-05, 2011-12	Assistant Commissioner
Central Sales Tax, 1956	CST	0.06	0.30	2004-05 & 2013-14	Tribunal
Central Sales Tax, 1956	CST	-	0.03	2010-11	Assessing Officer
Sale Tax	VAT	-	6.37	2006-07 to 2011-12, 2013-14, 2014-15	Assessing Officer
Sale Tax	VAT	-	0.05	2011-12	Joint Commissioner (Appeals)
Entry Tax	VAT	-	1.44	2007-08 & 2008-09	High Court, Punjab

Name of the statute	Nature of the dues	Disputed amount unpaid (in Rs. crores)	Paid under protest (in Rs. crores)	Period to which the amount pertains to (Financial year)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	3.94	10.29	2012-13, 2013-14, 2015-16, 2016-17, 2017-18, 2019-20	Commissioner (Appeals)
Employee State Insurance Act, 1961	Employee state Insurance	1.20	0.14	1991-92, 1992-93, 1999-00, 2002-03 to 2005-06, 2011-12, 2018-19	Various Forums
Employee Provident Fund & Miscellaneous Provisions Act, 1952	Employee Provident Fund	0.06	0.01	2011-13	PF Appellate Tribunal

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor / secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected

with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

- (xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) The Group has two Registered Core Investment Companies as part of the Group.
- (xvii) The Company has not incurred cash losses in the current financial year and immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in Note 44 to the Standalone Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material

uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to Sub Section 5 of Section 135 of the Act. This matter has been disclosed in Note 26b to the financial statements.
- (b) There are no ongoing projects and hence the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Aravind K**

Partner

Membership Number: 221268

UDIN: 23221268BGXPOV2714

Place of Signature: Chennai

Date: May 15, 2023

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF TUBE INVESTMENTS OF INDIA LIMITED**

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

We have audited the internal financial controls with reference to Standalone Financial Statements of Tube Investments of India Limited ("the Company") as of March 31, 2023 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 is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Standalone 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, as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 these Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to these Standalone 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements**

A company's internal financial controls with reference to Standalone 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 controls with reference to Standalone 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 Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Standalone 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 Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone 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 Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Aravind K**

Partner

Membership Number: 221268

UDIN: 23221268BGXPOV2714

Place of Signature: Chennai

Date: May 15, 2023



# Standalone Balance Sheet

₹ in Crores

Particulars	Notes	As at 31-Mar-2023	As at 31-Mar-2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4a	960.50	985.15
Right-of-use Assets	4b	27.18	32.08
Capital Work-in-Progress	4d	96.68	55.57
Investment Properties	5	4.59	4.67
Intangible Assets	4c	2.24	1.23
Financial Assets			
(a) Investments			
- Investment in Subsidiaries, Joint venture and Associate	6a	1,739.10	1,377.30
- Other Investments	6b	8.74	8.52
(b) Loans	6c	225.75	64.39
(c) Other Financial Assets	6d	17.34	15.02
Deferred Tax Assets (Net)	14	3.62	-
Non-Current Tax Assets		11.71	16.40
Other Non-Current Assets	7	35.42	30.92
		<b>3,132.87</b>	<b>2,591.25</b>
<b>Current Assets</b>			
Inventories	8	604.37	647.88
Financial Assets			
(a) Loans	9a	2.07	2.17
(b) Trade Receivables	9b	688.22	708.84
(c) Investments	9c	293.30	280.45
(d) Derivative Instruments	40	-	1.02
(e) Cash and Cash Equivalents	9d	111.27	2.36
(f) Bank Balances other than (e) above	9e	2.85	2.46
(g) Other Financial Assets	9f	9.56	65.88
Other Current Assets	10	49.32	58.27
		<b>1,760.96</b>	<b>1,769.33</b>
<b>Total Assets</b>		<b>4,893.83</b>	<b>4,360.58</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	11	19.31	19.29
Other Equity	12	3,273.16	2,682.02
<b>Total Equity</b>		<b>3,292.47</b>	<b>2,701.31</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities			
(a) Lease Liabilities	13	24.69	28.21
(b) Derivative Instruments	40	1.07	-
Deferred Tax Liabilities (Net)	14	-	2.03
		<b>25.76</b>	<b>30.24</b>
<b>Current Liabilities</b>			
Financial Liabilities			
(a) Short Term Borrowings	15a	473.21	348.07
(b) Trade Payables	15b		
- total outstanding dues of micro enterprises and small enterprises		20.14	27.01
- total outstanding dues of creditors other than micro enterprises and small enterprises		910.54	1,113.74
(c) Derivative Instruments	40	0.15	-
(d) Lease Liabilities	15c	3.78	4.62
(e) Other Financial Liabilities	15d	48.45	37.60
Government Grants	18c	18.50	17.87
Short Term Provisions	16	53.75	37.37
Current Tax Liability		11.60	6.44
Other Current Liabilities	17	35.48	36.31
		<b>1,575.60</b>	<b>1,629.03</b>
<b>Total Liabilities</b>		<b>1,601.36</b>	<b>1,659.27</b>
<b>Total Equity and Liabilities</b>		<b>4,893.83</b>	<b>4,360.58</b>
Summary of Significant Accounting Policies	3		

The accompanying notes are an integral part of the financial statements

As per our report of even date  
For **S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Regn. No : 101049W / E300004

On behalf of the Board  
For Tube Investments of India Limited

per **Aravind K**  
Partner  
Membership No : 221268

**M A M Arunachalam**  
Chairman  
DIN : 00202958

**Mukesh Ahuja**  
Managing Director  
DIN : 09364667

Chennai  
15<sup>th</sup> May 2023

**AN Meyyappan**  
Chief Financial Officer

**S Suresh**  
Company Secretary

## Standalone Statement of Profit and Loss

₹ in Crores

Particulars	Notes	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
<b>Revenue from Contracts with Customers</b>	19		
Revenue from Operations		6,791.61	5,986.79
Other Operating Revenues		444.34	372.54
		<b>7,235.95</b>	<b>6,359.33</b>
Other Income	20	215.22	73.58
<b>Total Income</b>		<b>7,451.17</b>	<b>6,432.91</b>
<b>Expenses</b>			
Cost of Materials Consumed	21	4,344.41	3,966.17
Purchase of Stock-in-Trade		327.15	261.54
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	(9.66)	(88.72)
Employee Benefits Expense	23	570.30	507.07
Depreciation and Amortisation Expense	24	145.56	145.03
Finance Costs	25	21.62	11.77
Other Expenses	26	1,123.50	1,002.01
<b>Total Expenses</b>		<b>6,522.88</b>	<b>5,804.87</b>
<b>Profit Before Tax and Exceptional items</b>		<b>928.29</b>	<b>628.04</b>
Less : Exceptional Items	27	52.72	-
<b>Profit Before Tax after exceptional items</b>		<b>875.57</b>	<b>628.04</b>
<b>Income Tax Expense</b>	28		
- Current Tax		218.10	153.41
- Adjustment of tax relating to earlier years		2.54	(6.21)
- Deferred Tax (Net) (Refer Note 14)		(10.27)	5.67
		<b>210.37</b>	<b>152.87</b>
<b>Profit for the year (I)</b>		<b>665.20</b>	<b>475.17</b>
<b>Other Comprehensive Income:</b>	30		
<b>Other Comprehensive Income to be reclassified to Statement of Profit and Loss in subsequent periods:</b>			
Net Movement on Cash Flow Hedges		(1.97)	(0.77)
Income Tax Effect		0.50	0.20
		<b>(1.47)</b>	<b>(0.57)</b>
<b>Other Comprehensive Income not to be reclassified to Statement of Profit and Loss in subsequent periods:</b>			
Re-measurement (Loss) on Defined Benefit Obligations (Net)		(13.99)	(3.41)
Income Tax Effect		(5.05)	0.86
		<b>(19.04)</b>	<b>(2.55)</b>
Net Gain/(Loss) on FVTOCI Securities		0.29	(0.24)
Income Tax Effect		(0.07)	(0.03)
		<b>0.22</b>	<b>(0.27)</b>
<b>Other Comprehensive Income for the Year, Net of Tax (II)</b>		<b>(20.29)</b>	<b>(3.39)</b>
<b>Total Comprehensive Income for the Year, Net of Tax (I + II)</b>		<b>644.91</b>	<b>471.78</b>
Earnings Per Equity Share of ₹1 each (Previous year - ₹1 each)	31		
Basic		34.46	24.64
Diluted		34.39	24.59

The accompanying notes are an integral part of the financial statements

As per our report of even date  
For **S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Regn. No : 101049W / E300004

per **Aravind K**  
Partner  
Membership No : 221268

Chennai  
15<sup>th</sup> May 2023

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

**M A M Arunachalam**  
Chairman  
DIN : 00202958

**AN Meyyappan**  
Chief Financial Officer

**Mukesh Ahuja**  
Managing Director  
DIN : 09364667

**S Suresh**  
Company Secretary

## Standalone Statement of Changes in Equity

### a. Equity Share Capital:

Particulars	No. of shares	₹ in Crores
<b>As at 31<sup>st</sup> March 2021</b>		
Equity shares of ₹1 each issued, subscribed and fully paid	19,28,16,871	19.28
Issue of share capital (Refer Note 11)	1,33,350	0.01
<b>As at 31<sup>st</sup> March 2022</b>		
Equity shares of ₹1 each issued, subscribed and fully paid	19,29,50,221	19.29
Issue of share capital (Refer Note 11)	1,70,855	0.02
<b>As at 31<sup>st</sup> March 2023</b>	<b>19,31,21,076</b>	<b>19.31</b>

### b. Other Equity

#### For the year ended 31<sup>st</sup> March 2023

Particulars	Reserves & Surplus					Items of OCI			Total Other Equity
	Securities Premium (Note 12)	Share option outstanding account (Note 12)	Retained Earnings (Note 12)	Capital Reserve (Note 12)	General Reserve (Note 12)	Cash flow Hedge Reserve (Note 12)	FVTOCI Reserve (Note 12)		
<b>As at 1<sup>st</sup> April 2022</b>	362.00	7.56	1,973.66	0.11	335.35	0.31	3.03		2,682.02
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
<b>Restated balance as at 1<sup>st</sup> April 2022</b>	362.00	7.56	1,973.66	0.11	335.35	0.31	3.03		2,682.02
Profit for the Year	-	-	665.20	-	-	-	-	-	665.20
Other comprehensive income for the Year (Note 30)	-	-	(19.04)	-	-	(1.47)	0.22		(20.29)
<b>Total Comprehensive Income</b>	-	-	<b>646.16</b>	-	-	<b>(1.47)</b>	<b>0.22</b>		<b>644.91</b>
Share-based payments	-	9.12	-	-	-	-	-	-	9.12
Employee share options	6.55	(1.87)	-	-	-	-	-	-	4.68
Dividends	-	-	(67.57)	-	-	-	-	-	(67.57)
<b>As at 31<sup>st</sup> March 2023</b>	<b>368.55</b>	<b>14.81</b>	<b>2,552.25</b>	<b>0.11</b>	<b>335.35</b>	<b>(1.16)</b>	<b>3.25</b>		<b>3,273.16</b>

₹ in Crores

# Standalone Statement of Changes in Equity

For the year ended 31<sup>st</sup> March, 2022

₹ in Crores

Particulars	Reserves & Surplus					Items of OCI			Total Other Equity
	Securities Premium (Note 12)	Share option outstanding account (Note 12)	Retained Earnings (Note 12)	Capital Reserve (Note 12)	General Reserve (Note 12)	Cash flow Hedge Reserve (Note 12)	FVTOCI Reserve (Note 12)		
As at 1 <sup>st</sup> April 2021	356.92	8.74	1,568.55	0.11	335.35	0.88	3.30	2,273.85	
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	
Restated balance as at 1 <sup>st</sup> April 2022	356.92	8.74	1,568.55	0.11	335.35	0.88	3.30	2,273.85	
Profit for the Year	-	-	475.17	-	-	-	-	475.17	
Other comprehensive income for the Year (Note 30)	-	-	(2.55)	-	-	(0.57)	(0.27)	(3.39)	
<b>Total Comprehensive Income</b>	-	-	<b>472.62</b>	-	-	<b>(0.57)</b>	<b>(0.27)</b>	<b>471.78</b>	
Share-based payments	-	0.58	-	-	-	-	-	0.58	
Employee share options	5.08	(1.76)	-	-	-	-	-	3.32	
Dividends	-	-	(67.51)	-	-	-	-	(67.51)	
<b>As at 31<sup>st</sup> March 2022</b>	<b>362.00</b>	<b>7.56</b>	<b>1,973.66</b>	<b>0.11</b>	<b>335.35</b>	<b>0.31</b>	<b>3.03</b>	<b>2,682.02</b>	

The accompanying notes are an integral part of the financial statements

As per our report of even date  
For **S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Regn. No : 101049W / E300004

per **Aravind K**  
Partner  
Membership No : 221268

Chennai  
15<sup>th</sup> May 2023

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

**M A M Arunachalam**  
Chairman  
DIN : 00202958

**Mukesh Ahuja**  
Managing Director  
DIN : 09364667

**AN Meyyappan**  
Chief Financial Officer

**S Suresh**  
Company Secretary

## Standalone Cash Flow Statement

₹ in Crores

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
<b>A. Cash Flow from Operating Activities:</b>		
<b>Profit Before Tax after exceptional items</b>	<b>875.57</b>	<b>628.04</b>
<u>Adjustments to reconcile Profit Before Tax to Net Cash Flows:</u>		
Depreciation/Amortisation on Property, Plant and Equipment, Right of use assets, investment property and intangible assets	145.56	145.03
Share based payment expenses	7.85	0.58
(Profit) on Property Plant and Equipment and ROU Assets sold / discarded (Net)	(3.05)	(3.75)
(Profit) on Sale of Investments carried at FVTPL	(11.38)	(8.34)
Impairment allowance /(reversal of allowance) for receivables and advances (including bad debts written off) (Net)	1.80	(5.13)
Impairment of Tangible assets, intangible assets and investment in subsidiaries	52.72	-
Net Foreign Exchange differences	0.77	0.85
Finance Income (including Fair Value changes in Financial Instruments)	(22.26)	(5.30)
Finance Costs	21.62	11.77
Liabilities/Provisions no longer payable written back	(2.94)	(2.78)
Imputed interest on Corporate Guarantee provided to Subsidiary	-	(1.92)
Dividend Income	(149.19)	(14.18)
<b>Operating Profit before Working Capital / Other Changes</b>	<b>917.07</b>	<b>744.87</b>
<u>Adjustments for :</u>		
Increase / (Decrease) in Provisions and Government Grants	3.02	(9.14)
Increase / (Decrease) in Trade and Other Payables	(208.19)	24.82
Increase / (Decrease) in Other Financial Liabilities	(1.19)	0.21
Increase / (Decrease) in Other Current Liabilities	(0.83)	6.80
(Increase) / Decrease in Other Non Current Financial Assets and Non-Current Assets	0.24	1.39
(Increase) / Decrease in Other Financial and Current Assets	61.97	(43.79)
(Increase) / Decrease in Trade and Other Receivables	19.96	(126.41)
(Increase) / Decrease in Inventories	43.51	(133.74)
<b>Cash Generated From Operations</b>	<b>835.56</b>	<b>465.01</b>
Income Tax paid (net of refunds)	(210.79)	(139.19)
<b>Net Cash Flow from Operating Activities</b>	<b>624.77</b>	<b>325.82</b>



## Standalone Cash Flow Statement

₹ in Crores

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
<b>B. Cash Flow from Investing Activities:</b>		
Capital Expenditure (Including Capital Work In Progress and Capital Advances)	(188.08)	(127.53)
Proceeds from Sale of Property, Plant and Equipment	8.42	7.84
(Purchase) / Redemption of Current Investments, Net (Refer Note 9c)	(1.47)	32.19
Sale of Non Current Investments at FVTOCI	-	7.28
Purchase of Investments in Subsidiaries, Associate and Joint Venture	(385.25)	(161.24)
Loans given to subsidiaries	(328.75)	(64.00)
Loans repaid by subsidiaries	167.00	-
Proceeds / (Investment) in deposits having an original maturity of more than 3 months (Net)	(0.39)	(0.81)
Interest Income received	24.98	1.69
Dividend Received	150.53	14.18
<b>Net Cash Used in Investing Activities</b>	<b>(553.01)</b>	<b>(290.40)</b>
<b>C. Cash Flow from Financing Activities: (Refer Note 9d)</b>		
Proceeds from issue of equity shares (ESOP)	4.70	3.32
(Repayment) of Long Term Borrowings	(50.00)	(50.00)
(Repayment) / Proceeds from Short Term Borrowings (Net) (Refer Note 15a)	176.17	88.38
Payment of Lease Liabilities	(6.18)	(6.86)
Finance Costs Paid	(18.75)	(9.79)
Dividends Paid	(67.19)	(66.70)
<b>Net Cash From / (Used) in Financing Activities</b>	<b>38.75</b>	<b>(41.65)</b>
<b>Net increase / (Decrease) in Cash and Cash Equivalents [A+B+C]</b>	<b>110.51</b>	<b>(6.23)</b>
<b>Cash and Cash Equivalents at the beginning of the Year</b>	<b>0.74</b>	<b>6.97</b>
<b>Cash and Cash Equivalents as at end of the Year (Refer Note 9d)</b>	<b>111.25</b>	<b>0.74</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date  
For **S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Regn. No : 101049W / E300004

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

per **Aravind K**  
Partner  
Membership No : 221268

**M A M Arunachalam**  
Chairman  
DIN : 00202958

**Mukesh Ahuja**  
Managing Director  
DIN : 09364667

Chennai  
15<sup>th</sup> May 2023

**AN Meyyappan**  
Chief Financial Officer

**S Suresh**  
Company Secretary

# Notes to Financial Statements

## 1. General Information of the Company

### Corporate Information

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

Pursuant to the Scheme of Arrangement (“the Scheme”) approved by NCLT (National Company Law Tribunal), the Manufacturing Business Undertaking of the Demerged Company was vested in/transferred to the Company with effect from 1<sup>st</sup> August 2017 and the appointed date was 1<sup>st</sup> April 2016. The name of the Company was changed to “Tube Investments of India Limited” (Resulting Company).

The Company has manufacturing locations across the Country and has three primary product segments namely, “Engineering”, “Metal Formed Products” and “Mobility”. The Engineering segment comprises of cold rolled steel strips and precision steel tubes viz., Cold Drawn Welded tubes (CDW) and Electric Resistant Welded tubes (ERW). The Metal Formed Products segment comprises of Automotive chains, fine blanked products, stamped products, roll-formed car doorframes and cold rolled formed sections for railway wagons and passenger coaches. The Mobility segment comprises of Standard bi-cycles, Special bi-cycles including alloy bikes and Speciality performance bikes and fitness equipment. Other product segment include Industrial Chains and certain other new businesses.

The Company also has Subsidiaries, Associate Companies and Joint Ventures Viz., Shanthy Gears Limited, Financiere C10 SAS and its Subsidiaries, Great Cycles (Private) Limited, Creative Cycles (Private) Limited, CG Power and Industrial Solutions Limited (‘CGPISL’) and its Subsidiaries (together ‘CG Power’), Aerostrovilos Energy Private limited, Moshine Electronics Private Limited, X2Fuels and Energy Private Limited and TI Clean Mobility Private limited and its Subsidiaries (‘TICMPL’). During the year, the Company acquired controlling stake in IPLTech Electric Private limited and Celestial E-Mobility Private Limited through TICMPL and acquired controlling stake in Moshine Electronics Private Limited. The Company has entered into a joint venture with X2Fuels and Energy Private Limited (Refer Note 6a).

The Standalone financial statements were authorised for issue in accordance with a resolution of the directors on 15<sup>th</sup> May 2023.

## 2. Basis of Preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financial statement.

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

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

The standalone financial statements are presented in INR, which is its functional currency and all values are rounded to the nearest crore, except when otherwise indicated. The Company has prepared the standalone financial statements on the basis that it will continue to operate as a going concern.

## 3. Summary of Significant Accounting Policies

### 3.1. Presentation and Disclosure of Standalone Financial Statements

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

- a) It is expected to be realized in, or is intended for sale or consumption in, the Company’s normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realized within twelve months after the reporting period; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

- a) It is expected to be settled in the Company’s normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within twelve months after the reporting period; or

# Notes to Financial Statements

- d) The Company does not have an unconditional right to defer settlements of the liability for at least twelve months after the reporting period.

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

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

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

## 3.2. Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

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

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

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

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

- a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

External valuers are involved for valuation of assets such as investment properties and unquoted financial investments. Involvement of external valuers is decided upon annually by the Company. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. Other fair value related disclosures are given in the relevant notes (Refer Note 41).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above (Refer Note 41).

## 3.3. Use of Estimates

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

## 3.4. Cash and Cash Equivalents

Cash and Cash equivalents comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three

## Notes to Financial Statements

months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

### 3.5. Cash Flow Statement

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

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

### 3.6. Property, Plant and Equipment

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

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

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

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

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

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate (Refer Note – 3.18).

Pursuant to transition to Ind AS, the Company has elected to continue with the carrying value of all of its Property, Plant and Equipment as per the previous GAAP as its deemed cost on the transition date.

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

### 3.7. Investment Properties

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

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

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

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

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

# Notes to Financial Statements

Pursuant to transition to Ind AS, the Company has elected to continue with the carrying value of all of its Investment Properties as per the previous GAAP as its deemed cost on the transition date.

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

## 3.8. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

## 3.9. Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where

the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

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

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

## 3.10. Inventories

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

Work-in-progress and finished goods are valued at lower of weighted average cost and estimated net



## Notes to Financial Statements

realisable value. Cost includes all direct costs and appropriate proportion of overheads to bring the goods to the present location and condition based on the normal operating capacity, but excluding borrowing costs.

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

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

Cost of Traded goods includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

### 3.11. Revenue from Contracts with Customers

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, regardless of when the payment is being made. The Company is the principal in all of its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Goods and Services tax (GST) are not received by the Company on its own account as it is tax collected on value added to the commodity by the Company on behalf of the Government. Accordingly, it is excluded from revenue.

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

#### **Sale of Goods and Services:**

Revenue from sale of goods is recognised when control of the goods is transferred to the Customers. The normal credit term is 30 to 120 days from the invoice date. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of

cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

#### **Rendering of Services:**

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

#### **Contract Balances:**

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the Customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade Receivable represents the Company's right to an amount of consideration that is unconditional. Refer to accounting policies of financial assets in Note 3.25.A.

Contract liability is the obligation to transfer goods or services to a Customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

#### **Cost to obtain a contract:**

The Company pays sales commission to agents for obtaining the contract. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions because the amortisation period of the asset that the Company otherwise would have used is one year or less.

#### **Warranty obligations:**

The Company provides warranties for certain products and these warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent

# Notes to Financial Statements

Assets. Refer to the accounting policy on warranty provisions in Note 3.21 Provisions and Contingencies.

## 3.12. Other Income

### Dividends:

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

### Interest Income:

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

### Rental Income:

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

### Royalty Income:

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

## 3.13. Government Grants, Subsidies and Export Benefits

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

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

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

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

## 3.14. Employee Benefits

### I. Defined Contribution Plans

#### a. Superannuation

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

#### b. Provident Fund

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

#### c. Employee State Insurance

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

### II. Defined Benefit Plan

#### a. Gratuity

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

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

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

## Notes to Financial Statements

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

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

### b. Provident Fund

Eligible employees of the Company receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Company's Employee Provident Fund Trusts. These trusts invest in specific designated instruments as permitted by the Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which annual interest is payable to the beneficiaries by the trusts is administered by the government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trusts and the notified interest rate.

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

### III. Long Term Compensated Absences

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit Credit method at the year-end. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after

the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

### IV. Short Term Employee Benefits

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

### V. Voluntary Retirement Scheme

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

### 3.15. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### a. Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment. Right-of-use assets mainly consists of land and building, having a lease term of 2 to 95 years.

# Notes to Financial Statements

## b. Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in financial liabilities (see Note 13 and 15c).

## c. Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

### Company as Lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are

added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## 3.16. Foreign Currency Transactions

### Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction.

### Measurement as at Balance Sheet date

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

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

### Treatment of Exchange Differences

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

## 3.17. Derivative Instruments and Hedge Accounting

### Cash flow hedge:

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

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

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

Changes in the fair value of Derivative Contracts that do not qualify for hedge accounting are recognized in the statement of profit and loss as they arise.

The amounts recognised in the Other Comprehensive Income are transferred to the statement of profit and loss when the hedged transactions crystalize.

## Notes to Financial Statements

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

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

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge by applying the hedge accounting principles set out in Ind AS 109 – “Financial Instruments”. The documentation includes the Company’s risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company will assess the effectiveness of changes in the hedging instrument’s fair value in offsetting the exposure to changes in the hedged item’s fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

### 3.18. Depreciation and Amortisation

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

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

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

Description of Assets	Useful Life
Buildings - Roof structure on certain factory areas, where useful life is less	10 Years
Plant and Machinery - Special tools and special purpose machines used in door frame products	4 Years
Office Equipment - Data Processing Equipment	3 Years
Vehicles - Motor Vehicles	4 Years
Intangible Assets	3 Years

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

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

### 3.19. Research and Development

Revenue expenditure on research and development is expensed when incurred. Capital expenditure on research and development is capitalised under Property, Plant and Equipment and depreciated in accordance with Note 3.18 above.

### 3.20. Taxes

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

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

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

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



# Notes to Financial Statements

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

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

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

Deferred tax relating to items recognised outside the Statement of profit and loss is recognised outside Statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

Expenses and assets are recognised net of the amount of sales/ taxes paid, except when the tax incurred on a purchase of assets or services is not recoverable, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

## 3.21. Provisions and Contingencies

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

balance sheet date and adjusted to reflect the current best estimates.

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

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

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

## 3.22. Borrowing Costs

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

## 3.23. Earnings Per Share

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

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

# Notes to Financial Statements

period is adjusted for the effects of all dilutive potential equity shares.

## 3.24. Share Based Payments (Employees Stock Option Scheme)

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

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

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

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

## 3.25. Financial Instruments

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

### A. Financial Assets

#### i. Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables that do not contain a significant financing component are measured at transaction price.

#### ii. Subsequent Measurement

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

- Debt instruments at amortised cost
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Debt instruments, derivatives and equity instruments measured at fair value through other comprehensive income (FVTOCI)

#### Debt instruments At Amortised Cost

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

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

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

#### Debt Instruments at FVTPL

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

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

#### Debt instruments at FVOCI

The Company subsequently classifies its financial assets as FVOCI, only if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

# Notes to Financial Statements

Debt instruments included within the FVOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss.

On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to profit or loss.

## Equity Investments

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

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

### iii. De-recognition

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

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

### iv. Impairment of Financial Assets

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

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

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

The application of simplified approach does not require the Company to track changes in Credit risk. Rather, it recognises impairment loss allowance based

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reported under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

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

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

# Notes to Financial Statements

## B. Financial Liabilities

### i. Initial Recognition and Measurement

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

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

### ii. Subsequent Measurement

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

#### Financial Liabilities At Fair Value Through Profit and Loss

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

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

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

#### Loans and Borrowings

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

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

#### Financial guarantee contracts

Financial guarantee contracts issued by the Company are initially measured at their fair values and are subsequently measured at the higher of, the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

#### De-recognition

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

#### Offsetting of Financial Instruments

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

### 3.26. Cash Dividend

The Company recognises a liability to make cash distributions to equity holders, when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### 3.27. Equity Investment in Subsidiaries, Associates and Joint Ventures

Investment in Subsidiaries and Joint Ventures are carried at Cost in the separate financial statements as permitted under Ind AS 27. These investments are assessed for impairment in the manner outlined in Note 3.9.

### 3.28. New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2022.

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022.

## Notes to Financial Statements

### (i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable costs of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

This amendment did not have any impact for the Company.

### (ii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the

directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. These amendments had no impact on the standalone financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

### (iii) Ind AS 109 Financial Instruments – Fees in the ‘10%’ test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the standalone financial statements of the Company as there were no modifications of the Company’s financial instruments during the period.



## Notes to Financial Statements

### Note 4a. Property, Plant and Equipment

₹ in Crores

Particulars	Gross Block			Depreciation			Impairment			Net Block		
	As at 31-Mar-2022	Additions	Deletions	As at 31-Mar-2023	As at 31-Mar-2022	For the year	Deletions	As at 31-Mar-2023	As at 31-Mar-2022	For the year	As at 31-Mar-2023	As at 31-Mar-2022
Land (Freehold)	133.75	-	-	133.75	-	-	-	-	-	-	133.75	133.75
	(128.46)	(5.29)	(-)	(133.75)	(-)	(-)	(-)	(-)	(-)	(-)	(133.75)	(128.46)
Buildings	392.51	34.11	0.81	425.81	83.86	24.13	0.49	107.50	-	2.83	2.83	308.65
	(386.84)	(8.45)	(2.78)	(392.51)	(67.50)	(16.96)	(0.60)	(83.86)	(-)	(-)	(-)	(319.34)
Plant & Machinery	1,199.38	101.75	42.53	1,258.60	673.35	107.93	38.81	742.47	-	26.34	26.34	526.03
	(1,057.42)	(150.79)	(8.83)	(1,199.38)	(564.92)	(115.86)	(7.43)	(673.35)	(-)	(-)	(-)	(492.50)
Railway Siding	0.01	-	-	0.01	-	-	-	-	-	-	-	0.01
	(0.01)	(-)	(-)	(0.01)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.01)
Office Equipment	23.86	4.10	1.18	26.78	18.65	3.29	1.12	20.82	-	-	-	5.21
	(19.83)	(4.11)	(0.08)	(23.86)	(16.21)	(2.52)	(0.08)	(18.65)	(-)	(-)	(-)	(3.62)
Furniture & Fixtures	12.72	1.35	0.64	13.43	7.53	1.30	0.64	8.19	-	0.07	0.07	5.19
	(12.11)	(0.62)	(0.01)	(12.72)	(6.17)	(1.37)	(0.01)	(7.53)	(-)	(-)	(-)	(5.94)
Vehicles	10.91	8.24	5.10	14.05	4.60	2.94	3.83	3.71	-	-	-	6.31
	(9.93)	(4.83)	(3.85)	(10.91)	(6.14)	(1.80)	(3.34)	(4.60)	(-)	(-)	(-)	(3.79)
<b>Total</b>	<b>1,773.14</b>	<b>149.55</b>	<b>50.26</b>	<b>1,872.43</b>	<b>787.99</b>	<b>139.59</b>	<b>44.89</b>	<b>882.69</b>	<b>-</b>	<b>29.24</b>	<b>29.24</b>	<b>985.15</b>
	(1,614.60)	(174.09)	(15.55)	(1,773.14)	(660.94)	(138.51)	(11.46)	(787.99)	(-)	(-)	(-)	(953.66)

#### Notes:

- The title deeds of all immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- During the year ended 31<sup>st</sup> March 2023, impairment loss of ₹29.27 Cr. has been recognised towards write-down of property, plant and equipment and Intangible assets of certain Cash Generating Units pertaining to the "Other Business Segment" to their recoverable amount on account of various market factors, uncertainties related to future project potential and expected usage. The losses have been recognized in the Statement of Profit and Loss under Exceptional items.

## Notes to Financial Statements

- c. On transition to Ind AS (i.e. 1<sup>st</sup> April 2016), the Company has elected to continue with the carrying value of all Property, plant and equipment and Intangible Assets measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment and Intangible Assets respectively.
- d. Non Convertible Debentures were secured by first pari-passu charge on certain Land and Building (Refer note 15a).
- e. Previous Year Figures are given in brackets.

### Note 4b. Right-of-use assets

₹ in Crores

Particulars	Gross Block		Depreciation		Net Block				
	As at 31-Mar-2022	Additions	Deletions	As at 31-Mar-2022	For the year	Deletions	As at 31-Mar-2023	As at 31-Mar-2022	
Land (Leasehold)	4.51 (4.51)	- (-)	- (-)	4.51 (4.51)	0.29 (0.18)	0.11 (0.11)	0.40 (0.29)	4.11 (4.22)	4.22 (4.33)
Buildings	42.40 (43.01)	2.31 (1.72)	5.14 (2.33)	39.57 (42.40)	14.54 (9.77)	4.74 (5.60)	2.78 (0.83)	16.50 (14.54)	23.07 (27.86)
<b>Total</b>	<b>46.91</b> (47.52)	<b>2.31</b> (1.72)	<b>5.14</b> (2.33)	<b>44.08</b> (46.91)	<b>14.83</b> (9.95)	<b>4.85</b> (5.71)	<b>2.78</b> (0.83)	<b>16.90</b> (14.83)	<b>27.18</b> (32.08)

Notes: Previous Year Figures are given in brackets.

### Note 4c. Intangible Assets

Particulars	Gross Block		Amortisation		Impairment		Net Block		
	As at 31-Mar-2022	Additions	Deletions	As at 31-Mar-2022	For the year	As at 31-Mar-2022	As at 31-Mar-2023	As at 31-Mar-2022	
Software	2.83 (1.99)	2.08 (0.84)	- (-)	4.91 (2.83)	1.60 (0.87)	1.04 (0.73)	2.64 (1.60)	0.03 (-)	2.24 (1.23)
								0.03 (-)	0.03 (-)
									2.24 (1.23)
									1.23 (1.12)

Note: Previous Year Figures are given in brackets.

### Note 4d. Capital Work-in-progress

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Opening Balance as at the beginning of the year	55.57	126.32
Movement during the year	41.11	(70.75)
<b>Closing Balance as at the end of the year</b>	<b>96.68</b>	<b>55.57</b>

## Notes to Financial Statements

### Break-up of Capital Work-in-progress

Particulars	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	As at 31-Mar-2023
Projects in progress	81.59	12.43	2.66	-	96.68
	(40.64)	(12.53)	(2.40)	(-)	(55.57)
Projects temporarily suspended	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)

**Note:** Previous Year Figures are given in brackets.

### Overdue Projects

There are no overdue projects as at 31<sup>st</sup> March 2023. The following are the overdue projects as on 31<sup>st</sup> March 2022.

Project Name	To be completed in			
	Less than 1 Year	1-2 Years	2-3 Years	> 3Years
Other business	2.41	-	-	-

### Note 5. Investment Properties

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
<b>Opening Balance as at the beginning of the year</b>	5.17	5.17
Additions during the year	-	-
<b>Closing Balance as at the end of the year</b>	<b>5.17</b>	<b>5.17</b>
<b>Depreciation and Impairment</b>		
<b>Opening Balance as at the beginning of the year</b>	0.50	0.42
Depreciation during the year	0.08	0.08
<b>Closing Balance as at the end of the year</b>	<b>0.58</b>	<b>0.50</b>
<b>Net Block as at the end of the year</b>	<b>4.59</b>	<b>4.67</b>

### Information regarding Income and Expenditure of Investment Property:

Particulars	₹ in Crores	
	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Rental Income derived from Investment Properties	0.49	0.64
Direct Operating Expenses (including repairs and maintenance)	-	-
<b>Profit arising from Investment Properties before Depreciation and Indirect Expenses</b>	<b>0.49</b>	<b>0.64</b>
Depreciation	(0.08)	(0.08)
<b>Profit arising from Investment Properties before Indirect Expenses</b>	<b>0.41</b>	<b>0.56</b>

The Company's Investment Property consists of two properties in Mumbai lying vacant and two properties in Chennai, one lying vacant and one let out on rent with a lease term of less than 12 months.

On transition to Ind AS (i.e. 1<sup>st</sup> April 2016), the Company has elected to continue with the carrying value of all Investment Properties measured as per the previous GAAP and use that carrying value as the deemed cost of Investment Property.

The fair value of the investment properties are determined by an accredited Independent valuer, who is a specialist in valuing these types of investment properties and is a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The valuation model in accordance with that recommended by the Valuation Standards Committee has been applied. The resulting Fair Value Estimates are classified under Level 3 of the Fair Value Hierarchy (Refer Note 41.2).

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

# Notes to Financial Statements

## Reconciliation of Fair Value

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Opening Balance as at the beginning of the year	8.49	8.44
Fair value difference	0.80	0.05
Purchases	-	-
Sales	-	-
Closing Balance as at the end of the year	9.29	8.49

## Note 6a. Investment in Subsidiaries, Joint venture and Associate

Particulars	Nominal Value ₹ per unit	Number		₹ in Crores	
		As at 31-Mar-2023	As at 31-Mar-2022	As at 31-Mar-2023	As at 31-Mar-2022
<b>Investments at Cost:</b>					
<b>Equity Shares (Fully Paid) - Quoted</b>					
<b>Investment in Subsidiaries</b>					
Shanthy Gears Limited	1	5,40,57,475	5,40,57,475	437.86	437.86
CG Power and Industrial Solutions Limited (CGPISL) (Refer Note i)	2	88,64,85,532	80,12,51,887	806.10	733.14
Share Warrants (Partly Paid) CG Power and Industrial Solutions Limited (Refer Note i)	-	-	8,52,33,645	-	18.24
<b>Equity Shares (Fully Paid) - Unquoted</b>					
<b>Investment in Subsidiaries</b>					
Financiere C10 SAS	Euro 15	2,23,920	2,23,920	61.15	61.15
Great Cycles (Private) Limited	LKR 10	40,00,000	40,00,000	16.98	16.98
Creative Cycles (Private) Limited	LKR 10	40,00,000	40,00,000	6.47	6.47
TI Clean Mobility Private Limited (TICMPL) (Refer Note iv)	10	25,00,00,000	10,00,00,000	250.00	100.00
Moshine Electronics Private Limited (Refer Note ii)	10	20,66,628	-	7.38	-
<b>Investment in Associates</b>					
Aerostrovilos Energy Private Limited	10	4,151	4,151	3.46	3.46
<b>Investment in Joint Ventures</b>					
X2Fuels and Energy Private Limited (Refer Note iii)	10	10,753	-	6.15	-
<b>Investments at Fair Value Through Profit and Loss (FVTPL):</b>					
<b>Compulsorily Convertible Preference Shares (Fully Paid) - Unquoted</b>					
TI Clean Mobility Private Limited (Refer Note iv)	100	1,67,00,000	-	167.00	-
<b>Total</b>				<b>1,762.55</b>	<b>1,377.30</b>
Less : Provision for Impairment of Investments (Refer Note v)				(23.45)	-
<b>Total</b>				<b>1,739.10</b>	<b>1,377.30</b>

## Notes to Financial Statements

₹ in Crores

Particulars	As at	As at
	31-Mar-2023	31-Mar-2022
<b>Quoted</b>		
Cost	1,243.96	1,171.00
Market value	28,583.18	16,138.62
<b>Unquoted</b>		
Cost	518.59	206.30
Aggregate amount of impairment in the value of investments in Subsidiaries	23.45	-

### Notes:

- During the year, the Company converted its balance 8,52,33,645 Share Warrants into equal number of Equity shares of its subsidiary, M/s. CG Power and Industrial Solutions Limited by remitting ₹54.72 Cr. payable on conversion taking the equity holding of the company in CGPISL to 58.05%.
- During the year, pursuant to the Share Purchase and Shareholders Agreement entered with M/s Moshine Electronics Private Limited and its promoters, the Company has acquired 20,66,628 equity shares representing 76% of its paid up equity share capital for a total purchase consideration of ₹7.38 Cr.
- During the year, the company was allotted 10,753 shares of face value of ₹10/- each, fully paid up, representing 50% of paid up share capital of M/s X2Fuels and Energy Private Limited ("X2Fuels") for a consideration of ₹6.15 Cr. pursuant to the Shares Subscription Agreement executed between the Company, X2Fuels and other parties to Share Subscription Agreement.
- The Company had incorporated M/s. TI Clean Mobility Private Limited ("TICMPL") in February 2022 to focus on clean mobility solutions. During the year, the Company has further invested ₹150 Crs in TICMPL, by way of subscription to equity shares at face value of ₹10 each and the Company has so far invested ₹250 Cr. in equity shares of TICMPL. The Company along with TICMPL, executed Securities Subscription Agreements (SSAs) with M/s. Multiples Private Equity Fund III, M/s. Multiples Private Equity Fund IV, M/s. Multiples Private Equity Gift Fund IV & and their Co-Investors (together "Investor") for investment in TICMPL. As per the terms of the SSAs, TII will be investing ₹500 Cr. towards subscription to Series B CCPS and Investors will be investing ₹1200 Cr. towards subscription to equity shares & Series A1 CCPS. In this connection, on 28<sup>th</sup> March 2023, the Investors were allotted equity shares & Series A1 CCPS for ₹400 Cr. and on 30<sup>th</sup> March 2023, TII was allotted Series B CCPS for ₹167 Cr. in TICMPL.
- During the year, considering the economic crisis in Sri Lanka and current market conditions of Bicycle Industry in India, the Company has recognized an impairment provision of ₹23.45 Cr. in respect of Investments made in its Sri Lankan Subsidiaries.

### Note 6b. Other Investments

Particulars	Nominal Value ₹ per unit	Numbers		₹ in Crores	
		As at 31-Mar-2023	As at 31-Mar-2022	As at 31-Mar-2023	As at 31-Mar-2022
<b>Investments at Fair Value Through Other Comprehensive Income (FVTOCI):</b>					
<b>Equity Shares (Fully Paid) - Unquoted</b>					
Bombay Mercantile Co-operative Limited (Fair value ₹5,000 only)*	10	500	500	-	-
Southern Energy Development Corporation Limited	10	70,000	70,000	7.68	7.46
TI Cycles of India Co-operative Canteen Limited (Fair value - ₹250 only)*	5	50	50	-	-
TI Diamond-Miller Co-operative Canteen Limited (Fair value - ₹100 only)*	5	20	20	-	-
Watsun Infrabuild Private Limited	10	10,55,913	10,55,913	1.06	1.06
<b>Total</b>				<b>8.74</b>	<b>8.52</b>
<b>Unquoted</b>					
Cost				1.13	1.13



## Notes to Financial Statements

Investments at fair value through OCI (fully paid) reflect investment in unquoted equity securities. The Company has irrevocably designated the unquoted equity securities as FVTOCI on the basis that these are not held for trading and considers these as strategic investments. Refer Note 41.1 for determination of their fair value.

\*Represents amount less than ₹0.01 Cr.

### Note 6c. Loans

(At Amortised Cost and considered good, unsecured unless stated otherwise)

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Loans to subsidiaries	225.75	64.39
<b>Total</b>	<b>225.75</b>	<b>64.39</b>

### Disclosure required under Sec 186(4) of the Companies Act, 2013

The above loans represents intercorporate deposits the particulars of which are disclosed below as required by Sec 186(4) of the Companies Act, 2013.

Name of the Loanee	Rate of interest	Due Date	As at 31-Mar-2022	Given during the year	Repayment received during the year	As at 31-Mar-2023
TI Clean Mobility Private Limited (Prepaid during the year)	8.20%	03-Mar-2024	64.39	-	(64.39)	-
TI Clean Mobility Private Limited (Prepaid during the year)	8.30%	21-Apr-2024	-	25.00	(25.00)	-
TI Clean Mobility Private Limited	8.70%	18-Jul-2024	-	25.00	-	25.00
TI Clean Mobility Private Limited	8.70%	21-Sep-2024	-	96.00	-	96.00
TI Clean Mobility Private Limited	9.15%	21-Oct-2024	-	10.00	-	10.00
TI Clean Mobility Private Limited (Prepaid during the year)	9.15%	11-Nov-2024	-	75.00	(75.00)	-
TI Clean Mobility Private Limited (Prepaid during the year)	9.50%	17-Dec-2024	-	3.00	(3.00)	-
Moshine Electronics Private Limited	9.50%	02-Jan-2025	-	3.75	-	3.75
TI Clean Mobility Private Limited	9.50%	09-Jan-2025	-	5.00	-	5.00
TI Clean Mobility Private Limited	9.50%	31-Jan-2025	-	10.00	-	10.00
TI Clean Mobility Private Limited	9.50%	03-Feb-2025	-	51.00	-	51.00
TI Clean Mobility Private Limited	9.60%	20-Feb-2025	-	25.00	-	25.00
			<b>64.39</b>	<b>328.75</b>	<b>(167.39)</b>	<b>225.75</b>

The above loans has been given for the puposes of expansion and general corporate purposes.

There are no loans and advances which are either repayable on demand or are without specifying any terms or period of repayment.

Loans are non-derivative financial assets which generate a fixed interest income for the Company and measured at amortised cost. The carrying amount may be affected by the changes in the credit risk of the counter parties.

# Notes to Financial Statements

## Note 6d. Other Financial Assets

(At Amortised Cost and considered good, unsecured unless stated otherwise)

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Electricity and Other Deposits	17.34	15.02
<b>Total</b>	<b>17.34</b>	<b>15.02</b>

## Note 7. Other Non-Current Assets

(Considered Good, Unsecured unless stated otherwise)

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Capital Advances		
- Secured	12.18	4.81
- Unsecured	4.53	4.84
Deposits with Government, Public Bodies and Others:		
- Balance with Customs, Excise and Sales Tax Authorities	18.71	21.27
<b>Total</b>	<b>35.42</b>	<b>30.92</b>

## Note 8. Inventories

(Lower of Cost and Net Realisable Value)

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Raw Materials	177.45	203.99
Work-in-Progress	181.34	184.95
Finished Goods	204.33	188.48
Stock-in-Trade	20.78	21.34
Stores and Spare Parts	7.27	7.11
Goods-in-Transit		
- Raw Materials	12.12	38.91
- Stock-in-Trade	1.08	3.10
<b>Total</b>	<b>604.37</b>	<b>647.88</b>

During the year ended 31<sup>st</sup> March 2023, ₹2.93 Cr. was recognised as an expense to bring the inventories to record them at Net Realisable Value. (31<sup>st</sup> March 2022 - Income of ₹0.90 Cr.)

## Note 9a. Loans

(Considered Good, Unsecured unless stated otherwise)

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Loan to employees	2.07	2.17
<b>Total</b>	<b>2.07</b>	<b>2.17</b>

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

# Notes to Financial Statements

## Note 9b. Trade Receivables

(Unsecured)

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Considered Good	689.54	709.81
Provision for Receivables	(4.58)	(2.66)
	<b>684.96</b>	<b>707.15</b>
Trade Receivables which have significant increase in credit risk	4.18	2.98
Provision for Receivables	(0.92)	(1.29)
	<b>3.26</b>	<b>1.69</b>
Trade Receivables - credit impaired	4.60	8.75
Impairment Allowance (allowance for bad and doubtful debts)	(4.60)	(8.75)
	-	-
<b>Breakup - Security/Credit risk</b>		
Considered Good	689.54	709.81
Trade Receivables which have significant increase in credit risk	4.18	2.98
Trade Receivables - credit impaired	4.60	8.75
	<b>698.32</b>	<b>721.54</b>
<b>Provision for Doubtful / Impairment on Receivables</b>		
Considered Good	(4.58)	(2.66)
Trade Receivables which have significant increase in credit risk	(0.92)	(1.29)
Trade Receivables - credit impaired	(4.60)	(8.75)
	<b>(10.10)</b>	<b>(12.70)</b>
<b>Total</b>	<b>688.22</b>	<b>708.84</b>
<b>Breakup - Customer Relationship</b>		
Trade Receivables	684.83	703.76
Receivables from Related Parties	3.39	5.08
<b>Total</b>	<b>688.22</b>	<b>708.84</b>
<b>Includes dues from Related parties</b>		
Sedis SAS	1.90	4.37
Shanthi Gears Limited (CY ₹31,970)	0.00	0.71
Creative Cycles (Private) Limited (PY ₹33,310)	-	0.00
TI Clean Mobility Private Limited	0.34	-
Cellestial E-Trac Private Limited	1.05	-
Aerostrovilos Energy Private Limited	0.05	-
CG Power and Industrial Solutions Limited	0.05	-

Trade Receivables are non-interest bearing and are generally have Credit period to a maximum of 120 days. For terms and conditions relating to Related Party receivables, refer note 37. There are no dues by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member, other than as disclosed in note 37.

### Reconciliation of Provision / Impairment for Receivables

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
<b>Opening Balance as at beginning of the year</b>	12.70	18.38
Created / (Reversed) during the year (Net)	(2.60)	(5.68)
<b>Closing Balance as at end of the year</b>	<b>10.10</b>	<b>12.70</b>

## Notes to Financial Statements

### Break-up of Trade Receivables as at 31<sup>st</sup> March 2023

₹ in Crores

Particulars	Current but not due	Outstanding for following periods from due date					Total
		< 6 months	6 months - 1 year	1-2 Years	2-3 Years	> 3 Years	
(i) Undisputed trade Receivables – considered good	554.26	135.28	-	-	-	-	689.54
(ii) Undisputed trade Receivables – which have significant increase in credit risk	-	-	4.18	-	-	-	4.18
(iii) Undisputed trade Receivables – credit impaired	-	-	-	2.34	1.85	0.41	4.60
(iv) Disputed trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade Receivables – credit impaired	-	-	-	-	-	-	-

### Break-up of Trade Receivables as at 31<sup>st</sup> March 2022

₹ in Crores

Particulars	Current but not due	Outstanding for following periods from due date					Total
		< 6 months	6 months - 1 year	1-2 Years	2-3 Years	> 3 Years	
(i) Undisputed trade Receivables – considered good	583.45	126.36	-	-	-	-	709.81
(ii) Undisputed trade Receivables – which have significant increase in credit risk	-	-	2.98	-	-	-	2.98
(iii) Undisputed trade Receivables – credit impaired	-	-	-	2.73	4.89	1.13	8.75
(iv) Disputed trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade Receivables – credit impaired	-	-	-	-	-	-	-

### Note 9c. Investments

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Quoted Investments - FVTPL</b>		
Investments in Mutual Funds	293.30	280.45
<b>Total</b>	<b>293.30</b>	<b>280.45</b>

During the year, the Company has invested an aggregate amount of ₹3,432.90 Cr. (Previous Year ₹2,063.00 Cr.) in the units of various Cash Management Schemes of mutual funds, for the purpose of deployment of temporary cash surplus and has ₹293.30 Cr. (Previous Year ₹280.45 Cr) in mutual fund investments as at year end. The total consideration received on the sale of units during the year was ₹3,431.43 Cr. (Previous Year ₹2,095.19 Cr.)

# Notes to Financial Statements

## Note 9d. Cash and Cash Equivalents

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Balances with Banks in Current Accounts	19.22	2.35
Cash on hand	-	0.01
Deposits with original maturity of less than three months	92.05	-
<b>Cash and Cash Equivalents as per Balance Sheet</b>	<b>111.27</b>	<b>2.36</b>
Cash Credit facility (Refer note 15a)	(0.02)	(1.62)
<b>Cash and Cash Equivalents as per Statement of Cash Flows</b>	<b>111.25</b>	<b>0.74</b>

As at 31<sup>st</sup> March 2023, the Company had undrawn committed borrowing facilities of ₹276.79 Cr. (31<sup>st</sup> March 2022 - ₹227.96 Cr.).

### Changes in Liabilities arising from Financing Activities

#### Year Ended 31<sup>st</sup> March 2023

Particulars	₹ in Crores					
	As at 31-Mar- 2022	Effects of reclassification	Cash Inflows / (Outflows)	Finance cost charged during the year	Other Adjustments	As at 31-Mar- 2023
Working Capital Loans	295.42	-	177.77	-	-	473.19
Cash Credit	1.62	-	(1.60)	-	-	0.02
Current maturity of long term borrowings - Debentures	51.03	-	(51.19)	0.16	-	-
Lease Liabilities	32.83	-	(1.52)	-	(2.84)	28.47
<b>Total</b>	<b>380.90</b>	<b>-</b>	<b>123.46</b>	<b>0.16</b>	<b>(2.84)</b>	<b>501.68</b>

#### Year Ended 31<sup>st</sup> March 2022

Particulars	₹ in Crores					
	As at 31-Mar- 2021	Effect of reclassification	Cash Inflows / (Outflows)	Finance cost charged during the year	Other Adjustments	As at 31-Mar- 2022
Debentures	51.03	(50.00)	(1.03)	-	-	-
Working Capital Loans	206.91	-	88.51	-	-	295.42
Cash Credit	0.12	-	1.50	-	-	1.62
Current maturity of long term borrowings - Debentures	51.03	50.00	(51.03)	1.03	-	51.03
Lease Liabilities	36.82	-	(2.27)	-	(1.72)	32.83
<b>Total</b>	<b>345.91</b>	<b>-</b>	<b>35.68</b>	<b>1.03</b>	<b>(1.72)</b>	<b>380.90</b>

## Note 9e. Bank Balances other than Note 9d above

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Unpaid Dividend Accounts *	2.79	2.41
Bank Deposits with original maturity of more than 12 months	0.06	0.05
<b>Total</b>	<b>2.85</b>	<b>2.46</b>

\* There are restrictions on the bank balances held in unpaid dividend accounts.



## Notes to Financial Statements

### Note 9f. Other Financial Assets

(At Amortised Cost, considered good and unsecured, unless stated otherwise)

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Claims Recoverable*	0.23	53.08
Other deposits	6.04	5.31
Dividend receivable	1.11	2.45
Interest Accrued	0.22	2.28
Government Grants	1.96	2.76
<b>Total</b>	<b>9.56</b>	<b>65.88</b>
* Includes Claims recoverable from TICMPL	-	52.39

### Note 10. Other Current Assets

(Considered Good, Unsecured unless stated otherwise)

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Advances Recoverable		
- Goods and Services *	31.79	35.42
- Employee Related	0.64	0.36
- Prepaid Expenses	2.11	3.12
- Gratuity Fund (Net of Provision)	-	0.95
	<b>34.54</b>	<b>39.85</b>
Balances with Customs, Excise, Sales Tax and GST Authorities	14.78	18.42
<b>Total</b>	<b>49.32</b>	<b>58.27</b>
* Includes Advances recoverable from Related parties		
Creative Cycles (Private) Limited	-	10.63

### Provision for Doubtful Advances for Goods and Services

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
<b>At the beginning of the Year</b>	-	(3.70)
(Created) / Reversed during the year	-	3.70
<b>At the end of the year</b>	-	-

Note: The entire advance amount of ₹3.70 Cr has been written off, hence the provision created earlier has been reversed during the previous year.

# Notes to Financial Statements

## Note 11. Equity Share Capital

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
<b>Authorised Capital</b>		
25,00,00,000 Equity Shares of ₹1 each (31-Mar-2022: 25,00,00,000 Equity Shares of ₹1 each)	25.00	25.00
<b>Issued, Subscribed and Paid-up Capital</b>		
19,31,21,076 Equity Shares of ₹1 each fully paid up (31-Mar-2022: 19,29,50,221 Equity Shares of ₹1 each fully paid up)	19.31	19.29
<b>Total</b>	<b>19.31</b>	<b>19.29</b>

a) The Reconciliation of Shares Capital is given below:

Particulars	As at 31-Mar-2023		As at 31-Mar-2022	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	19,29,50,221	19.29	19,28,16,871	19.28
Shares issued under the Employee Stock Option Scheme	1,70,855	0.02	1,33,350	0.01
At the end of the year	<b>19,31,21,076</b>	<b>19.31</b>	<b>19,29,50,221</b>	<b>19.29</b>

b) Terms / Rights attached to class of shares

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

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

Particulars	As at 31-Mar-2023		As at 31-Mar-2022	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Ambadi Investments Limited (Face Value ₹1 each)	6,89,66,595	35.71%	6,89,66,595	35.74%
Small Cap World Fund Inc (Face Value ₹1 each)	1,16,27,785	6.02%	1,37,79,230	7.14%

d) Status on Global Depository Receipts (GDRs)

The GDR Program stands terminated with effect from 12<sup>th</sup> August 2022. The aggregate number of GDRs deemed to be outstanding as at 31<sup>st</sup> March 2022 was 9,300.

e) Details of promoter and promoter group shareholding is provided in Note no. 45

# Notes to Financial Statements

## Note 12. Other Equity

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
General Reserve	335.35	335.35
Securities Premium	368.55	362.00
Retained Earnings	2,552.25	1,973.66
Other Reserves		
Share Options Outstanding Account	14.81	7.56
Cash Flow Hedge Reserve	(1.16)	0.31
FVTOCI Reserve	3.25	3.03
Capital Reserve	0.11	0.11
<b>Total Other Equity</b>	<b>3,273.16</b>	<b>2,682.02</b>

- a. **General Reserve** - Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
<b>Balance at the beginning of the year</b>	335.35	335.35
Additions during the year	-	-
<b>Balance at the end of the year</b>	<b>335.35</b>	<b>335.35</b>

- b. **Securities Premium** - The Securities premium received during the year represents the premium received towards allotment of 1,70,855 shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of Companies Act, 2013.

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
<b>Balance at the beginning of the year</b>	362.00	356.92
Additions during the year	6.55	5.08
<b>Balance at the end of the year</b>	<b>368.55</b>	<b>362.00</b>

- c. **Retained Earnings** - Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
<b>Balance at the beginning of the year</b>	<b>1,973.66</b>	<b>1,568.55</b>
Profit for the Year	665.20	475.17
Dividend Paid during the year	(67.57)	(67.51)
Other Comprehensive Income - Re-measurement Loss on Defined Benefit Obligations (Net)	(19.04)	(2.55)
<b>Balance at the end of the year</b>	<b>2,552.25</b>	<b>1,973.66</b>

## Notes to Financial Statements

- d. **Share Option Outstanding Account** – Under Ind AS 102, fair value of the options granted is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service.

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Balance at the beginning of the year	7.56	8.74
Additions during the year	9.12	0.58
Deductions during the year	(1.87)	(1.76)
<b>Balance at the end of the year</b>	<b>14.81</b>	<b>7.56</b>

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

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Balance at the beginning of the year	0.31	0.88
Additions / (Deductions) during the year (Net)	(1.47)	(0.57)
<b>Balance at the end of the year</b>	<b>(1.16)</b>	<b>0.31</b>

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

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Balance at the beginning of the year	3.03	3.30
Additions / (Deductions) during the year	0.22	(0.27)
<b>Balance at the end of the year</b>	<b>3.25</b>	<b>3.03</b>

- g. **Capital Reserve** - The amount represents equity share capital of the Company amounting to ₹0.11 Cr., cancelled pursuant to the Scheme of arrangement (Refer Note 1) and credited to capital reserve.

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Balance at the beginning of the year	0.11	0.11
Additions / (Deductions) during the year	-	-
<b>Balance at the end of the year</b>	<b>0.11</b>	<b>0.11</b>

### Note 13. Lease Liabilities

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Lease Liabilities (Refer Note 39)	24.69	28.21
<b>Total</b>	<b>24.69</b>	<b>28.21</b>

# Notes to Financial Statements

## Note 14. Deferred Tax Assets and Liabilities

₹ in Crores

Particulars	Balance Sheet		Statement of Profit and Loss (including OCI)	
	31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022
<b>Nature - (Liability)/Asset</b>				
<b>Deferred Tax Liabilities</b>				
Difference between depreciation as per books of accounts and the Income Tax Act, 1961	(14.59)	(22.59)	(8.00)	(3.23)
<b>Total (A)</b>	<b>(14.59)</b>	<b>(22.59)</b>	<b>(8.00)</b>	<b>(3.23)</b>
<b>Deferred Tax Assets</b>				
Provision for Doubtful / Impairment on Receivables	2.54	3.82	1.28	1.74
Provision for Employee Benefits	5.04	7.23	2.19	2.35
On expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	10.79	5.16	(5.63)	5.16
Effect of transactions routed through Other Comprehensive Income	(1.52)	3.10	4.62	(1.03)
Others	1.36	1.25	(0.11)	(0.35)
<b>Total (B)</b>	<b>18.21</b>	<b>20.56</b>	<b>2.35</b>	<b>7.87</b>
<b>Deferred Tax Expenses/(Income) (A+B)</b>			<b>(5.65)</b>	<b>4.64</b>
<b>Net Deferred Tax (Liabilities)/Assets (A+B)</b>	<b>3.62</b>	<b>(2.03)</b>		

### Reconciliation of Deferred Tax Asset/(Liabilities) (Net)

₹ in Crores

Particulars	31-Mar-2023	31-Mar-2022
Opening balance	(2.03)	2.61
Tax Income/(Expense) during the period recognised in Profit and Loss	10.27	(5.67)
Tax Income/(Expense) during the period recognised in OCI	(4.62)	1.03
<b>Closing balance</b>	<b>3.62</b>	<b>(2.03)</b>

## Note 15a. Short Term Borrowings

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Current Maturities of Long Term Borrowings</b>		
<b>Secured, Listed and Rated Non-Convertible Debentures (NCD)</b>		
(Secured by pari passu first charge on Land & Building - Refer Note 4a)		
-4.80% Privately Placed NCD	-	51.03
<b>Secured Borrowings</b>		
(Secured by pari passu first charge on Inventories and Trade Receivables)		
From Banks		
-Working Capital Loan	197.84	151.26
-Cash Credit	0.02	1.62
<b>Unsecured Borrowings</b>		
From Banks		
- Working Capital Loan	275.35	144.16
<b>Total</b>	<b>473.21</b>	<b>348.07</b>

**Note** - Short term Borrowings have a maturity of up to 6 months with an interest rate range of 2.15% p.a - 8.65% p.a.



## Notes to Financial Statements

During the current year, the company has borrowed fresh short term loans amounting to ₹1,219.59 Cr. (Previous year - ₹1,098.61 Cr.) and repaid loans to the tune of ₹1043.42 Cr. (Previous year - ₹1,010.23 Cr.) relating to Packing Credit and other Short Term Working Capital Loans.

The company has filed declarations to bank on regular basis as per the books of accounts.

The Company has not defaulted on any loans (including interest) payable during the year and is in compliance with all the borrowing covenants.

### Note 15b. Trade Payables

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Trade Payables		
- Dues to Micro Enterprise and Small Enterprises (See Note below)	20.14	27.01
- Dues to creditors other than Micro Enterprise and Small Enterprise *	910.54	1,113.74
<b>Total</b>	<b>930.68</b>	<b>1,140.75</b>
* Includes Dues to		
- Key Managerial Personnel	5.32	2.94
- Sedis SAS	-	0.05
- Parry Enterprises India Limited	0.04	0.03
- Shanthi Gears Limited	0.03	0.09
- Great Cycles (Private) Limited	-	0.19
- Creative Cycles (Private) Limited	1.42	3.80

### Details of Dues to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Principal amount due to suppliers under MSMED Act	20.13	26.99
Interest accrued and due to suppliers under MSMED Act, on the above amount	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	15.96	21.69
Interest paid to suppliers under MSMED Act (Section 16)	0.09	0.07
Interest due and payable to suppliers under MSMED Act, for payments already made	0.01	0.02
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	0.01	0.02

Trade payables are non-interest bearing and are normally settled within a period of 90 to 180 days. For terms and conditions relating to Related Party payables, Refer Note 37. The information regarding micro or small enterprise has been determined on the basis of information available with the management.

## Notes to Financial Statements

### Break-up of Trade Payables as at 31<sup>st</sup> Mar 2023

₹ in Crores

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		< 1 Year	1-2 Years	2-3 Years	> 3 Years	
(i) Total Outstanding dues to micro enterprises and small enterprises	20.14	-	-	-	-	20.14
(ii) Total Outstanding dues to creditors other than micro enterprises and small enterprises	609.93	299.43	0.38	0.67	0.13	910.54
(iii) Disputed Dues - dues to micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed Dues - dues to creditors other than micro enterprises and small enterprises	-	-	-	-	-	-

### Break-up of Trade Payables as at 31<sup>st</sup> Mar 2022

₹ in Crores

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		< 1 Year	1-2 Years	2-3 Years	> 3 Years	
(i) Total Outstanding dues to micro enterprises and small enterprises	26.71	0.30	-	-	-	27.01
(ii) Total Outstanding dues to creditors other than micro enterprises and small enterprises	834.54	272.33	1.37	4.81	0.69	1,113.74
(iii) Disputed Dues - dues to micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed Dues - dues to creditors other than micro enterprises and small enterprises	-	-	-	-	-	-

### Note 15c. Lease Liabilities

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Lease Liabilities (Refer Note 39)	3.78	4.62
<b>Total</b>	<b>3.78</b>	<b>4.62</b>

### Note 15d. Other Financial Liabilities

(At Amortised Cost)

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Unpaid dividends #	2.79	2.41
Advances and Deposits from Customers / Others	10.32	9.58
Dues to Directors	0.40	2.38
Other Liabilities		
- Recoveries from Employees	1.53	1.62
- Capital Creditors	32.72	21.06
- Others	0.69	0.55
<b>Total</b>	<b>48.45</b>	<b>37.60</b>

# Unpaid dividend does not include amount due and outstanding, to be credited to Investor Education and Protection Fund.

# Notes to Financial Statements

## Note 16. Short Term Provisions

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Provision for Compensated Absences (Refer Note a below)	17.85	16.98
Gratuity Obligation (Net of plan assets) (Refer Note 35a)	16.76	-
Provision for Warranties (Refer Note b below)	0.81	0.96
Provision for Statutory Liabilities / Others (Refer Note c below)	18.33	19.43
<b>Total</b>	<b>53.75</b>	<b>37.37</b>

### (a) Provision for Compensated Absences

This refers to the Company's liability for accumulated Earned Leave and Sick Leave, which can be encashed at the time of resignation/retirement of employee. The assumptions used to compute the provision are provided in Note 35c.

### (b) Provision for Warranties

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
At the Beginning of the Year	0.96	1.16
Created during the Year	-	0.43
Released during the Year	(0.15)	(0.63)
<b>At the end of the Year</b>	<b>0.81</b>	<b>0.96</b>

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

### (c) Provision for Statutory Liabilities / Others

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
At the beginning of the Year	19.43	19.94
Created / (Utilised) during the year	(1.10)	(0.51)
<b>At the end of the year</b>	<b>18.33</b>	<b>19.43</b>

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

## Note 17. Other Current Liabilities

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Statutory Liabilities	20.72	25.06
Advances from Customers	14.76	11.25
<b>Total</b>	<b>35.48</b>	<b>36.31</b>

# Notes to Financial Statements

## Note 18a. Financial Assets

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
<b>Financial Assets - Non Current</b>		
<b>At Fair Value</b>		
Investments at FVTOCI	8.74	8.52
Investments at FVTPL	167.00	-
<b>At Amortised Cost</b>		
Loan to Subsidiaries	225.75	64.39
Other Financial Assets	17.34	15.02
<b>Total Non Current Financial Assets (A)</b>	<b>418.83</b>	<b>87.93</b>
<b>Financial Assets - Current</b>		
<b>At Fair Value</b>		
Investments at FVTPL	293.30	280.45
Derivative Instruments	-	1.02
<b>At Amortised Cost</b>		
Loans	2.07	2.17
Trade Receivables	688.22	708.84
Cash and Cash Equivalents	111.27	2.36
Bank Balances other than Cash and Cash Equivalents	2.85	2.46
Other Financial Assets	9.56	65.88
<b>Total Current Financial Assets (B)</b>	<b>1,107.27</b>	<b>1,063.18</b>
<b>Total Financial Assets (A + B)</b>	<b>1,526.10</b>	<b>1,151.11</b>

## Note 18b. Financial Liabilities

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
<b>Financial Liabilities - Non Current</b>		
<b>At Amortised Cost</b>		
Lease Liabilities	24.69	28.21
<b>At Fair Value</b>		
Derivative Instruments	1.07	-
<b>Total Non Current Financial Liabilities (A)</b>	<b>25.76</b>	<b>28.21</b>
<b>Financial Liabilities - Current</b>		
<b>At Amortised Cost</b>		
Short Term Borrowings	473.21	348.07
Trade Payables	930.68	1,140.75
Lease Liabilities	3.78	4.62
Other Financial Liabilities	48.45	37.60
<b>At Fair Value</b>		
Derivative Instruments	0.15	-
<b>Total Current Financial Liabilities (B)</b>	<b>1,456.27</b>	<b>1,531.04</b>
<b>Total Financial Liabilities (A + B)</b>	<b>1,482.03</b>	<b>1,559.25</b>

# Notes to Financial Statements

## Note 18c. Government Grants

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Balance at the Beginning of the Year	17.87	18.50
Received during the Year	9.57	6.95
Released to the Statement of Profit and Loss	(8.94)	(7.58)
<b>Balance at the End of the Year</b>	<b>18.50</b>	<b>17.87</b>
Current	18.50	17.87
Non current	-	-
	<b>18.50</b>	<b>17.87</b>

Government grants are Interest Subvention given by Reserve Bank of India (RBI) on Packing Credit Rupee Export (PCRE) Loan towards Exports of Certain Products and savings in Customs Duty on import under Export Promotion Capital Goods Scheme (EPCG).

## Note 18d. Distributions made and proposed

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Proposed Dividends on Equity shares:		
Final Dividend for FY 2022-23 - ₹1.50 per share (PY - ₹1.50 per share)	28.97	28.94
	<b>28.97</b>	<b>28.94</b>
Dividends on equity shares declared and paid:		
Final dividend of ₹1.50 per share proposed for the year ended 31 March 2022 was paid during FY 2022-23, after approval in annual general meeting held in August'22	28.95	-
Final dividend of ₹1.50 per share proposed for the year ended 31 March 2021 was paid during FY 2021-22, after approval in annual general meeting held in August'21	-	28.92
Interim dividend for the year ended on 31 March 2023: ₹2 per share (31 March 2022: ₹2 per share)	38.62	38.59
	<b>67.57</b>	<b>67.51</b>

Proposed Dividend on Equity Shares are subject to approval at the Annual General Meeting and are not recognised as a Liability as at 31<sup>st</sup> March.



# Notes to Financial Statements

## Note 18e. Information on Subsidiaries, Joint venture and Associate as per Ind AS 27

Particulars	Relationship	Country of Incorporation	Proportion of ownership as at 31-Mar-2023
Financiere C10 SAS (FC 10)	Subsidiary	France	
Subsidiaries of FC 10			
- Sedis SAS		France	100.00%
- Sedis GmbH		Germany	
- Sedis Co. Ltd		United Kingdom	
Shanthi Gears Limited (SGL)	Subsidiary	India	70.47%
CG Power and Industrial Solutions Limited	Subsidiary	India	
Subsidiaries of CG Power and Industrial Solutions Limited			
- CG Adhesive Products Limited (formerly known as CG PPI Adhesive Products Ltd)		India	
- CG International Holdings Singapore Pte Limited		Singapore	
- CG Power Solutions Limited		India	
- CG Power Equipments Limited		India	
- CG Sales Networks Malaysia Sdn. Bhd.		Malaysia	
- PT Crompton Prima switchgear Indonesia		Indonesia	58.05%
- CG International BV		The Netherlands	
- CG Drives & Automation Netherlands BV		The Netherlands	
- CG Drives & Automation Germany GmbH		Germany	
- CG Industrial Holdings Sweden AB		Sweden	
- CG Drives & Automation Sweden AB		Sweden	
- CG Power Americas, LLC		USA	
- QEI, LLC		USA	
- CG Power Solutions UK Ltd		United Kingdom	
- CG Middle East FZE (Liquidated during the year 31 <sup>st</sup> March 2023)		UAE	
- CG Power Systems Canada Inc (De-consolidated during the year 31 <sup>st</sup> March 2023)		Canada	
- CG Power and Industrial Solutions Limited Middle East FZCO (Liquidated during the year 31 <sup>st</sup> March 2023)		UAE	
TI Clean Mobility Private Limited (Holding % - 99.99996%)	Subsidiary	India	100.00%
Subsidiaries of TI Clean Mobility Private Limited			
- IPLTech Electric Private Limited (w.e.f 21 <sup>st</sup> September 2022)	Subsidiary	India	65.25%
- Celestial E Mobility Private Limited (w.e.f 3 <sup>rd</sup> February 2023) (Refer Note 37)	Subsidiary	India	100.00%
Subsidiary of Celestial E Mobility Private Limited			
- Celestial E-Trac Private Limited (Refer Note 37)	Subsidiary	India	100.00%
Moshine Electronics Private Limited (w.e.f. 23 <sup>rd</sup> September 2022)	Subsidiary	India	76.00%
Great Cycles (Private) Limited	Subsidiary	Srilanka	80.00%
Creative Cycles (Private) Limited	Subsidiary	Srilanka	80.00%
X2Fuels and Energy Private Limited (w.e.f. 23 <sup>rd</sup> February 2023)	Joint Venture	India	50.00%
Aerostrovilos Energy Private Limited (w.e.f. 24 <sup>th</sup> November 2021)	Associate	India	27.78%

# Notes to Financial Statements

## Note 19. Revenue from Contracts with Customers

Disaggregated Revenue Information							₹ in Crores
Particulars	Year Ended 31-Mar-2023						
	Mobility	Engineering	Metal Formed Products	Others	Unallocated Corporate Income	Total	
<b>Revenue from Contract with Customers</b>							
Finished Goods	742.03	3,952.51	1,305.64	437.28	-	6,437.46	
Traded Goods	54.82	-	17.23	282.10	-	354.15	
<b>Sale of Products (A)</b>	<b>796.85</b>	<b>3,952.51</b>	<b>1,322.87</b>	<b>719.38</b>	<b>-</b>	<b>6,791.61</b>	
<b>Other Operating Revenue</b>							
Scrap Sales	2.13	307.33	98.38	28.21	-	436.05	
Service Income from Subsidiaries	-	-	-	-	2.25	2.25	
Conversion Income	-	0.26	-	-	-	0.26	
Others	0.96	3.19	1.26	0.37	-	5.78	
<b>Other Operating Revenue (B)</b>	<b>3.09</b>	<b>310.78</b>	<b>99.64</b>	<b>28.58</b>	<b>2.25</b>	<b>444.34</b>	
<b>Total (A+B)</b>	<b>799.94</b>	<b>4,263.29</b>	<b>1,422.51</b>	<b>747.96</b>	<b>2.25</b>	<b>7,235.95</b>	

Disaggregated Revenue Information							₹ in Crores
Particulars	Year Ended 31-Mar-2022						
	Mobility	Engineering	Metal Formed Products	Others	Unallocated Corporate Income	Total	
<b>Revenue from Contract with Customers</b>							
Finished Goods	831.36	3,334.51	1,134.43	385.63	-	5,685.93	
Traded Goods	127.36	-	23.13	150.37	-	300.86	
<b>Sale of Products (A)</b>	<b>958.72</b>	<b>3,334.51</b>	<b>1,157.56</b>	<b>536.00</b>	<b>-</b>	<b>5,986.79</b>	
<b>Other Operating Revenue</b>							
Scrap Sales	2.46	257.75	80.61	21.91	-	362.73	
Service Income from Subsidiaries	-	-	-	-	2.25	2.25	
Conversion Income	-	0.11	-	-	-	0.11	
Others	2.15	2.55	1.69	1.06	-	7.45	
<b>Other Operating Revenue (B)</b>	<b>4.61</b>	<b>260.41</b>	<b>82.30</b>	<b>22.97</b>	<b>2.25</b>	<b>372.54</b>	
<b>Total (A+B)</b>	<b>963.33</b>	<b>3,594.92</b>	<b>1,239.86</b>	<b>558.97</b>	<b>2.25</b>	<b>6,359.33</b>	

## Notes to Financial Statements

Reconciliation of the revenue from contract with customers with the amounts disclosed in the segment information (Note 38):

Particulars	Year Ended 31-Mar-2023					₹ in Crores
	Mobility	Engineering	Metal Formed Products	Others	Unallocated Corporate Income	
Revenue						
External Customers	799.94	4,263.29	1,422.51	747.96	2.25	
Inter-Segment	-	298.34	1.15	19.72	-	
	<b>799.94</b>	<b>4,561.63</b>	<b>1,423.66</b>	<b>767.68</b>	<b>2.25</b>	
Inter Segment Elimination and Adjustment	-	(298.34)	(1.15)	(19.72)	-	
<b>Total revenue from contracts with customers</b>	<b>799.94</b>	<b>4,263.29</b>	<b>1,422.51</b>	<b>747.96</b>	<b>2.25</b>	

Particulars	Year Ended 31-Mar-2022					₹ in Crores
	Mobility	Engineering	Metal Formed Products	Others	Unallocated Corporate Income	
Revenue						
External Customers	963.33	3,594.92	1,239.86	558.97	2.25	
Inter-Segment	-	273.04	0.40	3.43	-	
	<b>963.33</b>	<b>3,867.96</b>	<b>1,240.26</b>	<b>562.40</b>	<b>2.25</b>	
Inter Segment Elimination and Adjustment	-	(273.04)	(0.40)	(3.43)	-	
<b>Total revenue from contracts with customers</b>	<b>963.33</b>	<b>3,594.92</b>	<b>1,239.86</b>	<b>558.97</b>	<b>2.25</b>	

### Timing of Revenue Recognition

Particulars	₹ in Crores	
	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Revenue recognised at a point in time	7,233.70	6,357.08
Revenue recognised over a period of time	2.25	2.25
<b>Total</b>	<b>7,235.95</b>	<b>6,359.33</b>

### Summary of Contract Balances

Particulars	₹ in Crores	
	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Trade Receivables	688.22	708.84
Advances from customers	14.76	11.25

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	₹ in Crores	
	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Revenue as per Contracted Price	7,346.47	6,464.78
Adjustments		
- Discounts	(110.52)	(105.45)
Revenue as per Statement of Profit and loss	<b>7,235.95</b>	<b>6,359.33</b>

Performance obligation is satisfied upon meeting the terms specified in the contractual agreements for supply of goods with the customers.

# Notes to Financial Statements

## Note 20. Other Income

Particulars	₹ in Crores	
	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Dividend income from Investments in Subsidiaries carried at Cost	149.19	13.51
Dividend income from Investments at FVTOCI	-	0.67
Rental Income	4.27	0.66
Gain on Exchange Fluctuation (Net)	4.58	9.05
Profit on Property, Plant and Equipment and ROU Assets sold/discarded (Net)	3.05	3.75
Profit on Sale of Investments at FVTPL	11.38	8.34
Liabilities / Provisions no longer payable written back	2.94	12.16
Claims recovered	0.53	0.03
Government Grant	14.19	20.68
Interest Income from Financial Assets		
Fixed Deposits with Banks and Tax Free Bond	3.69	0.33
Others	18.84	1.36
Others*	2.56	3.04
<b>Total</b>	<b>215.22</b>	<b>73.58</b>

\* Includes Income accrued on Corporate Guarantee to CGPISL of ₹1.92 Cr. in previous year.

## Note 21. Cost of Materials Consumed

Particulars	₹ in Crores	
	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Opening stock	242.90	198.16
Purchases	4,291.08	4,010.91
Closing stock	(189.57)	(242.90)
	<b>4,344.41</b>	<b>3,966.17</b>

## Note 22. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

Particulars	₹ in Crores	
	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
<b>Closing stock</b>		
Work-in-Progress	181.34	184.95
Finished Goods	204.33	188.48
Stock-in-Trade	21.86	24.44
	<b>407.53</b>	<b>397.87</b>
<b>Opening stock</b>		
Work-in-Progress	184.95	154.95
Finished Goods	188.48	143.61
Stock-in-Trade	24.44	10.59
	<b>397.87</b>	<b>309.15</b>
<b>Changes in Inventories</b>		
Work-in-Progress	3.61	(30.00)
Finished Goods	(15.85)	(44.87)
Stock-in-Trade	2.58	(13.85)
<b>Changes in inventories of Work-In-Progress, Finished Goods and Stock-in-Trade</b>	<b>(9.66)</b>	<b>(88.72)</b>

# Notes to Financial Statements

## Note 23. Employee Benefits Expense

Particulars	₹ in Crores	
	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Salaries, Wages and Bonus (Refer Note 34)	474.73	416.39
Gratuity Expenses (Refer Note 35a)	3.78	3.37
Contribution to Provident and Other Funds (Refer Note 35b and Note 35d)	23.87	21.91
Staff Welfare Expenses	67.92	65.40
<b>Total</b>	<b>570.30</b>	<b>507.07</b>

**Note on Social Security Code:** The date on which the Code of Social Security, 2020 ('The Code') relating to employee benefits during employment and post-employment benefits will come into effect is yet to be notified and the related rules are yet to be finalised. The Company will evaluate the code and its rules, assess the impact, if any and account for the same once they become effective.

## Note 24. Depreciation and Amortisation Expense

Particulars	₹ in Crores	
	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Depreciation on Property, Plant and Equipment (Refer Note 4a)	139.59	138.51
Depreciation on Right-of-use assets (Refer Note 4b)	4.85	5.71
Depreciation on Investment Properties (Refer Note 5)	0.08	0.08
Amortisation of Intangible Assets (Refer Note 4c)	1.04	0.73
<b>Total</b>	<b>145.56</b>	<b>145.03</b>

## Note 25. Finance Costs

Particulars	₹ in Crores	
	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Interest Expense on Borrowings	19.27	8.90
Interest Expense on Lease Liability	2.35	2.87
<b>Total</b>	<b>21.62</b>	<b>11.77</b>

Note - Interest Expense on Borrowings is net of interest subvention received, amounting to ₹8.94 Cr. (Previous year - ₹5.82 Cr.) on Packing Credit loans.



# Notes to Financial Statements

## Note 26. Other Expenses

Particulars	₹ in Crores	
	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Consumption of Stores and Spares	281.60	245.47
Conversion Charges	105.78	94.11
Power and Fuel *	217.33	195.52
Rent (Net of Recoveries) (Refer Note 39)	4.65	4.09
Repairs and Maintenance - Building	1.45	1.07
Repairs and Maintenance - Machinery	123.79	102.48
Insurance	5.79	4.51
Rates and Taxes	7.15	3.61
Travelling and Conveyance	23.61	10.94
Printing, Stationery and Communication	5.07	4.14
Freight, Delivery and Shipping Charges	227.58	206.56
Commission on Sales	16.34	13.62
Advertisement and Publicity	16.44	26.50
Consultancy Charges	25.71	35.72
Impairment allowance for receivables and advances (Net) (includes bad debts written off - CY - ₹3.94 Crores; PY - ₹0.55 Crores)	1.80	4.25
Auditor's Remuneration (Refer Note a below)	1.17	0.76
Commission to Non Whole Time Directors (Refer Note 37)	0.40	2.38
Directors' Sitting Fees	0.26	0.34
Bank Charges	2.10	1.57
Information Technology Expenses	16.93	7.91
Donations to Charitable and other institutions	0.04	1.06
Expenditure on Corporate Social Responsibility (Refer Note b below)	9.04	6.48
Other Expenses	29.47	28.92
<b>Total</b>	<b>1,123.50</b>	<b>1,002.01</b>
* Includes Stores Consumed	94.88	84.98

During the previous year ended 31<sup>st</sup> March 2022, M/s TI Tsubamex Private Limited ("TTPL"), a Joint Venture (JV) of the Company, had been struck off and dissolved by the Registrar of Companies, Chennai, Tamilnadu, under section 248(5) of the Companies Act, 2013. Consequently the investment of ₹23.50 Cr. in TTPL had been written off and the provision created for ₹23.50 Cr. was reversed.

## Notes to Financial Statements

### (a) Auditor's Remuneration

Particulars	₹ in Crores	
	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
<b>As Auditor:</b>		
Audit Fee	0.68	0.54
Tax Audit Fee	0.08	0.06
Audit of Consolidated Financial Statements	0.08	0.06
<b>In other capacity:</b>		
Certification / Other Engagements	0.31	0.08
Reimbursement of expenses	0.02	0.02
<b>Total</b>	<b>1.17</b>	<b>0.76</b>

### (b) Corporate Social Responsibility

Particulars	₹ in Crores	
	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Gross amount required to be spent by the Company during the year	9.09	7.34
Amount approved by the Board to be spent during the year	9.40	6.48

Amount spent during the year:	Year Ended 31-Mar-2023			Year Ended 31-Mar-2022		
	In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
(i) Construction / acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above	9.04	-	9.04	6.48	-	6.48

Amount spent during the year:	₹ in Crores	
	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
(i) Contribution to Charitable Trust	3.70	3.50
(ii) Contribution to Public Trust	0.25	0.56
(iii) Others	5.09	2.42
<b>Total</b>	<b>9.04</b>	<b>6.48</b>

#### In case of Section 135(5) Excess amount spent

Year	Opening balance (A)	Amount required to be spent (B)	Amount spent (C)	Closing Balance (A-B+C)
2022-23	0.31	9.09	9.04	0.26
2021-22	1.17	7.34	6.48	0.31

Note: The above expense has been approved by the board and has been fully spent during the year. In respect of other than ongoing projects, there are no unspent amount that are required to be transferred to a fund specified in schedule VII with the Companies Act (the act) in compliance with second proviso to sub section 5 of section 135 of the act. There are also no ongoing projects as at 31<sup>st</sup> March 2023.

### Note 27. Exceptional Items

Particulars	₹ in Crores	
	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Provision for Impairment on Investments (Refer Note 6a (v))	23.45	-
Impairment on Tangible / Intangible Assets (Refer Note 4(a) and 4(c))	29.27	-
	<b>52.72</b>	<b>-</b>

# Notes to Financial Statements

## Note 28. Income Tax Expense

The major components of income tax expense for the years ended 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022 are:

### Statement of Profit and Loss

Particulars	₹ in Crores	
	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
<b>Current Tax:</b>		
Current income tax charge	218.10	153.41
Adjustments in respect of current income tax of previous years	2.54	(6.21)
<b>Deferred Tax:</b>		
Relating to the origination and reversal of temporary differences	(10.27)	5.67
<b>Income Tax expense reported in the Statement of Profit and Loss</b>	<b>210.37</b>	<b>152.87</b>

### Other Comprehensive Income (OCI)

Particulars	₹ in Crores	
	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
<b>Tax effect on</b>		
(Loss) / Gain on FVTOCI Equity Investments	0.07	0.03
Re-measurement Gain / (Loss) on Defined Benefit Obligations	5.05	(0.86)
Movement on cash flow hedges	(0.50)	(0.20)
<b>Income Tax charged / (credited) to OCI</b>	<b>4.62</b>	<b>(1.03)</b>

## Note 29. Reconciliation of Tax Expense and the Accounting Profit multiplied by Corporate Income Tax Rate applicable for 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022

The tax on the Company's profit before tax differs from the theoretical amount that would arise on using the standard rate of corporation tax in India (25.168%) as follows:

Particulars	₹ in Crores	
	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
<b>Accounting Profit before Income Tax</b>	<b>875.57</b>	<b>628.04</b>
Profit before Income Tax multiplied by Standard Rate of Corporate Tax in India of 25.168%	220.36	158.06
Effects of:		
Dividend Income - Exempt from tax	(24.30)	(3.57)
Others	5.87	4.59
Adjustment of tax relating to earlier years	2.54	(6.21)
Provision for Impairment	5.90	-
<b>Net Effective Income Tax</b>	<b>210.37</b>	<b>152.87</b>

Note: Deferred tax assets have not been recognised in respect of long term capital losses relating to impairment of investments in Srilankan Subsidiaries as they may not be used to offset taxable profits. If the Company were able to recognise this deferred tax assets, the profits would increase by ₹5.90 Cr.

# Notes to Financial Statements

## Note 30. Components of Other Comprehensive Income (OCI)

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

During the year ended 31-Mar-2023				₹ in Crores
Particulars	Cash flow hedge reserve	FVTOCI reserve	Retained Earnings	Total
Net Movement on Cash Flow Hedges	(1.47)	-	-	(1.47)
Net Gain / (Loss) on FVTOCI Securities	-	0.22	-	0.22
Re-measurement (Loss) on Defined Benefit Obligations (Net)	-	-	(19.04)	(19.04)
<b>Total</b>	<b>(1.47)</b>	<b>0.22</b>	<b>(19.04)</b>	<b>(20.29)</b>

During the year ended 31-Mar-2022				₹ in Crores
Particulars	Cash flow hedge reserve	FVTOCI reserve	Retained Earnings	Total
Net Movement on Cash Flow Hedges	(0.57)	-	-	(0.57)
Net Gain / (Loss) on FVTOCI Securities	-	(0.27)	-	(0.27)
Re-measurement (Loss) on Defined Benefit Obligations (Net)	-	-	(2.55)	(2.55)
<b>Total</b>	<b>(0.57)</b>	<b>(0.27)</b>	<b>(2.55)</b>	<b>(3.39)</b>

## Note 31. Earnings Per Share

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

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Profit After Tax (₹ in Crores)	665.20	475.17
Weighted average number of Shares		
- Basic	19,30,29,669	19,28,56,763
- Diluted	19,34,45,480	19,32,83,568
Earning Per Share of ₹1 each		
- Basic	34.46	24.64
- Diluted	34.39	24.59
Weighted average number of Equity Shares in calculating Basic Earnings Per Share	19,30,29,669	19,28,56,763
Dilution - Stock Options granted under ESOP	4,15,811	4,26,805
Weighted average number of Equity Shares in calculating Diluted EPS	19,34,45,480	19,32,83,568

## Note 32. Significant Accounting Judgements, Estimates and Assumptions

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

### a. Judgements

In the process of applying the Company's accounting policies, management has made the following judgement, which has significant effect on the amounts recognised in the Standalone Financial Statements.

#### i. Leases

##### Determining the lease term of contracts with renewal and termination options - Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

# Notes to Financial Statements

The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow.

Refer Note 39 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

## b. Estimates and Assumptions

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

### i. Impairment of Non-Financial assets including Investment in Subsidiaries

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

### ii. Taxes

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

### iii. Revenue from Contract with Customers

The Company estimates variable considerations to be included in the transaction price for the sale of goods with rights of return and volume rebates. The Company's expected volume rebates are analysed on a per customer basis for contracts that are subject to volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer's rebates entitlement and accumulated purchases to date.

### iv. Allowances for Slow / Non moving Inventory and Obsolescence

An allowance for Inventory is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory allowance is estimated taking into account various factors, including prevailing sales prices of inventory item and losses associated with obsolete / slow-moving / redundant inventory items. The Company has, based on these assessments, made adequate provision in the books.

### v. Employee Benefits

The cost of the defined benefit gratuity plan and other post-employment leave encashment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. In determining the appropriate discount rate, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about defined benefit obligations are given in Note 35.

### vi. Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible,



## Notes to Financial Statements

a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, Credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 41 for further disclosures.

### Note 33. Standards issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023

#### (i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1<sup>st</sup> April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

#### (ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1<sup>st</sup> April 2023. Consequential amendments have been made in Ind AS 107.

The entity is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

#### iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1<sup>st</sup> April 2023. The entity is currently assessing the impact of the amendments.

### Note 34. Stock Options

During the year fresh grant of 1,89,800 options under ESOP 2017 scheme was approved by the Nomination and Remuneration Committee of the Board of Directors of the Company.

With reference to the grants approved by the Nomination and Remuneration Committee of the Board of Directors of the Company, the Company has recognised expense amounting to ₹7.85 Cr. (Previous Year - ₹0.58 Cr.) for employees services received during the year, shown under Salaries, Wages and Bonus (Refer Note 23).

The movement in Stock Options are given below:

Particulars	Date of Grant	Options outstanding				Options outstanding		Options vested but not exercised	
		As at 31-Mar-2022		During the Year 2022-23		As at 31-Mar-2023		As at 31-Mar-2023	
		Options Granted	Options Cancelled/lapsed	Options Exercised and allotted	Options Exercised and allotted	As at 31-Mar-2023	As at 31-Mar-2023	As at 31-Mar-2023	As at 31-Mar-2023
Grant 1 (GT 02Nov11)	21-Nov-17	-	-	-	-	-	-	-	-
Grant 2 (GT15Mar17)	21-Nov-17	9,290	-	-	9,290	-	-	-	-
Grant 3 (GTAdditional12Feb18)	12-Feb-18	3,61,573	-	-	1,32,724	2,28,849	2,28,849	2,28,849	2,28,849

## Notes to Financial Statements

Particulars	Date of Grant	Options outstanding	During the Year 2022-23			Options outstanding	Options vested but not exercised
		As at 31-Mar-2022	Options Granted	Options Cancelled/lapsed	Options Exercised and allotted	As at 31-Mar-2023	As at 31-Mar-2023
Grant 4 (GT12Feb18)	12-Feb-18	72,428	-	-	13,500	58,928	58,928
Grant 5 (GT27Mar2019)	27-Mar-19	52,074	-	-	-	52,074	52,074
Grant 6 (GT24JUL2019)	24-Jul-19	38,684	-	-	15,341	23,343	23,343
Grant 7 (GT16MAR2022)	16-Mar-22	2,85,400	-	77,080	-	2,08,320	39,360
Grant 8 (GT12MAY2022)	12-May-22	-	72,300	-	-	72,300	-
Grant 9 (GT02AUG2022)	02-Aug-22	-	37,100	-	-	37,100	-
Grant 10 (GT18NOV2022)	18-Nov-22	-	17,100	-	-	17,100	-
Grant 11 (GT03FEB2023)	03-Feb-23	-	28,800	-	-	28,800	-
Grant 12 (GT28MAR2023)	28-Mar-23	-	34,500	-	-	34,500	-
<b>Total</b>		<b>8,19,449</b>	<b>1,89,800</b>	<b>77,080</b>	<b>1,70,855</b>	<b>7,61,314</b>	<b>4,02,554</b>

Particulars	Date of Grant	Options outstanding	During the Year 2021-22			Options outstanding	Options vested but not exercised
		As at 31-Mar-2021	Options Granted	Options Cancelled/lapsed	Options Exercised and allotted	As at 31-Mar-2022	As at 31-Mar-2022
Grant 1	21-Nov-17	3,964	-	-	3,964	-	-
Grant 2	21-Nov-17	32,560	-	-	23,270	9,290	9,290
Grant 3	12-Feb-18	4,23,505	-	-	61,932	3,61,573	3,41,841
Grant 4	12-Feb-18	1,16,612	-	-	44,184	72,428	72,428
Grant 5	27-Mar-19	52,074	-	-	-	52,074	36,342
Grant 6	24-Jul-19	38,684	-	-	-	38,684	38,684
Grant 7	16-Mar-22	-	2,85,400	-	-	2,85,400	-
<b>Total</b>		<b>6,67,399</b>	<b>2,85,400</b>	<b>-</b>	<b>1,33,350</b>	<b>8,19,449</b>	<b>4,98,585</b>

The details of Stock Options granted to certain employees for 2021-22 and 2022-23 are given below:

2022-23	Date of Grant	Weighted Average Exercise Price (₹)	Options Granted	Options Cancelled/lapsed	Options Exercised and allotted	Options vested and Outstanding at the End of the Year	Options unvested and Outstanding at the End of the Year	Vested Date	Weighted Average Remaining Contractual Life (In Years)
Grant 1	21-Nov-17	44.36	-	-	-	-	-	21-Nov-17	-
Grant 2	21-Nov-17	187.29	-	-	9,290	-	-	15-Mar-18	-
Grant 3	12-Feb-18	270.20	-	-	1,32,724	2,28,849	-	Partially vested on 12-Feb19,	2.00
Grant 4	12-Feb-18	270.20	-	-	13,500	58,928	-	12-Feb20, 12-Feb-21 & 12-Feb-22	2.57

## Notes to Financial Statements

2022-23	Date of Grant	Weighted Average Exercise Price (₹)	Options Granted	Options Cancelled/ lapsed	Options Exercised and allotted	Options vested and Outstanding at the End of the Year	Options unvested and Outstanding at the End of the Year	Vested Date	Weighted Average Remaining Contractual Life (In Years)
Grant 5	27-Mar-19	378.25	-	-	-	52,074	-	Partially vested on 27-Mar-20, 27-Mar-21, 27-Mar-22 & 27-Mar-23	3.69
Grant 6	24-Jul-19	384.20	-	-	15,341	23,343	-	Partially vested on 24-July-20, 24-July-21	2.82
Grant 7	16-Mar-22	1,471.90	-	77,080	-	39,360	1,68,960	Vesting date: 16-Mar-23, 16-Mar-24, 16-Mar-25, 16-Mar-26	6.66
Grant 8	12-May-22	1,666.60	72,300	-	-	-	72,300	Vesting date: 12-May-23, 12-May-24, 12-May-25, 12-May-26	6.82
Grant 9	02-Aug-22	2,023.00	37,100	-	-	-	37,100	Vesting date: 02-Aug-23, 02-Aug-24, 02-Aug-25, 02-Aug-26	7.05
Grant 10	18-Nov-22	2,541.95	17,100	-	-	-	17,100	Vesting date: 18-Nov-23, 18-Nov-24, 18-Nov-25, 18-Nov-26	7.34
Grant 11	03-Feb-23	2,689.85	28,800	-	-	-	28,800	Vesting date: 03-Feb-24, 03-Feb-25, 03-Feb-26, 03-Feb-27	7.55
Grant 12	28-Mar-23	2,495.50	34,500	-	-	-	34,500	Vesting date on 28-Mar-24, 28-Mar-25, 28-Mar-26, 28-Mar-27	7.70
			<b>1,89,800</b>	<b>77,080</b>	<b>1,70,855</b>	<b>4,02,554</b>	<b>3,58,760</b>		

## Notes to Financial Statements

2021-22	Date of Grant	Weighted Average Exercise Price (₹)	Options Granted	Options Cancelled/ lapsed	Options Exercised and allotted	Options vested and Outstanding at the End of the Year	Options unvested and Outstanding at the End of the Year	Vested Date	Weighted Average Remaining Contractual Life (In Years)
Grant 1	21-Nov-17	44.36	-	-	3,964	-	-	21-Nov-17	-
Grant 2	21-Nov-17	187.29	-	-	23,270	9,290	-	15-Mar-18	0.96
Grant 3	12-Feb-18	270.20	-	-	61,932	361,573	-	Partially vested on 12-Feb-19,	3.00
Grant 4	12-Feb-18	270.20	-	-	44,184	72,428	-	12-Feb-20 & 12-Feb-21	3.57
Grant 5	27-Mar-19	378.25	-	-	-	52,074	-	Partially vested on 27-Mar-20, 27-Mar-21 & 27-Mar-22	4.69
Grant 6	24-Jul-19	384.20	-	-	-	38,684	-	Partially vested on 24-July-20, 24-July-21	3.82
Grant 7	16-Mar-22	1,471.90	285,400	-	-	-	285,400	Vesting date: 16-Mar-23, 16-Mar-24, 16-Mar-25, 16-Mar-26	7.66
			<b>285,400</b>	<b>-</b>	<b>133,350</b>	<b>534,049</b>	<b>285,400</b>		

The following tables list the inputs to the Black Scholes model used for the plans for the year ended 31<sup>st</sup> March 2023:

Particulars	Grant Date	Risk-free Interest Rate	Expected Life	Expected Volatility of Share Price	Dividend Yield	Price of the Underlying Share in the market at the time of Option grant	Fair Value of the Option
		% (p.a)	(Years)	(%)	(%)	(₹.)	(₹.)
Grant 1	21-Nov-17	8.23	4.64	43.70	1.86	44.36	21.30
Grant 2	21-Nov-17	6.75	3.50	31.49	0.25	187.29	60.27
Grant 3	12-Feb-18	7.33	4.63	38.19	-	270.20	117.98
Grant 4	12-Feb-18	7.41	5.21	38.19	-	270.20	125.66
Grant 5	27-Mar-19	6.99	4.61	50.72	0.46	378.25	199.60
Grant 6	24-Jul-19	6.24	4.01	49.32	0.65	384.20	167.53
Grant 7	16-Mar-22	6.21	5.21	39.91	0.24	1,471.90	656.18
Grant 8	12-May-22	6.97	5.21	40.14	0.21	1,666.60	768.17
Grant 9	02-Aug-22	6.99	5.21	40.68	0.17	2,023.00	942.96
Grant 10	18-Nov-22	7.16	5.21	40.97	0.14	2,541.95	1,199.04
Grant 11	03-Feb-23	7.16	5.21	40.97	0.14	2,689.85	1,267.43
Grant 12	28-Mar-23	7.17	5.21	40.68	0.08	2,495.50	1,179.07

### Note 35. Employee Benefits Obligation

#### Defined Benefit Plan

##### a. Gratuity

Under the Gratuity plan operated by the Company, every employee who has completed at least five years of service gets a Gratuity on leaving the organisation at 15 days of last drawn salary for each completed year of service as per Payment of Gratuity Act, 1972. The scheme is funded with an Insurance Company in the form of qualifying insurance policy. The

## Notes to Financial Statements

following table summarizes the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the Balance Sheet.

		₹ in Crores	
<b>A. Change in defined benefit obligation</b>		<b>31-Mar-2023</b>	<b>31-Mar-2022</b>
1.	Defined benefit obligation at beginning of period	73.36	69.71
2.	Service cost		
	a. Current service cost	3.84	3.37
3.	Interest expenses	4.99	4.50
4.	Cash flows		
	a. Benefit payments from plan	(8.57)	(8.58)
5.	Remeasurements		
	a. Effect of changes in demographic assumptions	-	-
	b. Effect of changes in financial assumptions	6.85	2.39
	c. Effect of experience adjustments	7.32	1.97
6.	Transfer In /Out	-	-
7.	Defined benefit obligation at end of period	87.79	73.36
		₹ in Crores	
<b>B. Change in fair value of plan assets</b>		<b>31-Mar-2023</b>	<b>31-Mar-2022</b>
1.	Fair value of plan assets at beginning of period	74.31	69.74
2.	Interest income	5.05	4.50
3.	Cash flows		
	a. Total employer contributions	0.06	8.32
	b. Benefit payments from plan assets	(8.57)	(8.58)
4.	Remeasurements		
	a. Return on plan assets (excluding interest income)	0.18	0.33
5.	Transfer In /Out	-	-
6.	Fair value of plan assets at end of period	71.03	74.31
		₹ in Crores	
<b>C. Amounts recognised in the Balance Sheet</b>		<b>31-Mar-2023</b>	<b>31-Mar-2022</b>
1	Defined benefit obligation	87.79	73.36
2	Fair value of plan assets	(71.03)	(74.31)
3.	Funded status	16.76	(0.95)
4.	Net defined benefit liability / (asset)	16.76	(0.95)
		₹ in Crores	
<b>D. Components of defined benefit cost</b>		<b>31-Mar-2023</b>	<b>31-Mar-2022</b>
1.	Service cost		
	a. Current service cost	3.84	3.37
2.	Net interest cost		
	a. Interest expense on DBO	4.99	4.50
	b. Less - Interest income on plan assets	5.05	4.50
	c. Total net interest cost	(0.06)	-
3.	Remeasurements (recognised in OCI)		
	a. Effect of changes in demographic assumptions	-	-
	b. Effect of changes in financial assumptions	6.85	2.39
	c. Effect of experience adjustments	7.32	1.97
	d. Less - (Return) on plan assets (excluding interest income)	0.18	0.33
	e. Total remeasurements included in OCI	13.99	4.03
4.	Total defined benefit cost recognised in P&L and OCI	17.77	7.40



## Notes to Financial Statements

₹ in Crores

<b>E. Re-measurement</b>	<b>31-Mar-2023</b>	<b>31-Mar-2022</b>
a. Actuarial Loss on DBO	14.17	4.36
b. Less - Returns above Interest Income	(0.18)	(0.33)
Total Re-measurements (OCI)	13.99	4.03

₹ in Crores

<b>F. Employer Expense (P&amp;L)</b>	<b>31-Mar-2023</b>	<b>31-Mar-2022</b>
a. Current Service Cost	3.84	3.37
b. Interest Cost on net DBO	(0.06)	-
c. Total P&L Expenses	3.78	3.37

₹ in Crores

<b>G. Net defined benefit liability (asset) reconciliation</b>	<b>31-Mar-2023</b>	<b>31-Mar-2022</b>
1. Net defined benefit asset as of beginning of period	(0.95)	(0.03)
2. Defined benefit cost included in P&L	3.78	3.37
3. Total remeasurements included in OCI	13.99	4.03
4. Employer contributions	(0.06)	(8.32)
5. Net benefit paid from plan assets	-	-
6. Net defined benefit liability (asset) as of end of period	16.76	(0.95)

₹ in Crores

<b>H. Reconciliation of OCI (Re-measurement)</b>	<b>31-Mar-2023</b>	<b>31-Mar-2022</b>
1. Recognised in OCI during the period	13.99	4.03
2. Recognised in OCI at the end of the period	13.99	4.03

₹ in Crores

<b>I. Sensitivity analysis - DBO end of Period</b>	<b>31-Mar-2023</b>	<b>31-Mar-2022</b>
1. Discount rate +1%	82.98	69.45
2. Discount rate - 1%	93.11	77.59
3. Salary Increase Rate +1%	92.73	77.35
4. Salary Increase Rate -1%	83.21	69.64
5. Attrition Rate +5%	87.30	73.81
6. Attrition Rate -5%	88.40	72.65

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

<b>J. Significant Actuarial Assumptions</b>	<b>31-Mar-2023</b>	<b>31-Mar-2022</b>
1. Discount rate Current Year	7.25%	6.80%
2. Discount rate Previous Year	6.80%	6.45%
3. Salary increase rate	8%	6%
4. Attrition Rate	6%	6%
5. Retirement Age	58	58
6. Pre-retirement mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
7. Disability	Nil	Nil

## Notes to Financial Statements

K. Data	31-Mar-2023	31-Mar-2022
1. No. of Employees	3,041	3,096
2. Avg. Age (years)	41	41
3. Avg. Past Service (years)	14	14
4. Avg. Sal. Monthly (₹)	31,997	27,890
5. Future Service (years)	18	18
6. Weighted average duration of DBO	8	8

₹ in Crores

L. Expected cash flows for following year	31-Mar-2023	31-Mar-2022
1. Expected employer contributions / Additional Provision Next Year	4.00	4.00
2. Expected total benefit payments		
Year 1	12.46	12.57
Year 2 to Year 5	36.94	30.00
Year 6 to Year 10	49.11	37.49
More than 10 Years	47.09	35.27

₹ in Crores

M. Defined benefit obligation at end of period	31-Mar-2023	31-Mar-2022
Current Obligation	12.03	12.16
Non-Current Obligation	75.76	61.20
<b>Total</b>	<b>87.79</b>	<b>73.36</b>

### SUMMARY

₹ in Crores

Assets / Liabilities	31-Mar-2023	31-Mar-2022
1. Defined benefit obligation at end of period	87.79	73.36
2. Fair value of plan assets at end of period	71.03	74.31
3. Net defined benefit liability (asset)	16.76	(0.95)
4. Defined benefit cost included in P&L	3.78	3.37
5. Total remeasurements included in OCI	13.99	4.03
6. Total defined benefit cost recognized in P&L and OCI	17.77	7.40

#### Notes:

- The entire Plan Assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC).
- The expected/actual return on Plan Assets is as furnished by LIC.
- The estimate of future salary increase takes into account inflation, likely increments, promotions and other relevant factors.

#### b. Provident Fund

The Company's Provident Fund is exempted under Section 17 of the The Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust (including any decrease in value of investments) and the notified interest rate. The exempt provident fund set up by the company is a defined benefit plan under Ind AS 19 - Employee Benefits.

There is net asset position as at 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022, the same has not been recognized in the books.

# Notes to Financial Statements

₹ in Crores

<b>A. Change in defined benefit obligation</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
1. Defined benefit obligation at the beginning of the period	166.36	161.12
2. Service cost		
a. Current service cost	8.63	13.59
3. Interest expenses	13.06	13.12
4. Employees' Contribution	15.23	13.83
5. Cash flows		
a. Benefit payments from plan	(37.50)	(29.27)
6. Remeasurements		
a. Effect of changes in demographic assumptions	-	(0.11)
b. Effect of financial adjustments	0.43	(5.54)
c. Effect of experience adjustments	(1.15)	(3.93)
7. Transfer In / Out	3.29	3.55
8. Defined benefit obligation at end of period	<b>168.35</b>	<b>166.36</b>

₹ in Crores

<b>B. Change in Fair Value of Plan Assets</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
1. Fair value of plan assets at beginning of period	171.15	155.46
2. Interest income	12.58	11.76
3. Cash flows		
a. Total employer contributions	8.63	13.59
b. Benefit payments from plan assets	(37.50)	(29.27)
4. Employee contributions	15.23	13.83
5. Remeasurement on Plan assets	(0.61)	2.23
6. Transfer In /Out	3.29	3.55
7. Fair value of plan assets at end of period	<b>172.77</b>	<b>171.15</b>

₹ in Crores

<b>C. Components of Defined Benefit Cost</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
1. Interest cost on obligation	13.06	13.12
2. Interest income on Plan assets	(12.58)	(11.76)
3. Current Service cost	8.63	13.59
4. Defined Benefit Cost recognised in P&L	<b>9.11</b>	<b>14.95</b>

₹ in Crores

<b>D. Remeasurement</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
1. Remeasurements on Plan assets	0.61	(2.23)
2. Remeasurements for Change in financial assumption	0.43	(5.54)
3. Remeasurements towards Experience variance	(1.15)	(3.93)
4. Remeasurements for Change in demographic assumptions	-	(0.11)
	<b>(0.11)</b>	<b>(11.81)</b>

₹ in Crores

<b>E. Net Defined Benefit Liability (Asset) Reconciliation</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
1. Net defined benefit liability / (asset)	(4.79)	5.66
2. Defined benefit cost included in P&L	9.11	14.95
3. Total remeasurements included in OCI	(0.11)	(11.81)
4. Contributions to the fund	(8.63)	(13.59)
5. Net transfers in	-	-
6. Net defined benefit liability (asset) at the end of the period	<b>(4.42)</b>	<b>(4.79)</b>

# Notes to Financial Statements

₹ in Crores

<b>F. Proportion of Total Asset Categories</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
1. Government of India securities	11.20%	10.69%
2. State Government securities	45.64%	55.37%
3. High quality corporate bonds	34.77%	26.52%
4. Equity	2.56%	1.90%
5. Special Deposits	0.00%	0.00%
6. Bank balance and others	5.83%	5.52%
7. Funds managed by Insurer	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

₹ in Crores

<b>G. Funded Status</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
1. Fair Value of Plan assets	172.77	171.15
2. Present value of obligation	168.35	166.36
3. <b>Net (Asset)/ Liability</b>	<b>(4.42)</b>	<b>(4.79)</b>
4. Amount as per books (Refer Note 16)	-	-

Note: Since there is net asset position as at 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022, the same has not been recognised in the books

₹ in Crores

<b>H. Current and Non-Current liability</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
1. Current Liability (Less than 1 year)	32.30	33.46
2. Non-current liability (More than 1 year)	136.05	132.90

₹ in Crores

<b>I. Sensitivity analysis on Interest rate Guarantee Liability</b>	<b>Liability</b>	<b>Change</b>
1. Best estimate - Base scenario	4.17	0%
2. Discount Rate - Increased by 0.5%	4.08	-2%
3. Discount Rate - Decreased by 0.5%	4.27	2%
4. Return on Government Securities - Increased by 1.00%	-	-100%
5. Return on Government Securities - Decreased by 1.00%	8.95	115%
6. Return on Equities - Increased by 1.00%	3.96	-5%
7. Return on Equities - Decreased by 1.00%	4.39	5%
8. Return on Bonds - Increased by 1.00%	1.25	-70%
9. Return on Bonds - Decreased by 1.00%	7.10	70%

<b>J. Significant actuarial assumptions</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
1. Discount rate	7.25%	7.20%
2. Interest rate guarantee	8.15%	8.10%
3. Attrition Rate	6.00%	6.00%
4. Retirement Age	58	58
5. Pre-retirement mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

₹ in Crores

<b>K. Membership Data - Summary Statistics</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
1. Number of employees	17,889	17,819
2. Employee contribution	15.24	13.82
3. Employer contribution	8.63	13.59
4. Average attained age	35 years	34 years
5. Average Past Service	10.64 years	10.19 years

## Notes to Financial Statements

### c. Long Term Compensated Absences

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

Assumptions	31-Mar-2023	31-Mar-2022
Discount Rate	7.25%	6.80%
Future Salary Increase (%)	8.00%	6.00%
Attrition Rate	6.00%	6.00%

### d. Contributions to Defined Contribution Plans

During the year, the Company recognised ₹4.85 Cr. (Previous year - ₹5.70 Cr.) to Provident Fund under Defined Contribution Plan, ₹8.56 Cr. (Previous year - ₹7.81 Cr.) for Contributions to Superannuation Fund, ₹0.86 Cr. (Previous year - ₹0.60 Cr.) for Contributions to Employee State Insurance Scheme and ₹0.24 Cr. (Previous Year - ₹0.20 Cr.) for Contribution to National Pension Scheme in the Statement of Profit and Loss.

### Note 36a. Contingent Liabilities

#### Note i

- Matters wherein management has concluded the Company's liability to be probable have accordingly been provided for in the books. Also Refer note 16
- Matters wherein management has concluded the Company's liability to be possible have accordingly been disclosed under Note 36a ii Contingent liabilities below
- Matters wherein management is confident of succeeding in these litigations and have concluded the Company's liability to be remote. This based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceedings and claims, in different stages of process

#### Note ii: Contingent Liabilities

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
(i) Disputed Income-Tax demands under appeal / remand pending before various appellate/ assessing authorities against the Company (including interest and penalty).	3.22	-
(ii) Disputed Service Tax, Excise and Customs duty demand pertaining to financial years 2001-02 to 2002-2003 under appeal pending before the Appellate Tribunal. The Management is of the opinion that the above demands are arbitrary and are not sustainable	-	0.11
(iii) Claims against the Company not acknowledged as debts	0.60	0.69
(iv) Amounts payable to employees with respect to retrospective applicability of amendments to the Payment of Bonus Act, 1965 in respect of FY 2014-15, pending at High Court under a writ petition. The Management is of the opinion that the above retrospective amendment is not sustainable.	2.61	2.61

#### Notes:

- Draft Assessment Orders received from IT Authorities and Show Cause Notices received from various other government authorities, pending adjudication, have been assessed by the management and considered appropriately in the standalone financial statements.
- The uncertainties and possible reimbursement in respect of the above mentioned contingent liabilities are dependent on the outcome of various legal proceedings and therefore, cannot be predicted accurately.
- The Company considers the Cash flow in each of the cases to be uncertain and hence considered as Contingent Liabilities.



# Notes to Financial Statements

## Note 36b. Commitments

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
(i) Estimated amount of contracts remaining to be executed on capital expenditure and not provided for	135.14	72.85
(ii) Export obligation under EPCG to be fulfilled. The Company is confident of meeting its obligations under the Schemes within the Stipulated Period.	94.90	96.65

## Note 37. Disclosure in respect of Related Parties pursuant to Ind AS 24

### a) List of Related Parties

#### I. Subsidiary Companies

- a. Shanthy Gears Limited
- b. Financiere C10 SAS and its Subsidiaries namely
  - i. Sedis SAS
  - ii. Sedis Company Limited
  - iii. Sedis Gmbh
- c. Great Cycles (Private) Limited
- d. Creative Cycles (Private) Limited
- e. CG Power and Industrial Solutions Limited and its Subsidiaries namely
  - i. CG Adhesive Products Limited (formerly known as CG PPI Adhesive Products Limited)
  - ii. CG International Holdings Singapore Pte Limited
  - iii. CG Power Solutions Limited
  - iv. CG Power Equipments Limited
  - v. CG Sales Networks Malaysia Sdn. Bhd.
  - vi. PT Crompton Prima switchgear Indonesia
  - vii. CG International BV
  - viii. CG Drives & Automation Netherlands BV
  - ix. CG Drives & Automation Germany GmbH
  - x. CG Industrial Holdings Sweden AB
  - xi. CG Drives & Automation Sweden AB
  - xii. CG Power Americas, LLC
  - xiii. QEI, LLC
  - xiv. CG Power Solutions UK Ltd
  - xv. CG Middle East FZE (Liquidated during the year 31<sup>st</sup> March 2023)
  - xvi. CG Power Systems Canada Inc (De-consolidated during the year 31<sup>st</sup> March 2023)
  - xvii. CG Power and Industrial Solutions Limited Middle East FZCO (Liquidated during the year 31<sup>st</sup> March 2023)
- f. TI Clean Mobility Private Limited (w.e.f 12<sup>th</sup> February 2022)
  - i. IPLTech Electric Private Limited (w.e.f 21<sup>st</sup> September 2022)
  - ii. Celestial E-Mobility Private Limited and its subsidiary (w.e.f 3<sup>rd</sup> February 2023)
    - a. Celestial E-Trac Private Limited (w.e.f 3<sup>rd</sup> February 2023)
- g. Moshine Electronics Private Limited (Refer Note 6a(iii)) (w.e.f 23<sup>rd</sup> September 2022)

#### II. Joint Venture & Associate Companies

- a. X2Fuels and Energy Private Limited (Refer Note 6a(v)) (w.e.f 23<sup>rd</sup> February 2023)
- b. Aerostrovilos Energy Private Limited (w.e.f 24<sup>th</sup> November 2021)
- c. Joint Venture of TI Clean Mobility Private Limited
  - i. Celestial E-Mobility Private Limited and its subsidiary (till 2<sup>nd</sup> February 2023)
    - a. Celestial E-Trac Private Limited (till 2<sup>nd</sup> February 2023)

#### III. Company having Significant Influence

- a. Ambadi Investments Limited

#### IV. Other Related Parties

- a. Parry Enterprises India
- b. Parry Agro Industries

## Notes to Financial Statements

### V. Key Management Personnel (KMP)

- a. Mr. M A M Arunachalam, Whole-Time Director and Executive Chairman (w.e.f. 1<sup>st</sup> April 2022)
- b. Mr. Vellayan Subbiah - Managing Director (till 31<sup>st</sup> March 2022) ; Whole-Time Director and Executive Vice Chairman (w.e.f. 1<sup>st</sup> April 2022)
- c. Mr. Mukesh Ahuja - Managing Director (w.e.f 1<sup>st</sup> April 2022)
- d. Mr. K R Srinivasan - President and Whole Time Director
- e. Mr. S Suresh - Company Secretary
- f. Mr. K Mahendra Kumar - Chief Financial Officer (till 8<sup>th</sup> September 2022)
- g. Mr. AN Meyyappan - Chief Financial Officer (w.e.f 9<sup>th</sup> September 2022)

### VI. Non Executive Directors

- a. Mr. M A M Arunachalam, Chairman (w.e.f 11<sup>th</sup> November 2020 till 31<sup>st</sup> March 2022)
- b. Ms. Madhu Dubhashi (till 13<sup>th</sup> August 2021)
- c. Mr. Sanjay Johri
- d. Mr. Anand Kumar
- e. Ms. Sasikala Varadachari (w.e.f 17<sup>th</sup> June 2021)
- f. Mr. Tejpreet Singh Chopra (w.e.f. 16<sup>th</sup> March 2022)
- g. Mr. Mahesh Chhabria (till 27<sup>th</sup> October 2021)

### VII. Post Employment Benefit Funds

- a. T.I.I.(Subsidiaries) Employees Provident Fund
- b. TI Employees Provident Fund India Ltd
- c. Tube Products Of India Employees Provident Fund
- d. Tube Investments of India Limited, Employees Gratuity Fund
- e. Tube Investments of India Limited, Employees Earned Leave Fund

### VIII. Post Employment Contribution Fund

- a. Tube Investments of India Limited, Senior Staff Superannuation Fund

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

Transaction	Related Party	₹ in Crores	
		Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Services Received	Parry Enterprises India Limited	7.28	1.89
Dividend Paid	Ambadi Investments Limited	24.14	24.14
	Mr K R Srinivasan	0.03	0.01
	Mr Mahesh Chhabria	-	0.01
	Mr M A M Arunachalam	0.22	0.22
	Mr Mukesh Ahuja	0.01	-
Dividend Received	Shanthi Gears Limited	16.22	13.51
	CG Power and Industrial Solutions Limited	132.97	-
Sales and Services rendered	Shanthi Gears Limited	2.25	2.43
	CG Power and Industrial Solutions Limited	0.34	-
	Creative Cycles (Private) Limited (PY ₹31,162)	0.34	0.00
	Great Cycles (Private) Limited	-	0.11
	TI Clean Mobility Private Limited	7.92	-
	Aerostrovilos Energy Private Limited	0.05	-
	Sedis SAS	26.70	30.66

## Notes to Financial Statements

₹ in Crores

Transaction	Related Party	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Security Deposit received	TI Clean Mobility Private Limited	0.39	-
Interest Income	TI Clean Mobility Private Limited	17.36	0.39
Purchases and Services received	Moshine Electronics Private Limited	0.09	-
	Shanthy Gears Limited	1.17	0.48
	Sedis SAS	0.02	0.28
	CG Power and Industrial Solutions Ltd	1.48	0.91
	Great Cycles (Private) Limited	0.01	2.35
	Creative Cycles (Private) Limited	22.46	60.57
	Parry Agro Industries Limited	0.01	-
	Remuneration (Refer Note i below)	Key Management Personnel	22.70
Fair value Cost of Stock options granted (Refer note i below)	Key Management Personnel	3.51	0.12
Sitting Fees and Commission	Non executive directors	0.66	2.71
Reimbursement of Expenses - Paid	Sedis SAS	-	1.04
Reimbursement of Expenses - Received	Shanthy Gears Limited	0.80	0.17
	TI Clean Mobility Private Limited	5.44	0.77
	Celestial E-Trac Private Limited	2.41	-
	Moshine Electronics Private Limited	0.22	-
	IPLTech Electric Private Limited	0.14	-
Contribution to Post Employment Benefit Funds	T.I.I.(Subsidiaries) Employees Provident Fund	6.94	6.72
	TI Employees Provident Fund India Ltd	6.22	8.24
	Tube Products Of India Employees Provident Fund	10.71	12.31
	Tube Investments of India Limited, Employees Gratuity Fund	0.06	8.32
	Tube Investments of India Limited, Employees Earned Leave Fund	4.66	4.99
Contribution to Post Employment Contribution Fund	Tube Investments of India Limited, Senior Staff Superannuation Fund	6.13	5.32
Benefits received from Employment Benefit Funds	Tube Investments of India Limited, Employees Gratuity Fund	8.57	8.58
	Tube Investments of India Limited, Employees Earned Leave Fund	2.50	2.28
	CG Power and Industrial Solutions Limited (current year subscription to equity shares through conversion of share warrants)	54.72	57.78
Subscription to Equity Shares	Aerostrovilos Energy Private Limited	-	3.46
	TI Clean Mobility Private Limited	150.00	100.00
	Moshine Electronics Private Limited	7.38	-
	X2Fuels & Energy Private Limited	6.15	-

## Notes to Financial Statements

₹ in Crores			
Transaction	Related Party	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Subscription to Compulsorily Convertible Preference Shares	TI Clean Mobility Private Limited	167.00	-
Transfer of Assets	TI Clean Mobility Private Limited	3.34	33.10
Advance payment transferred	TI Clean Mobility Private Limited	0.64	18.90
Inter-Corporate Deposit to Subsidiaries	TI Clean Mobility Private Limited	325.00	64.00
	Moshine Electronics Private Limited	3.75	-
Repayment of Inter-Corporate Deposit from Subsidiaries	TI Clean Mobility Private Limited	167.00	-

₹ in Crores			
Balances	Related Party	As at 31-Mar-2023	As at 31-Mar-2022
Payable	Parry Enterprises India Limited	0.04	0.03
	Shanthi Gears Limited	0.03	0.09
	Sedis SAS	-	0.05
	Great Cycles (Private) Limited	-	0.19
	Creative Cycles (Private) Limited	1.42	3.80
	Key Managerial Personnel	5.32	2.94
	Commission to Non executive directors	0.40	2.38
	T.I.I.(Subsidiaries) Employees Provident Fund	0.58	0.50
	TI Employees Provident Fund India Ltd	0.52	0.52
	Tube Products Of India Employees Provident Fund	0.94	0.80
Receivable including Claims recoverable	Shanthi Gears Limited (CY ₹31,970)	0.00	0.71
	Creative Cycles (Private) Limited (PY ₹33,310)	-	0.00
	Sedis SAS	1.90	4.37
	TI Clean Mobility Private Limited	0.34	52.00
	Cellestial E-Trac Private Limited	1.05	-
	Aerostrovilos Energy Private Limited	0.05	-
	CG Power and Industrial Solutions Limited	0.05	-
Advance Paid	Creative Cycles (Private) Limited	-	10.63
Advance Received	IPLTech Electric Private Limited	0.76	-
	TI Clean Mobility Private Limited	0.12	-
	Creative Cycles (Private) Limited	0.03	-
Receipt of Security Deposit	TI Clean Mobility Private Limited	0.39	-
Dividend Receivable	Financiere C10 SAS	1.11	2.45
Inter-Corporate Deposit (Including interest accrued)	TI Clean Mobility Private Limited	222.00	64.39
	Moshine Electronics Private Limited	3.75	-

### Terms and Conditions of transaction with Related Parties

The sale to and purchases from Related Parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free (excluding inter-corporate deposits) and settlement occurs in Cash. For the year ended 31<sup>st</sup> March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by Related Parties.

## Notes to Financial Statements

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

Particulars	₹ in Crores	
	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
- Salaries and Allowances	14.67	7.77
- Provident Fund and Super Annuation	1.86	0.93
- Perquisites	0.85	0.40
- Incentive	5.32	2.94
- Fair value Cost of Stock options granted	3.51	0.12
- Sitting Fees and Commission to Non executive directors	0.66	2.71
	<b>26.87</b>	<b>14.87</b>

As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the key management personnel are not included above.

### Note 38. Segment Information

Effective 1<sup>st</sup> April 2021, the Company has re-organised certain business units and its operating structure and in view of the structural changes, the Chief Operating Decision Maker (CODM) reviews the business as three primary segments - "Engineering", "Metal Formed Products" and "Mobility", and in accordance with the core principles of IND AS 108 - 'Operating Segments', these have been considered as the reportable segments of the Company.

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

The Engineering segment comprises of cold rolled steel strips and precision steel tube viz., Cold Drawn Welded tubes (CDW) and Electric Resistance Welded tubes (ERW). The Metal Formed Products segment comprises of Automotive chains, fine blanked products, stamped products, roll-formed car doorframes and cold rolled formed sections for railway wagons and passenger coaches. The Mobility segment comprises of Standard bi-cycles, Special bi-cycles including alloy bikes and Speciality performance bikes and fitness equipment. The Industrial chains and new business namely, Optic Lens, TMT Bars, Truck Body Building and TI Machine building are reported as Others for the purpose of segment reporting.

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocated corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and are not allocable to any segment.

Expenses that are directly identifiable to segments are considered for determining the segment results. Expenses which relate to the Company as a whole and are not allocable to segments are included under unallocated corporate expenses.

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



# Notes to Financial Statements

₹ in Crores

PARTICULARS	ENGINEERING		METAL FORMED PRODUCTS		MOBILITY		OTHERS		ELIMINATIONS		TOTAL	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>REVENUE</b>												
External Sales	3,952.51	3,334.51	1,322.87	1,157.56	796.85	958.72	719.38	536.00	-	-	6,791.61	5,986.79
Inter-Segment Sales	298.34	273.04	1.15	0.40	-	-	19.72	3.43	(319.21)	(276.87)	-	-
Other Operating Revenue	310.78	260.41	99.64	82.30	3.09	4.61	28.58	22.97	-	-	442.09	370.29
Unallocated Corporate Income											2.25	2.25
<b>Total Revenue</b>	<b>4,561.63</b>	<b>3,867.96</b>	<b>1,423.66</b>	<b>1,240.26</b>	<b>799.94</b>	<b>963.33</b>	<b>767.68</b>	<b>562.40</b>	<b>(319.21)</b>	<b>(276.87)</b>	<b>7,235.95</b>	<b>6,359.33</b>
Unallocated Corporate Expenses net of Income											2.04	(14.24)
<b>RESULTS</b>												
Operating Profit	548.06	376.40	172.73	135.49	16.67	54.53	47.44	36.33	-	-	786.94	616.99
Profit / (Loss) on Sale of Property, Plant and Equipment	0.99	(0.82)	0.93	0.82	0.36	0.30	0.12	-	-	-	2.40	0.30
<b>Net Operating Profit</b>	<b>549.05</b>	<b>375.58</b>	<b>173.66</b>	<b>136.31</b>	<b>17.03</b>	<b>54.83</b>	<b>47.56</b>	<b>36.33</b>	<b>-</b>	<b>-</b>	<b>789.34</b>	<b>617.29</b>
Dividend Income											149.19	14.18
Finance Costs											(21.62)	(11.77)
Tax Expense											(210.37)	(152.87)
Exceptional Items												
- Provision for Impairment on Assets							(29.27)	-	-	-	(29.27)	-
- Provision for Impairment on Investments											(23.45)	-
Profit on Sale of Current Investments (Net)											11.38	8.34
<b>Net Profit</b>	<b>549.05</b>	<b>375.58</b>	<b>173.66</b>	<b>136.31</b>	<b>17.03</b>	<b>54.83</b>	<b>18.29</b>	<b>36.33</b>	<b>-</b>	<b>-</b>	<b>665.20</b>	<b>475.17</b>
<b>ASSETS</b>												
Segment Assets	1,477.61	1,474.18	558.52	562.17	211.75	315.51	222.82	223.02	(60.44)	(68.92)	2,410.26	2,505.96
Unallocated Corporate Assets											2,479.95	1,853.60
<b>Total Assets</b>	<b>1,477.61</b>	<b>1,474.18</b>	<b>558.52</b>	<b>562.17</b>	<b>211.75</b>	<b>315.51</b>	<b>222.82</b>	<b>223.02</b>	<b>(60.44)</b>	<b>(68.92)</b>	<b>4,890.21</b>	<b>4,359.56</b>
<b>LIABILITIES</b>												
Segment Liabilities	676.67	777.67	240.93	272.09	100.96	194.58	87.80	92.19	(60.44)	(68.92)	1,045.92	1,267.61
Unallocated Corporate Liabilities											81.01	41.56
<b>Total Liabilities</b>	<b>676.67</b>	<b>777.67</b>	<b>240.93</b>	<b>272.09</b>	<b>100.96</b>	<b>194.58</b>	<b>87.80</b>	<b>92.19</b>	<b>(60.44)</b>	<b>(68.92)</b>	<b>1,126.93</b>	<b>1,309.17</b>
<b>OTHER INFORMATION</b>												
Capital Expenditure	115.52	74.04	18.12	23.55	7.29	8.13	46.83	13.87	-	-	187.76	119.59
Unallocated Corporate Capital Expenditure											0.32	7.94
Depreciation and Amortisation expense	76.39	77.56	39.47	43.96	10.83	11.69	14.25	7.60	-	-	140.94	140.81
Unallocated Corporate Depreciation											4.62	4.22

# Notes to Financial Statements

## Revenue from external customers

Particulars	₹ in Crores	
	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
India	6,327.94	5,453.33
Outside India	908.01	906.00
<b>Total Revenue per Statement of Profit or Loss</b>	<b>7,235.95</b>	<b>6,359.33</b>

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

## Non-Current operating assets

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
India	3,044.65	2,506.65
Outside India	84.60	84.60
<b>Total</b>	<b>3,129.25</b>	<b>2,591.25</b>

## Reconciliation of Segment assets and liabilities to amounts reflected in the Standalone Financial Statements

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Segment Assets	4,890.21	4,359.56
Add: Deferred Tax Assets and Derivatives	3.62	1.02
<b>Total Assets</b>	<b>4,893.83</b>	<b>4,360.58</b>

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Segment Liabilities	1,126.93	1,309.17
Add: Deferred Tax Liabilities and others	1.22	2.03
Add: Short term Borrowings (Note 15a)	473.21	348.07
<b>Total Liabilities</b>	<b>1,601.36</b>	<b>1,659.27</b>

## Note 39. Leases

The Company has lease contracts for Land and Building used for the purpose of Warehouses and Factories. Leases of such assets generally have lease terms between 2 and 95 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Company also has certain leases of machinery with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

The carrying amounts of right-of-use assets recognised and the movements during the period is explained in Note No.4b

Set out below are the carrying amounts of lease liabilities included under financial liabilities and the movements during the period:

# Notes to Financial Statements

## Movement of Lease Liability

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Opening Balance</b>	<b>32.83</b>	<b>36.82</b>
Add: Additions during the year	2.31	1.72
Less: Deletions / Remeasurements during the year	(2.84)	(1.72)
Add / Less: Accretion of Interest	2.35	2.87
Less: Payments during the year	(6.18)	(6.86)
<b>Closing Balance</b>	<b>28.47</b>	<b>32.83</b>
Current	3.78	4.62
Non Current	24.69	28.21

## Maturity Analysis of Lease Liability

Year Ended	Less than 1 Year	1 - 5 Years	More than 5 Years
31-Mar-2023	5.94	14.15	27.32
31-Mar-2022	7.09	16.71	30.30

The effective interest rate ranges from 8% - 8.85% p.a.

The following are the amounts recognised in profit or loss:

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Depreciation expense of right-of-use assets	4.85	5.71
Interest expense on lease liabilities	2.35	2.87
Expense relating to short-term leases (included in other expenses)	4.65	4.09
Gain on termination of right-of-use assets (included in other income)	(0.48)	(0.22)
<b>Total</b>	<b>11.37</b>	<b>12.45</b>

The Company had total cash outflows for leases (including short term leases) of ₹10.83 Cr. in 31<sup>st</sup> March 2023 (₹10.95 Cr. during the year ended 31<sup>st</sup> March 2022). The Company also had non-cash additions to right-of-use assets and lease liabilities of ₹1.62 Cr. during the year (₹1.72 Cr. during the year ended 31<sup>st</sup> March 2022). There are no future cash outflows relating to leases that have not yet commenced.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises some or certain judgements in determining whether these extension and termination options are reasonably certain to be exercised (see Note 32).

The company does not expect undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term

## Company as Lessor:

The Company has entered into operating leases on one of its factory buildings from December 2022 onwards having lease term of fifteen years. Rental income recognized by the Company during the year is ₹3.76 Crs (Previous year - ₹0.26 Crs). Future minimum rentals receivable under operating leases as at 31<sup>st</sup> March are as follows:

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Within One Year	4.68	3.80
1 to 5 Years	19.36	18.70
6 to 10 years	25.84	-
11 to 15 years	26.16	-
<b>Total Assets</b>	<b>76.04</b>	<b>22.50</b>

# Notes to Financial Statements

## Note 40. Hedging activities and derivatives

### Cash Flow Hedges

Foreign Exchange Forward Contracts measured at Fair Value through OCI are designated as Hedging Instruments in cash flow hedges of forecast sales in EUR, and USD and also for forecast purchases in EUR,USD, CHF and JPY.

₹ in Crores

Particulars	As at 31-Mar-2023		As at 31-Mar-2022	
	Assets	Liabilities	Assets	Liabilities
Fair Value of Foreign Exchange Forward Contracts	-	1.22	1.02	-

### Disclosure of effects of Hedge accounting

#### As at 31-Mar-2023

Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments (₹ in Crores)		Maturity Date	Hedge Ratio	Weighted Average Rate	Changes in Fair value of Hedging Instrument (₹ in Crores)	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness
	Asset	Liability	Asset	Liability					
Foreign Currency Forward Contracts	10	42	8.58	212.26	17-Apr-2023 to 28-Mar-2025	1:1	1 USD - 82.41 1 EUR - 93.50 1 JPY - 0.62 1 CHF - 90.36	(1.56)	(1.56)

Cash Flow Hedge	Change in the value of Hedging Instrument recognised in Other Comprehensive Income	Hedge Ineffectiveness recognised in Profit or Loss	Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss	Line item affected in Statement of Profit and Loss because of the Reclassification
Foreign Exchange Risk	(1.90)	-	(0.07)	Other Expenses

#### As at 31-Mar-2022

Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments (₹ in Crores)		Maturity Date	Hedge Ratio	Weighted Average Rate	Changes in Fair value of Hedging Instrument (₹ in Crores)	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness
	Asset	Liability	Asset	Liability					
Foreign Currency Forward Contracts	-	30	-	89.53	29-Apr-2022 to 31-Mar-2023	1:1	1 USD - ₹78.08 1 EUR - ₹88.83	0.41	(0.41)

Cash Flow Hedge	Change in the value of Hedging Instrument recognised in Other Comprehensive Income	Hedge Ineffectiveness recognised in Profit or Loss	Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss	Line item affected in Statement of Profit and Loss because of the Reclassification
Foreign Exchange Risk	3.35	-	(4.12)	Other Expense

# Notes to Financial Statements

## Note 41.1. Fair Values

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

₹ in Crores

Particulars	Carrying Value		Fair Value	
	31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022
<b>Financial assets</b>				
FVTOCI Investments	8.74	8.52	8.74	8.52
FVTPL Investments	460.30	280.45	460.30	280.45
Other Financial Assets - Non Current	17.34	15.02	17.34	15.02
Loans - Current	2.07	2.17	2.07	2.17
Loans - Non Current	225.75	64.39	225.75	64.39
Trade Receivables	688.22	708.84	688.22	708.84
Cash & Bank balances	114.12	4.82	114.12	4.82
Derivative Instruments	-	1.02	-	1.02
Other Financial Assets - Current	9.56	65.88	9.56	65.88
<b>Total</b>	<b>1,526.10</b>	<b>1,151.11</b>	<b>1,526.10</b>	<b>1,151.11</b>
<b>Financial liabilities</b>				
Borrowings - Current	473.21	348.07	473.21	348.07
Trade Payables	930.68	1,140.75	930.68	1,140.75
Lease Liability - Non Current	24.69	28.21	24.69	28.21
Lease Liability - Current	3.78	4.62	3.78	4.62
Derivative Instruments - Non Current	1.07	-	1.07	-
Derivative Instruments - Current	0.15	-	0.15	-
Other Financial Liabilities - Current	48.45	37.60	48.45	37.60
<b>Total</b>	<b>1,482.03</b>	<b>1,559.25</b>	<b>1,482.03</b>	<b>1,559.25</b>

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

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

- i. The fair values of quoted equity investments are derived from quoted market prices in active markets.
- ii. The fair values of certain unquoted equity investments have been estimated using Discounted Cash-flow Model (DCF). The valuation is based on certain assumptions like forecast cash-flows, discount rate, etc.
- iii. Derivatives are fair valued using market observable rates and published prices.



## Notes to Financial Statements

### Note 41.2. Fair Values Hierarchy

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

#### Quantitative disclosures fair value measurement hierarchy for assets as at 31<sup>st</sup> March 2023: ₹ in Crores

Particulars	Fair Value Measurement using			
	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Asset measured at fair value:</b>				
FVTOCI Investments	8.74	-	-	8.74
FVTPL Investments	460.30	293.30	167.00	-
<b>Assets for which fair values are disclosed:</b>				
Investment Properties *	9.29	-	-	9.29
Loans	225.75	-	225.75	-

There have been no transfers between the level 1, level 2 and level 3 during the period.

\* Fair value of investment property is calculated based on valuation given by external independent valuer (Refer Note 5)

#### Quantitative disclosures fair value measurement hierarchy for liabilities as at 31<sup>st</sup> March 2023: ₹ in Crores

Particulars	Fair Value Measurement using			
	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Derivative Instruments	1.22	-	1.22	-

There have been no transfers between the level 1, level 2 and level 3 during the period.

#### Quantitative disclosures fair value measurement hierarchy for assets as at 31<sup>st</sup> March 2022: ₹ in Crores

Particulars	Fair Value Measurement using			
	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Asset measured at fair value:</b>				
FVTOCI Investments	8.52	-	-	8.52
FVTPL Investments	280.45	280.45	-	-
Derivative Instruments	1.02	-	1.02	-
<b>Assets for which fair values are disclosed:</b>				
Investment Properties *	8.49	-	-	8.49
Loans	64.39	-	64.39	-

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

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

#### Quantitative disclosures fair value measurement hierarchy for liabilities as at 31<sup>st</sup> March 2022: ₹ in Crores

Particulars	Fair Value Measurement using			
	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Long term Borrowings (including current maturities)	51.03	-	51.03	-

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

## Notes to Financial Statements

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022 are given below:

Particulars	Valuation technique	Significant unobservable inputs	Range (Weighted average)	Sensitivity of the input to fair value
Unquoted FVTOCI equity investments As at 31 <sup>st</sup> March 2023	DCF Model	Discount Rate	14.1%	5% sensitivity 2022-23- Discount Rate-19.1%, ₹(1.34) Cr. Discount Rate-9.1%, ₹1.71 Cr.
Unquoted FVTOCI equity investments As at 31 <sup>st</sup> March 2022	DCF Model	Discount Rate	15.5%	5% sensitivity 2021-22- Discount Rate-20.5%, ₹(2.28) Cr. Discount Rate-10.5%, ₹5.36 Cr.
Investment Property As at 31 <sup>st</sup> March 2023	Valuation by External Independent Valuer	Price per Sq. feet	₹6000 - ₹17,000 per Sq. ft.	5% sensitivity 2022-23 - Rate per Sq. ft - 5%, ₹0.46 Cr.
Investment Property As at 31 <sup>st</sup> March 2022	Valuation by External Independent Valuer	Price per Sq. feet	₹5000 - ₹16,000 per Sq. ft.	5% sensitivity 2021-22 - Rate per Sq. ft - 5%, ₹0.42 Cr.

### Reconciliation of Fair Value Measurement of Unquoted FVTOCI Equity Investments

₹ in Crores

Unquoted FVTOCI equity investments	As at 31-Mar-2023	As at 31-Mar-2022
As at the beginning of the year	8.52	8.41
Re-measurement recognised in OCI	0.22	0.11
Purchases	-	-
Sales	-	-
<b>As at the end of the year</b>	<b>8.74</b>	<b>8.52</b>

### Note 42. Financial Risk Management Objectives and Policies

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

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

#### A. Market Risk

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

#### i Foreign Currency Exchange Rate Risk

The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective Company.

## Notes to Financial Statements

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

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

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

### Foreign Currency Sensitivity

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

₹ in Crores

As at	Nature	Increase/ (Decrease) in PBT for change in USD rates	Increase/ (Decrease) in PBT for change in EURO rates
31-Mar-2023	Receivables	5.08	2.91
	Payables	(1.02)	(0.02)
31-Mar-2022	Receivables	5.52	3.78
	Payables	(0.29)	(0.05)

### Derivative Contracts

₹ in Crores

As at	Nature	Increase/ (Decrease) in PBT for change in USD rates	Increase/ (Decrease) in PBT for change in EURO rates	Increase/ (Decrease) in PBT for change in JPY rates	Increase/ (Decrease) in OCI for change in USD rates	Increase/ (Decrease) in OCI for change in EURO rates	Increase/ (Decrease) in OCI for change in CHF rates
31-Mar-2023	Derivative Contracts	(3.10)	(1.45)	0.12	0.09	(9.88)	0.07
31-Mar-2022	Derivative Contracts	(2.25)	(0.97)	-	(3.24)	(0.99)	-

Conversely, 5% depreciation in the USD and Euro rates against the significant foreign currencies as at 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022 would have had the same but opposite effect, again holding all other variables constant.

### ii Equity Price Risk

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

The majority of the Company's investments are in the shares of group companies, which are carried at cost. The Company has investments in other equity investments, of only ₹8.74 Cr. as at 31<sup>st</sup> March 2023. (As at 31<sup>st</sup> March 2022 – ₹8.52 Cr).

### B. Credit Risk

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

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

Exposure to Credit risk - The carrying amount of financial assets represents the maximum Credit exposure. The maximum exposure to Credit risk was ₹1,526.10 Cr. as at 31<sup>st</sup> March 2023 and ₹1,151.10 Cr. as at 31<sup>st</sup> March 2022, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, derivative instruments, mutual fund investments and other financial assets excluding equity investments.

## Notes to Financial Statements

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

Of the above, ₹160.75 Cr. (Previous year – ₹172.02 Cr.) is backed by Export Credit Guarantee Cover / Letter of Credit as at 31<sup>st</sup> March 2023.

### C. Liquidity Risk

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

The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets through commercial paper, non-convertible debentures, and other debt instruments. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no/low mark to market risks.

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

As at 31<sup>st</sup> March 2023, the Company has undrawn committed lines of ₹276.79 Cr. (As at 31<sup>st</sup> March 2022 - ₹227.96 Cr.)

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

₹ in Crores

Particulars	Carrying Value	On demand	Less than 3 months	3 - 12 months	> 1 year	Total Contractual Cashflows
<b>Year Ended 31-Mar-2023</b>						
Borrowings	473.21	0.02	179.71	300.83	-	480.56
Other financial liabilities	48.45	20.29	28.16	-	-	48.45
Trade and other payables	930.68	259.45	635.99	35.24	-	930.68
Derivatives	1.22	-	-	0.15	1.07	1.22
Lease Liabilities	28.47	-	1.56	4.38	41.47	47.41
	<b>1,482.03</b>	<b>279.76</b>	<b>845.42</b>	<b>340.60</b>	<b>42.54</b>	<b>1,508.32</b>
<b>Year Ended 31-Mar-2022</b>						
Borrowings	348.07	1.62	100.44	251.28	-	353.34
Other financial liabilities	37.60	21.81	6.96	8.83	-	37.60
Trade and other payables	1,140.75	278.53	820.78	41.44	-	1,140.75
Lease Liabilities	32.83	-	1.68	5.41	47.01	54.10
	<b>1,559.25</b>	<b>301.96</b>	<b>929.86</b>	<b>306.96</b>	<b>47.01</b>	<b>1,585.79</b>

### Note 43. Capital Management

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

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

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

There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

# Notes to Financial Statements

The following table summarizes the capital of the Company:

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Borrowings - Short term	473.21	348.07
<b>Total Debt</b>	<b>473.21</b>	<b>348.07</b>
Equity Share Capital	19.31	19.29
Other Equity	3,273.16	2,682.02
<b>Equity</b>	<b>3,292.47</b>	<b>2,701.31</b>
Debt Equity ratio	<b>0.14</b>	<b>0.13</b>

## Note 44. Financial Ratios

Particulars	As at 31-Mar-2023	As at 31-Mar-2022	% Change	Remarks
(i) Current Ratio	1.12	1.09	2.9%	Current Assets / Current Liabilities
(ii) Debt Service Coverage Ratio	8.94	8.38	6.7%	(Net profit after tax + Depreciation, Amortization and Impairment + Finance Cost - Other Income)/ (Interest & Lease payouts + Principal repayment on long term borrowing during the year)
(iii) Inventory Turnover Ratio	7.45	7.12	4.5%	Cost of goods sold including purchase of stock-in-trade/ average inventory
(iv) Trade Payables Turnover Ratio	4.46	3.79	17.8%	Net Credit Purchases (Purchase of Raw material and stock-in-trade)/ Average Trade Payables
(v) Debt-Equity Ratio	0.14	0.13	11.5%	Debt/Equity
(vi) Return on Equity Ratio	0.22	0.19	16.7%	(Net Profit after Taxes Less Preference Dividend) / Average Shareholder's Equity
(vii) Trade Receivables Turnover Ratio	10.36	9.90	4.7%	Total Revenue from operations / Average trade receivables
(viii) Net Capital Turnover Ratio	39.04	45.33	-13.9%	Total revenue from operations / Working Capital (where working capital = Current asset less current liabilities)
(ix) Return on Capital Employed	0.28	0.23	22.2%	Profit before interest and tax / Average Capital Employed
(x) Net Profit Ratio	0.09	0.07	23.0%	Net Profit after Tax / Total Revenue from operations



## Notes to Financial Statements

Particulars		As at 31-Mar-2023	As at 31-Mar-2022	% Change	Remarks
(xi) Return on Investment - Long Term	-	-	-	-	Significant investments held by the Company are for strategic purposes. Benchmarking the return on an annual basis will not reflect yield from such investments.
(xii) Return on Investment - Short Term	Investment Income / Average Investment	0.04	0.03	39.1%	Higher market returns

### Note 45. Promoter and Promoter group Shareholding

FY 2022-23

Sl. No.	Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of Total Shares	% Change during the year
1	Ambadi Investments Limited	6,89,66,595	-	6,89,66,595	35.71%	0.00%
2	Ambadi Enterprises Ltd	10,58,200	-	10,58,200	0.55%	0.00%
3	A.M.Meyyammai	9,31,500	-	9,31,500	0.48%	0.00%
4	Murugappa & Sons - M V Subbiah, M A Alagappan & M M Murugappan hold shares on behalf of firm	8,63,980	-	8,63,980	0.45%	0.00%
5	Arun Alagappan	8,33,090	-	8,33,090	0.43%	0.00%
6	A A Alagammai , Trustee of Lakshmi Ramaswamy Family Trust	7,43,000	(12,397)	7,30,603	0.38%	-1.70%
7	Murugappa Educational and Medical Foundation	7,26,200	-	7,26,200	0.38%	0.00%
8	M.A.Alagappan	7,10,000	-	7,10,000	0.37%	0.00%
9	M V Subbiah, Trustee of Shambho Trust	6,03,180	-	6,03,180	0.31%	0.00%
10	Vellachi Murugappan	5,97,425	-	5,97,425	0.31%	0.00%
11	M A Murugappan Holdings LLP	5,46,860	-	5,46,860	0.28%	0.00%
12	M V Murugappan HUF (Karta - Valli Arunachalam)	5,43,330	-	5,43,330	0.28%	0.00%
13	M V Subbiah, Trustee of Saraswathi Trust	5,37,360	-	5,37,360	0.28%	0.00%
14	A Venkatachalam	5,13,610	-	5,13,610	0.27%	0.00%
15	M A Alagappan Holdings Private Limited	5,09,860	-	5,09,860	0.26%	0.00%
16	M M Murugappan, Trustee of Meenakshi Murugappan Family Trust	5,00,000	-	5,00,000	0.26%	0.00%
17	Valli Arunachalam	4,96,095	-	4,96,095	0.26%	0.00%
18	M M Murugappan, Trustee of M M Muthiah Family Trust	4,78,055	-	4,78,055	0.25%	0.00%
19	M A M Arunachalam	4,70,160	-	4,70,160	0.24%	0.00%
20	M M Murugappan, Trustee of M M Veerappan Family Trust	4,68,055	-	4,68,055	0.24%	0.00%

## Notes to Financial Statements

Sl. No.	Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of Total Shares	% Change during the year
21	M M Venkatachalam, Trustee of M V Subramanian Family Trust	4,59,830	-	4,59,830	0.24%	0.00%
22	M M Venkatachalam, Trustee of M V Muthiah Family Trust	4,59,830	-	4,59,830	0.24%	0.00%
23	M V AR Meenakshi	4,49,630	-	4,49,630	0.23%	0.00%
24	M M Venkatachalam, Trustee of M M Venkatachalam Family Trust	4,03,900	-	4,03,900	0.21%	0.00%
25	Ar.Lakshmi Achi Trust	3,91,510	-	3,91,510	0.20%	0.00%
26	Valli Muthiah	3,87,080	(3,87,080)	-	0.00%	
27	A Vellayan	3,82,400	-	3,82,400	0.20%	0.00%
28	M M Venkatachalam, Trustee of Lakshmi Venkatachalam Family Trust	3,79,905	-	3,79,905	0.20%	0.00%
29	Meyyammai Venkatachalam	3,58,580	-	3,58,580	0.19%	0.00%
30	M M Murugappan HUF (Karta - M M Murugappan)	3,55,330	-	3,55,330	0.18%	0.00%
31	V Arunachalam	3,38,990	-	3,38,990	0.18%	0.00%
32	V Narayanan	2,81,140	-	2,81,140	0.15%	0.00%
33	M.M.Muthiah Research Foundation	2,80,920	-	2,80,920	0.15%	0.00%
34	M M Muthiah HUF (Karta - M M Murugappan)	2,77,360	-	2,77,360	0.14%	0.00%
35	A Venkatachalam HUF (Karta - A Venkatachalam)	2,52,000	-	2,52,000	0.13%	0.00%
36	A Vellayan HUF ( Karta - A Vellayan)	2,49,500	-	2,49,500	0.13%	0.00%
37	M M Murugappan, Trustee of M M Murugappan Family Trust	2,31,800	-	2,31,800	0.12%	0.00%
38	Sigapi Arunachalam	2,27,990	-	2,27,990	0.12%	0.00%
39	Umayal.R.	2,26,580	-	2,26,580	0.12%	0.00%
40	M A M Arunachalam, Trustee of Arun Murugappan Children's Trust	2,20,278	-	2,20,278	0.11%	0.00%
41	Arun Alagappan, Trustee of M A Alagappan Grand Children Trust	2,16,777	-	2,16,777	0.11%	0.00%
42	Sigapi Arunachalam, Trustee of Murugappan Arun Children Trust	2,15,410	-	2,15,410	0.11%	0.00%
43	M M Murugappan	2,04,715	-	2,04,715	0.11%	0.00%
44	Arun Venkatachalam	1,98,130	-	1,98,130	0.10%	0.00%
45	M V Subbiah HUF (Karta- M V Subbiah)	1,71,200	-	1,71,200	0.09%	0.00%
46	Lakshmi Chocka Lingam	1,58,660	-	1,58,660	0.08%	0.00%
47	Valli Annamalai	1,57,127	-	1,57,127	0.08%	0.00%
48	M A M Arunachalam HUF (Karta - M A M Arunachalam)	1,48,660	-	1,48,660	0.08%	0.00%
49	M V Subbiah	1,35,000	-	1,35,000	0.07%	0.00%
50	M A Alagappan HUF (Karta - M A Alagappan)	1,30,660	-	1,30,660	0.07%	0.00%
51	M V Seetha Subbiah	45,000	-	45,000	0.02%	0.00%
52	A M M Vellayan Sons P Ltd	38,430	-	38,430	0.02%	0.00%

## Notes to Financial Statements

Sl. No.	Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of Total Shares	% Change during the year
53	Pranav Alagappan	25,950	-	25,950	0.01%	0.00%
54	Valliammai Murugappan	17,032	-	17,032	0.01%	0.00%
55	Subbiah Vellayan, Trustee of Valli Subbiah Benefit Trust	14,500	-	14,500	0.01%	0.00%
56	M V Subbiah , Trustee of M V Seetha Subbiah Benefit Trust	14,500	-	14,500	0.01%	0.00%
57	Dhruv M Arunachalam	11,000	-	11,000	0.01%	0.00%
58	Solachi Ramanathan	8,500	-	8,500	0.00%	0.00%
59	Krishna Murugappan Muthiah	5,000	-	5,000	0.00%	0.00%
60	M.M.Muthiah Sons Private Ltd	4,200	-	4,200	0.00%	0.00%
61	M M Venkatachalam	4,000	-	4,000	0.00%	0.00%
62	A V Nagalakshmi	3,600	-	3,600	0.00%	0.00%
63	V Vasantha	2,300	-	2,300	0.00%	0.00%
64	Uma Ramanathan	2,000	-	2,000	0.00%	0.00%
65	Lakshmi Venkatachalam	1,200	-	1,200	0.00%	0.00%
66	Carborundum Universal Limited	1,000	-	1,000	0.00%	0.00%
67	Valli Alagappan	1,000	-	1,000	0.00%	0.00%
68	A.Keertika Unnamalai	500	-	500	0.00%	0.00%
69	Meenakshi Murugappan	70	-	70	0.00%	0.00%
	<b>TOTAL</b>	<b>8,96,47,229</b>	<b>(3,99,477)</b>	<b>8,92,47,752</b>	<b>46.2%</b>	

### FY 2021-22

Sl. No.	Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of Total Shares	% Change during the year
1	Ambadi Investments Limited	6,89,66,595	-	6,89,66,595	35.74%	0.00%
2	Ambadi Enterprises Ltd	10,58,200	-	10,58,200	0.55%	0.00%
3	A.M.Meyammai	9,31,500	-	9,31,500	0.48%	0.00%
4	Murugappa & Sons - M V Subbiah, M A Alagappan & M M Murugappan hold shares on behalf of firm	8,63,980	-	8,63,980	0.45%	0.00%
5	Arun Alagappan	8,33,090	-	8,33,090	0.43%	0.00%
6	A A Alagammai , Trustee of Lakshmi Ramaswamy Family Trust	7,43,000	-	7,43,000	0.39%	0.00%
7	Murugappa Educational and Medical Foundation	7,26,200	-	7,26,200	0.38%	0.00%
8	M.A.Alagappan	7,10,000	-	7,10,000	0.37%	0.00%
9	M V Subbiah, Trustee of Shambho Trust	6,03,180	-	6,03,180	0.31%	0.00%
10	Vellachi Murugappan	1,15,330	4,82,095	5,97,425	0.31%	418.01%
11	M A Murugappan Holdings LLP	5,46,860	-	5,46,860	0.28%	0.00%
12	M V Murugappan HUF (Karta - Valli Arunachalam)	5,43,330	-	5,43,330	0.28%	0.00%
13	M V Subbiah, Trustee of Saraswathi Trust	5,49,860	(12,500)	5,37,360	0.28%	(2.27%)
14	A Venkatachalam	5,13,610	-	5,13,610	0.27%	0.00%

## Notes to Financial Statements

Sl. No.	Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of Total Shares	% Change during the year
15	M A Alagappan Holdings Private Limited	5,09,860	-	5,09,860	0.26%	0.00%
16	M M Murugappan, Trustee of Meenakshi Murugappan Family Trust	5,00,000	-	5,00,000	0.26%	0.00%
17	Valli Arunachalam	-	4,96,095	4,96,095	0.26%	100.00%
18	M M Murugappan, Trustee of M M Muthiah Family Trust	4,78,055	-	4,78,055	0.25%	0.00%
19	M A M Arunachalam	4,70,160	-	4,70,160	0.24%	0.00%
20	M M Murugappan, Trustee of M M Veerappan Family Trust	4,68,055	-	4,68,055	0.24%	0.00%
21	M M Venkatachalam, Trustee of M V Subramanian Family Trust	4,59,830	-	4,59,830	0.24%	0.00%
22	M M Venkatachalam, Trustee of M V Muthiah Family Trust	4,59,830	-	4,59,830	0.24%	0.00%
23	M V AR Meenakshi	4,49,630	-	4,49,630	0.23%	0.00%
24	M M Venkatachalam, Trustee of M M Venkatachalam Family Trust	4,03,900	-	4,03,900	0.21%	0.00%
25	Valli Muthiah	3,87,080	-	3,87,080	0.20%	0.00%
26	A Vellayan	3,82,400	-	3,82,400	0.20%	0.00%
27	M M Venkatachalam, Trustee of Lakshmi Venkatachalam Family Trust	3,79,905	-	3,79,905	0.20%	0.00%
28	Meyyammai Venkatachalam	3,58,580	-	3,58,580	0.19%	0.00%
29	M M Murugappan HUF (Karta - M M Murugappan)	3,55,330	-	3,55,330	0.18%	0.00%
30	V Arunachalam	3,38,990	-	3,38,990	0.18%	0.00%
31	V Narayanan	2,81,140	-	2,81,140	0.15%	0.00%
32	M.M.Muthiah Research Foundation	2,80,920	-	2,80,920	0.15%	0.00%
33	M M Muthiah HUF (Karta - M M Murugappan)	2,77,360	-	2,77,360	0.14%	0.00%
34	A Venkatachalam HUF (Karta - A Venkatachalam)	2,52,000	-	2,52,000	0.13%	0.00%
35	A Vellayan HUF ( Karta - A Vellayan)	2,49,500	-	2,49,500	0.13%	0.00%
36	M M Murugappan, Trustee of M M Murugappan Family Trust	2,31,800	-	2,31,800	0.12%	0.00%
37	Sigapi Arunachalam	2,27,990	-	2,27,990	0.12%	0.00%
38	Umayal.R.	2,26,580	-	2,26,580	0.12%	0.00%
39	M A M Arunachalam, Trustee of Arun Murugappan Children's Trust	2,20,278	-	2,20,278	0.11%	0.00%
40	Arun Alagappan, Trustee of M A Alagappan Grand Children Trust	2,16,777	-	2,16,777	0.11%	0.00%
41	Sigapi Arunachalam, Trustee of Murugappan Arun Children Trust	2,15,410	-	2,15,410	0.11%	0.00%
42	M M Murugappan	2,09,715	(5,000)	2,04,715	0.11%	(2.38%)
43	Arun Venkatachalam	1,98,130	-	1,98,130	0.10%	0.00%
44	M V Subbiah HUF (Karta- M V Subbiah)	1,71,200	-	1,71,200	0.09%	0.00%
45	Lakshmi Chocka Lingam	1,58,660	-	1,58,660	0.08%	0.00%

## Notes to Financial Statements

Sl. No.	Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of Total Shares	% Change during the year
46	Valli Annamalai	1,57,127	-	1,57,127	0.08%	0.00%
47	M A M Arunachalam HUF (Karta - M A M Arunachalam)	1,48,660	-	1,48,660	0.08%	0.00%
48	M V Subbiah	1,35,000	-	1,35,000	0.07%	0.00%
49	M V Seetha Subbiah	45,000	-	45,000	0.02%	0.00%
50	A M M Vellayan Sons P Ltd	38,430	-	38,430	0.02%	0.00%
51	Pranav Alagappan	25,950	-	25,950	0.01%	0.00%
52	Valliammai Murugappan	17,032	-	17,032	0.01%	0.00%
53	Subbiah Vellayan, Trustee of Valli Subbiah Benefit Trust	14,500	-	14,500	0.01%	0.00%
54	M V Subbiah , Trustee of M V Seetha Subbiah Benefit Trust	14,500	-	14,500	0.01%	0.00%
55	Dhruv M Arunachalam	11,000	-	11,000	0.01%	0.00%
56	Solachi Ramanathan	8,500	-	8,500	0.00%	0.00%
57	M.M.Muthiah Sons Private Ltd	4,200	-	4,200	0.00%	0.00%
58	M M Venkatachalam	4,000	-	4,000	0.00%	0.00%
59	A V Nagalakshmi	3,600	-	3,600	0.00%	0.00%
60	V Vasantha	2,300	-	2,300	0.00%	0.00%
61	Uma Ramanathan	2,000	-	2,000	0.00%	0.00%
62	Lakshmi Venkatachalam	1,200	-	1,200	0.00%	0.00%
63	Carborundum Universal Limited	1,000	-	1,000	0.00%	0.00%
64	Valli Alagappan	1,000	-	1,000	0.00%	0.00%
65	A.Keertika Unnamalai	500	-	500	0.00%	0.00%
66	Meenakshi Murugappan	70	-	70	0.00%	0.00%
67	Krishna Murugappan Muthiah	-	5,000	5,000	0.00%	100.00%
68	M A Alagappan HUF (Karta - M A Alagappan)	-	1,30,660	1,30,660	0.07%	100.00%
69	Ar.Lakshmi Achi Trust	-	3,91,510	3,91,510	0.20%	100.00%
70	Ar.Lakshmi Achi Trust	3,91,510	(3,91,510)	-	0.00%	(100.00%)
71	Lalitha vellayan	3,07,160	(3,07,160)	-	0.00%	(100.00%)
72	M A Alagappan HUF (Karta - M A Alagappan)	1,30,660	(1,30,660)	-	0.00%	(100.00%)
73	M V Valli Murugappan	9,78,190	(9,78,190)	-	0.00%	(100.00%)
74	<b>TOTAL</b>	<b>8,99,66,889</b>	<b>(3,19,660)</b>	<b>8,96,47,229</b>	<b>46.5%</b>	

### Note 46. Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- (iv) During the year, the Company has further invested ₹150 Cr. by way of equity, ₹167 Cr. through CCPS and provided ₹325 Cr. as intercorporate deposits (refer note 6c) to its Subsidiary, TI Clean Mobility Private Limited ("TICMPL" CIN-U34300TN2022PTC149904) to pursue and engage in clean mobility business. Subsequently, TICMPL acquired 65.2% of equity share capital of IPLTech Electric Private Limited (IPLT, CIN-U73100HR2019PTC081891) by way of Primary and Secondary acquisition for a consideration of ₹245.41 Cr on 21<sup>st</sup> September 2022. TICMPL also acquired the remaining



## Notes to Financial Statements

30.05% from the existing shareholders of Celestial E Mobility Private Limited (CEMPL, CIN-U35999TG2019PTC131892) for a consideration of ₹50.90 Crores on 3<sup>rd</sup> February 2023 and obtained 100% control over CEMPL.

The Company has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act for the above transactions and are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

- (v) The Company has not received any fund from any person or entity, including foreign entities (Funding Parties) with the understanding (whether recorded in writing or otherwise) that the Company shall -:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Company has not made any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provision of the Income Tax Act, 1961).
- (vii) The Company does not have any transactions with companies which has been struck off by ROC under section 248 of the companies Act, 2013 other than the following -:

Name of struck off company	Nature of transactions with struck off company	Balance outstanding as on 31 <sup>st</sup> March 2023	Balance outstanding as on 31 <sup>st</sup> March 2022	Relationship with struck off companies
Aditya Inkjet Technologies Private Ltd	Payables	-	₹67,246 /-	Third party vendor and not related party of the company

### Note 47. Previous Year's figures

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

As per our report of even date  
For **S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Regn. No : 101049W / E300004

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

per **Aravind K**  
Partner  
Membership No : 221268

**M A M Arunachalam**  
Chairman  
DIN : 00202958

**Mukesh Ahuja**  
Managing Director  
DIN : 09364667

Chennai  
15<sup>th</sup> May 2023

**AN Meyyappan**  
Chief Financial Officer

**S Suresh**  
Company Secretary

The background is a complex, abstract design in various shades of blue. It features concentric circular bands, some with dashed or solid lines, and intricate circuit-like patterns that resemble a printed circuit board. The overall aesthetic is modern and technological.

# Consolidated Financial Statements

# Independent Auditor's Report

To the Members of Tube Investments of India Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated Financial Statements of Tube Investments of India Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and joint ventures comprising of the Consolidated Balance sheet as at March 31 2023, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated 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 and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associate and joint ventures, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint ventures as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act.

Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, associate, joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated 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 for the financial year ended March 31, 2023. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>1a. Timing of Revenue Recognition</b> (as described in Note 5.12 and Note 21 of the Consolidated Financial Statements)</p> <p>The Holding Company has 3 major operating segments, namely, Mobility, Engineering and Metal Formed Products. The type of customers varies across these segments, ranging from dealers in Mobility Segment to Original Equipment Manufacturers and their suppliers, dealers and Industrial Customers in respect of the Metal Formed Products and Engineering Segments.</p> <p>The Holding Company recognizes revenue from sale of goods at a point in time based on the terms of the contract with customers which may vary case to case. Terms of sales arrangements with various customers within each of the operating segments, including Incoterms determine the timing of transfer of control and require judgment in determining the timing of revenue recognition.</p> <p>Due to the judgement relating to determination of point of time in satisfaction of performance obligations with respect to sale of products, this matter is considered as Key Audit Matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We understood the Holding Company's order to cash processes, including design and implementation of controls which vary based on product segment and customer, and tested the operating effectiveness of such controls in relation to revenue recognition.</li> <li>• On a sample basis, we tested revenue transactions to contracts with customers, purchase orders issued by customers and sales invoices raised by the Holding Company to determine the timing of transfer of control along with pricing terms and the timing of revenue recognition in respect of such contracts.</li> <li>• We performed substantive analytical procedures including analyzing revenue transactions near the reporting date and tested whether the timing of revenue was recognized in the appropriate period with reference to shipping records, sales invoices etc for sample transactions.</li> <li>• We read, understood and evaluated the Holding Company's accounting policies pertaining to revenue recognition and assessed compliance with the policies in terms of Ind AS 115 – Revenue from Contracts with Customers.</li> <li>• We assessed the disclosures for compliance with applicable accounting standards.</li> </ul>
<p><b>2. In connection with Subsidiary Company – Shanthi Gears Limited ("SGL")</b></p>	
<p><b>2a. Valuation of inventory Work in Progress</b> (as described in Note 5.11 and Note 10 of the Consolidated Financial Statements)</p> <p>The auditors of SGL, a subsidiary of the Holding Company have reported valuation of inventory work in progress as a Key Audit Matter. SGL has significant balance in inventory work in progress. The valuation of inventory work in progress are complex as it includes inputs for overheads from various process, each overhead is allocated to inventory work in progress based on different basis for allocation. Inventory work in progress are valued at lower of cost or net realizable value, and is dependent on establishing appropriate valuation processes.</p> <p>SGL's Management uses Information Technology System (Oracle) for calculating and apportioning the overheads cost in inventory work in progress.</p>	<p>The procedures performed by the auditors of SGL, as reported by them, was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> <li>• They obtained an understanding of the determination and allocation of the overheads values to inventory work in progress and assessed and tested the appropriateness of capturing the overhead from various process, basis of allocation of overheads.</li> <li>• They evaluated the design of internal controls relating to the overhead allocation in inventory work in progress and tested the operating effectiveness of the controls relating to overhead allocation of inventory work in progress. They also tested the controls placed in Information Technology for overheads allocation in inventory work in progress using their experts.</li> <li>• They traced on a sample basis the cost of overheads considered for inventory work in progress to the actual cost of expenses accounted in the financial statements of SGL.</li> <li>• They have tested on a sample basis, the correctness of capturing of cost of overheads from various process and tested on sample basis the correctness of basis of allocation of overheads in accordance with the GAAP.</li> </ul>

Key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>• They have verified on a sample basis, the cost of inventory and sales value agreed for inventory in the sales contract.</li> <li>• They have used Information technology expert to validate the information system configurations that are relevant to allocation of overheads to the inventory work in progress.</li> </ul>
<b>3. In connection with Subsidiary Company – CG Power and Industrial Solutions Limited (“CGPISL”)</b>	
<b>3a. Revenue Recognition</b> (as described in Note 5.12 and Note 21 of the Consolidated Financial Statements)	
<p>CGPISL and its subsidiaries (collectively called as “CG Power”) has two operating segments, namely, Power and Industrial Segment. The type of customers varies across these segments, ranging from Large Government Companies / corporations to Original Equipment Manufacturers and Industrial Customers etc.</p>	<p>Our audit procedures amongst others included the following:</p>
<p>Majority of the CG Power’s revenue is from sale of goods which are recognized at a point in time based on the terms of the contract with customers which may vary case to case. Terms of sales arrangements with various customers within each of the operating segments, including Incoterms determine the timing of transfer of control and require judgment in determining timing of revenue recognition.</p>	<ul style="list-style-type: none"> <li>• We read the CG Power’s accounting policy for timing of revenue recognition and assessed compliance in terms of Ind AS 115 - Revenue from Contracts with Customers.</li> <li>• We performed walkthroughs of CGPISL’s revenue processes, including design and implementation of controls and tested the design and operating effectiveness of such controls in relation to revenue recognition.</li> <li>• On a sample basis, we tested contracts with customers, purchase orders issued by customers, and sales invoices raised by CGPISL to determine the timing of transfer of control along with pricing terms and the timing of the revenue recognition in respect of such contracts.</li> <li>• We compared revenue with historical trends and where appropriate, conducted further enquiries and testing.</li> <li>• On a sample basis, we analyzed revenue transactions near the reporting date and tested whether the timing of revenue was recognized in the appropriate period with reference to shipping records, sales invoices etc. for those transactions.</li> <li>• We assessed the disclosures for compliance with applicable accounting standards.</li> </ul>
<p>Due to the judgement relating to determination of point of time in satisfaction of performance obligations with respect to sale of products, this matter is considered as Key Audit Matter.</p>	<b>3b. Recognition of Deferred Tax Asset</b> (as described in Note 16 of the Consolidated Financial Statements)
<p>CG Power has Deferred Tax Asset (DTA) of Rs. 445.32 crores as at March 31, 2023 on tax losses based on availability of future taxable profits against which DTA will be utilized. The tax losses were primarily on account of write off of receivable balances in relation to various transactions in earlier years, which are under investigations by regulatory authorities. Basis legal opinion, management of CGPISL has considered these written-offs as an allowable expense under the Income tax and recognized deferred tax assets on such losses.</p>	<p>Our audit procedures amongst others included the following:</p>
<p>The recognition of deferred tax asset is identified as key audit matter considering the significance of amounts and judgements involved.</p>	<ul style="list-style-type: none"> <li>• We obtained an understanding, assessed and tested the operating effectiveness of internal control relating to the measurement and recognition of deferred tax.</li> <li>• We involved our tax specialists to assess tax computation as per the local fiscal regulations in India.</li> <li>• We tested on a sample basis the identification and quantification of differences between the recognition of assets and liabilities according to tax law and financial reporting in accordance with Indian Accounting Standards.</li> <li>• We have evaluated CGPISL’s assumptions and estimates in relation to the likelihood of generating sufficient future taxable income based on most recent budgets and plans, prepared by management principally by performing sensitivity analyses and evaluated and tested the key assumptions used to determine the amounts recognized.</li> <li>• We assessed the reasonableness of CGPISL’s management business plans considering the relevant economic and industry indicators.</li> </ul>



Key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>• We obtained and read the legal opinion considered by the management of CGPISL for recognition of deferred tax assets on losses.</li> <li>• We assessed the disclosures in the Consolidated Financial Statements of CGPISL in accordance with the requirements of Ind AS 12 “Income Taxes”.</li> </ul>

**3c. Claims and exposures relating to taxation and litigation** (as described in Note 35a of the Consolidated Financial Statements)

<p>CG Power has disclosed contingent liabilities in respect of disputed claims / levies under tax and legal matters.</p> <p>Taxation and litigation exposures have been identified as a key audit matter due to significant outstanding matters with authorities and CGPISL’s management assessment towards potential financial impact of these matters will involve significant judgement and assumptions.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>• We understood the process and assessed the internal control environment relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities.</li> <li>• We obtained details of legal and tax disputed matters from CGPISL management and assessed CGPISL management’s position through discussions on both the probability of success in significant cases, and the magnitude of any potential loss.</li> <li>• We involved tax specialists to assist us in evaluating tax positions taken by management of CGPISL.</li> <li>• We circulated legal confirmation for material litigations to external legal counsel and reviewed their assessment and had a discussion on their assessment with the senior management of CGPISL.</li> <li>• We assessed the relevant disclosures made in the Consolidated Financial Statements of CGPISL for compliance with the requirements of Ind AS 37.</li> </ul>
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**4. In connection with Subsidiary Company – TI Clean Mobility Private Limited (“TICMPL”)**

**4a. Accounting for business combinations – Acquisition of IPLTech Electric Private Limited (“IPLT”) and Celestial E-Mobility Private Limited (“CEMPL”)** (as described in Note 40.2 of the Consolidated Financial Statements)

<p>The auditors of TICMPL, a subsidiary of the Holding Company have reported Accounting for business combinations as a Key Audit Matter. During the year ended March 31, 2023, IPLT and CEMPL (Joint Venture as of March 31, 2022), became the subsidiaries of TICMPL.</p> <p>TICMPL determined these acquisitions to be a business combination in accordance with Ind AS 103 ‘Business Combinations’ which requires the identified assets and liabilities be recognized at fair value at the date of acquisition.</p> <p>The accounting for business combinations include the identification and valuation of net assets acquired and liabilities assumed, and the consequent allocation of the purchase price to the assets and liabilities arising from this transaction, and management’s use of external valuation experts and estimates and assumptions for this purpose.</p> <p>For the year ended March 31, 2023, while the accounting for IPLT related acquisition has been finalized, TICMPL has accounted for the acquisition of CEMPL based on provisional amounts as permitted by Paragraph 45 of Ind AS 103, which provides a measurement period of one year from the acquisition date, to complete the final acquisition accounting.</p>	<p>The procedures performed by the auditors of TICMPL, as reported by them included the following:</p> <ul style="list-style-type: none"> <li>• They obtained and read the Share Subscription Agreements along with other relevant agreements in relation to these acquisitions and evaluated the value of the consideration transferred as a part of the acquisitions.</li> <li>• They understood and assessed the design and tested the operating effectiveness of the key controls over the accounting of business combination.</li> <li>• They evaluated the competence and objectivity of the management’s expert engaged for the valuation of tangible and intangible assets, obtained an understanding of the work of management’s expert and assessed the appropriateness of the resultant goodwill computed in accordance with Ind AS 103, by the management, based on such valuation.</li> <li>• They reviewed the valuation of assets including Goodwill arising from the acquisitions and assessed the reasonableness of the underlying key estimates and assumptions used in determining the fair value of assets and liabilities as at the acquisition date.</li> </ul>
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Key audit matters	How our audit addressed the key audit matter
Considering the complex accounting and the significant estimates and judgements involved, the auditors of TICMPL have considered this as a key audit matter.	<ul style="list-style-type: none"> <li>• They examined the computation of goodwill derived based on acquisition date fair values based on final or provisional amounts as applicable, provided by the management</li> <li>• They assessed the disclosures for compliance with applicable accounting standards.</li> </ul>

### Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report & Management Discussion and Analysis, Report on Corporate Governance, General Shareholders Information and Business Responsibility and Sustainability Report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

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 such other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management 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 Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate

accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated 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 Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate and joint ventures are also responsible for overseeing the financial reporting process of their respective companies.

### Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to 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 and its associate and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint ventures 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 and its associate and joint ventures of which we are the independent auditors and whose financial information we have audited, 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. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors

remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of 18 subsidiaries, which are part of continued operations of the Group, whose financial statements include total assets of Rs 3,107.00 crores as at March 31, 2023, and total revenues of Rs 1,276.22 crores and net cash outflows of Rs 132.59 crores for the year ended on that date. We did not audit the financial statements and other financial information, in respect of 4 subsidiaries, which are part of discontinued operations of the Group, whose financial statements include total assets of Rs 109.01 crores as at March 31, 2023, and total revenues of Rs 94.27 crores and net cash inflows of Rs 0.75 crores for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The Consolidated Financial Statements also include the Group's share of net loss of Rs. 19.43 crores for the year ended March 31, 2023, as considered in the Consolidated Financial Statements, in respect of 3 joint ventures, whose financial statements, other

financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management and audited by us.

- (b) The accompanying Consolidated Financial Statements include unaudited financial statements and other unaudited financial information in respect of 2 subsidiaries, part of continued operations of the group and 4 subsidiaries, part of discontinued operations of the group whose financial statements and other financial information reflect total assets of Rs 83.38 crores and Rs 73.25 crores as at March 31, 2023, and total revenues of Rs 71.31 crores and Rs Nil and net cash outflows of Rs 0.18 crores and net cash outflows of Rs 1.64 crores, respectively, for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

- (c) The consolidated financial statements also include the Group's share of net loss of Rs. 0.13 crores for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and joint ventures companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears

from our examination of those books and reports of the other auditors;

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint ventures, none of the directors of the Group's companies and joint ventures, incorporated in India, is disqualified as on March 31, 2023 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 Consolidated 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 2" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company, its subsidiaries and joint ventures incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other matter' paragraph:
  - i. The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate and joint ventures in its Consolidated Financial Statements – Refer Note 35a to the Consolidated Financial Statements;
  - ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 40.3 to the Consolidated Financial Statements in respect of such items as it relates to the Group, its associate and joint ventures;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company's subsidiaries, associate and joint ventures, incorporated in India, where applicable, during the year ended March 31, 2023, except in the instance of one subsidiary, where an amount of Rs. 0.05 crores was transferred on April 13, 2023 against the due date of March 3, 2023;
  - iv. a) The respective managements of the Holding Company and its subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate and joint ventures respectively that, to the best of its knowledge and belief, other than as disclosed in Note 45 to the Consolidated Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, associate and joint ventures to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing



- or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries, associate and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The respective managements of the Holding Company and its subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate and joint ventures respectively that, to the best of its knowledge and belief, other than as disclosed in the Note 45 to the Consolidated Financial Statements, no funds have been received by the respective Holding Company or any of such subsidiaries, associate and joint ventures from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associate and joint ventures shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. The final dividend paid by the Holding Company, its subsidiaries, associate and joint ventures companies incorporated in India, where applicable, during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- The interim dividend declared and paid during the year by the Holding Company, its subsidiaries, associate and joint venture companies incorporated in India, where applicable, and until the date of the respective audit reports of such Holding Company, subsidiaries, associate and joint ventures is in accordance with Section 123 of the Act.
- As stated in Note 20d to the Consolidated Financial Statements, the respective Board of Directors of the Holding Company, its subsidiaries, associate and joint venture companies, incorporated in India, where applicable, have proposed final dividend for the year which is subject to the approval of the members of the respective companies at the respective ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiaries, associate and joint venture companies incorporated in India, hence reporting under this clause is not applicable.

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

per **Aravind K**  
Partner  
Membership Number: 221268  
UDIN: 23221268BGXPOW8471  
Place of Signature: Chennai  
Date: May 15, 2023

**Annexure 1 referred to in paragraph under the heading “Report on other legal and regulatory requirements” of our report of even date**

Re: Tube Investments of India Limited (“the Holding Company”)

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief and consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and joint venture companies incorporated in India, we state that:

(xxi) Qualifications or Adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the Companies included in the Consolidated Financial Statements are:

S. No.	Name	CIN	Relation	Clause number of the CARO report which is adverse
1	CG Power Solutions Limited	U40300MH2012PLC228170	Subsidiary	(xix)
2	IPLTech Electric Private Limited (w.e.f 21 <sup>st</sup> September, 2023)	U73100HR2019PTC081891	Subsidiary	(viiia)

The report of the following components included in the consolidated financial statements has not been issued by its auditor till the date of our auditor’s report.

S. No.	Name	CIN	Relation
1	Aerostrovilos Energy Private Limited	U29308KA2017PTC104608	Associate

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Aravind K**

Partner

Membership Number: 221268

UDIN: 23221268BGXPOW8471

Place of Signature: Chennai

Date: May 15, 2023

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF TUBE INVESTMENTS OF INDIA LIMITED

### Report on the Internal Financial Controls 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 Tube Investments of India Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Companies included in the Group which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's 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, specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to 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 controls 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, the Group which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements of the Holding Company, in so far as it relates to these 9 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Aravind K**

Partner

Membership Number: 221268

UDIN: 23221268BGXPOW8471

Place of Signature: Chennai

Date: May 15, 2023

# Consolidated Balance Sheet

	Notes	As at 31-Mar-2023	As at 31-Mar-2022
<b>₹ in Crores</b>			
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	6a	1,884.18	1,915.26
Right-of-use assets	6b	336.51	329.28
Capital Work-in-Progress	6c	177.93	117.27
Investment Property	7	11.72	11.92
Intangible Assets	6d	525.73	404.87
Intangible Assets under development	6e	13.44	11.01
Goodwill on Consolidation	6f	834.48	663.14
Investment in Associate and Joint ventures	8a	9.41	161.41
Financial Assets			
(a) Other Investments	8b	29.91	31.36
(b) Other Financial Assets	8c	48.56	56.17
Deferred Tax Assets (Net)	16	334.96	513.57
Non-Current Tax Assets		16.44	20.41
Other Non-Current Assets	9	64.18	56.49
		<b>4,287.45</b>	<b>4,292.16</b>
<b>Current Assets</b>			
Inventories	10	1,352.91	1,327.11
Financial Assets			
(a) Loans	11a	2.07	2.17
(b) Trade Receivables	11b	2,128.90	1,785.34
(c) Investments	11c	689.92	348.99
(d) Derivative Instruments		0.07	1.02
(e) Cash and Cash Equivalents	11d	842.83	411.21
(f) Bank Balances other than (e) above	11e	110.77	161.45
(g) Other Financial Assets	11f	159.59	155.13
Current Tax Assets		83.03	83.19
Other Current Assets	12	404.53	305.66
		<b>5,774.62</b>	<b>4,581.27</b>
Assets classified as held for sale and discontinued operations	43	189.87	8.06
<b>Total Assets</b>		<b>10,251.94</b>	<b>8,881.49</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	13	19.31	19.29
Other Equity	14	3,931.32	3,051.79
<b>Equity Attributable to equity holders of the Parent</b>		<b>3,950.63</b>	<b>3,071.08</b>
Non-Controlling Interests	39	1,004.87	654.18
<b>Total Equity</b>		<b>4,955.50</b>	<b>3,725.26</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities			
(a) Long Term Borrowings	15a	44.18	345.29
(b) Lease Liabilities	15b	83.11	52.24
(c) Derivative Instruments		1.07	-
(d) Other Financial Liabilities	15c	402.58	14.83
Other non current liabilities		2.24	-
Government Grants	20c	0.48	0.69
Long term Provisions	15d	43.34	30.75
Deferred Tax Liabilities (Net)	16	31.93	7.23
		<b>608.93</b>	<b>451.03</b>
<b>Current Liabilities</b>			
Financial Liabilities			
(a) Short Term Borrowings	17a	584.96	458.47
(b) Trade Payables	17b		
- total outstanding dues of micro enterprises and small enterprises		108.34	68.01
- total outstanding dues of creditors other than micro enterprises and small enterprises		2,210.77	2,275.22
(c) Lease Liabilities	38	13.82	14.91
(d) Derivative Instruments		0.63	-
(e) Other Financial Liabilities	17c	386.83	748.64
Government Grants	20c	18.50	17.87
Short Term Provisions	18	249.92	197.58
Current Tax Liabilities		14.24	6.44
Other Current Liabilities	19	406.65	909.22
		<b>3,994.66</b>	<b>4,696.36</b>
Liabilities associated with group of assets classified as held for sale and discontinued operations	43	692.85	8.84
<b>Total Liabilities</b>		<b>5,296.44</b>	<b>5,156.23</b>
<b>Total Equity and Liabilities</b>		<b>10,251.94</b>	<b>8,881.49</b>
Summary of Significant Accounting Policies	5		
The accompanying notes are an integral part of the financial statements			

As per our report of even date  
For **S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Regn. No : 101049W / E300004

On behalf of the Board  
For Tube Investments of India Limited

per **Aravind K**  
Partner  
Membership No : 221268

**Mukesh Ahuja**  
Managing Director  
DIN : 09364667

**M A M Arunachalam**  
Executive Chairman  
DIN : 00202958

Chennai  
15<sup>th</sup> May 2023

**AN Meyyappan**  
Chief Financial Officer

**S Suresh**  
Company Secretary



# Consolidated Statement of Profit and Loss

	Notes	Year Ended 31-Mar-2023	₹ in Crores Year Ended 31-Mar-2022 (Restated)*
<b>Revenue from Contracts with Customers</b>	21		
Revenue from Operations		14,430.95	11,982.53
Other Operating Revenues		533.78	464.90
		<b>14,964.73</b>	<b>12,447.43</b>
Other Income	22	143.25	104.44
<b>Total Income</b>		<b>15,107.98</b>	<b>12,551.87</b>
<b>Expenses</b>			
Cost of Materials Consumed	23	9,192.99	7,913.11
Purchase of Stock-in-Trade		665.17	506.54
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	(27.90)	(131.50)
Employee Benefits Expense	25	1,204.83	1,032.50
Depreciation and Amortisation Expense	26	395.86	346.58
Finance Costs	27	42.46	81.97
Other Expenses	27a	2,042.06	1,691.52
<b>Total Expenses</b>		<b>13,515.47</b>	<b>11,440.72</b>
<b>Profit before share of profit / (loss) from Joint Ventures / Associates,</b>		<b>1,592.51</b>	<b>1,111.15</b>
<b>Exceptional items and Tax</b>			
Share of profit/(loss) of Joint Ventures / Associates (net of tax)	40.1	(19.56)	(2.92)
<b>Profit Before Exceptional Items and Tax</b>		<b>1,572.95</b>	<b>1,108.23</b>
Add : Exceptional Items	27b	8.06	20.21
<b>Profit Before Tax</b>		<b>1,581.01</b>	<b>1,128.44</b>
<b>Income Tax Expense</b>	28		
- Current Tax		256.72	179.32
- Adjustment of tax relating to earlier years		2.54	(6.21)
- Deferred Tax (Net) (Refer Note 16)		163.33	(12.28)
		<b>422.59</b>	<b>160.83</b>
<b>Profit for the year before discontinuing operations</b>		<b>1,158.42</b>	<b>967.61</b>
Profit/(Loss) from discontinuing operations before tax	43	169.80	23.49
Tax expense on discontinuing operations		(3.16)	(0.06)
<b>Profit/(Loss) from discontinuing operations after tax</b>		<b>166.64</b>	<b>23.43</b>
<b>Profit for the year (I)</b>		<b>1,325.06</b>	<b>991.04</b>
<b>Other Comprehensive Income:</b>	29		
<b>Other Comprehensive Income to be reclassified to Statement of Profit and Loss in subsequent periods:</b>			
Net Movement on Cash Flow Hedges		(2.45)	(0.76)
Income Tax Effect		0.50	0.20
		<b>(1.95)</b>	<b>(0.56)</b>
Exchange Difference on Translation of financial statements of Foreign Subsidiaries		(11.80)	13.34
Income Tax Effect		(0.76)	2.03
		<b>(12.56)</b>	<b>15.37</b>
<b>Other Comprehensive Income not to be reclassified to Statement of Profit and Loss in subsequent periods:</b>			
Re-measurement (Loss) on Defined Benefit Obligations (Net)		(23.12)	(6.61)
Income Tax Effect		(3.11)	1.65
		<b>(26.23)</b>	<b>(4.96)</b>
Net Gain/(Loss) on FVTOCI Securities		0.29	(0.25)
Income Tax Effect		(0.07)	(0.03)
		<b>0.22</b>	<b>(0.28)</b>
<b>Other Comprehensive Income/(Loss) for the Year, Net of Tax (II)</b>		<b>(40.52)</b>	<b>9.57</b>
<b>Total Comprehensive Income for the Year, Net of Tax (I + II)</b>		<b>1,284.54</b>	<b>1,000.61</b>
Profit for the year attributable to :			
- Equity holders of the Parent Company		955.58	768.83
- Non-Controlling Interest		369.48	222.21
Other Comprehensive Income for the year attributable to :			
- Equity holders of the Parent Company		(31.10)	2.21
- Non-Controlling Interest		(9.42)	7.36
Total Comprehensive Income for the year attributable to :			
- Equity holders of the Parent Company		924.48	771.04
- Non-Controlling Interest		360.06	229.57
Earnings Per Equity Share of ₹1 each	30		
Basic		49.50	39.87
Diluted		49.40	39.78
Earnings Per Equity Share of ₹1 each - Discontinued Operations			
Basic		8.63	1.21
Diluted		8.61	1.21

\* Refer Note 43

The accompanying notes are an integral part of the financial statements

As per our report of even date  
For **S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Regn. No : 101049W / E300004

per **Aravind K**  
Partner  
Membership No : 221268

Chennai  
15<sup>th</sup> May 2023

On behalf of the Board  
For Tube Investments of India Limited

**Mukesh Ahuja**  
Managing Director  
DIN : 09364667

**M A M Arunachalam**  
Executive Chairman  
DIN : 00202958

**AN Meyyappan**  
Chief Financial Officer

**S Suresh**  
Company Secretary

## Consolidated Statement of Changes in Equity

### a. Equity Share Capital:

	No. of shares	₹ in Crores
<b>As at 31<sup>st</sup> March 2021</b>		
Equity shares of ₹1 each issued, subscribed and fully paid	19,28,16,871	19.28
Issue of Share Capital (Refer Note 13)	1,33,350	0.01
<b>As at 31<sup>st</sup> March 2022</b>		
Equity shares of ₹1 each issued, subscribed and fully paid	19,29,50,221	19.29
Issue of Share Capital (Refer Note 13)	1,70,855	0.02
<b>As at 31<sup>st</sup> March 2023</b>		
	19,31,21,076	19.31

### b. Other Equity

#### For the year ended 31<sup>st</sup> March 2023

Particulars	Reserves & Surplus				Items of OCI			Total Other Equity	Non-Controlling Interest (NCI) (Note 39)	Total Other Equity and NCI		
	Securities Premium (Note 14)	Share option outstanding account (Note 14)	Retained Earnings (Note 14)	Capital Redemption Reserve (Note 14)	Capital Reserve (Note 14)	General Reserve (Note 14)	Cash flow Hedge Reserve (Note 14)				Foreign Currency Translation Reserve (Note 14)	FVTOCI Reserve (Note 14)
<b>As at 1<sup>st</sup> April 2022</b>	345.73	7.56	2,305.94	0.01	0.60	359.81	0.32	28.38	3.44	3,051.79	654.18	3,705.97
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
<b>Restated balance as at 1<sup>st</sup> April 2022</b>	345.73	7.56	2,305.94	0.01	0.60	359.81	0.32	28.38	3.44	3,051.79	654.18	3,705.97
Profit for the Year	-	-	955.58	-	-	-	-	-	-	955.58	369.48	1,325.06
Other comprehensive income for the Year (Note 29)	-	-	(18.37)	-	-	-	(1.47)	(11.04)	(0.22)	(31.10)	(9.42)	(40.52)
<b>Total Comprehensive Income</b>	-	-	937.21	-	-	-	(1.47)	(11.04)	(0.22)	924.48	360.06	1,284.54
Additions/Adjustments pertaining to Business Combination (Refer Note 40.2)	-	-	8.82	-	-	-	-	-	-	8.82	93.52	102.34
Exercise of share options	6.55	(1.87)	-	-	-	-	-	-	-	4.68	-	4.68
Share-based payments expenses	-	9.12	-	-	-	-	-	-	-	9.12	-	9.12
Dividend paid during the year	-	-	(67.57)	-	-	-	-	-	-	(67.57)	(102.89)	(170.46)
<b>As at 31<sup>st</sup> March 2023</b>	352.28	14.81	3,184.40	0.01	0.60	359.81	(1.15)	17.34	3.22	3,931.32	1,004.87	4,936.19

₹ in Crores

# Consolidated Statement of Changes in Equity

For the year ended 31<sup>st</sup> March 2022

Particulars	Reserves & Surplus				Items of OCI			Non-Controlling Interest (NCI) (Note 39)	Total Other Equity	Total Other Equity and NCI	
	Securities Premium (Note 14)	Share option outstanding account (Note 14)	Retained Earnings (Note 14)	Capital Redemption Reserve (Note 14)	Capital Reserve (Note 14)	General Reserve (Note 14)	Cash flow Hedge Reserve (Note 14)				Foreign Currency Translation Reserve (Note 14)
<b>As at 1<sup>st</sup> April 2021</b>	340.65	8.74	1,557.21	0.01	0.60	359.81	0.88	21.33	3.72	383.36	2,676.31
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
<b>Restated balance as at 1<sup>st</sup> April 2021</b>	<b>340.65</b>	<b>8.74</b>	<b>1,557.21</b>	<b>0.01</b>	<b>0.60</b>	<b>359.81</b>	<b>0.88</b>	<b>21.33</b>	<b>3.72</b>	<b>383.36</b>	<b>2,676.31</b>
Profit for the Year	-	-	768.83	-	-	-	-	-	-	768.83	222.21
Other comprehensive income for the Year (Note 29)	-	-	(4.00)	-	-	-	(0.56)	7.05	(0.28)	2.21	7.36
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>764.83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.56)</b>	<b>7.05</b>	<b>(0.28)</b>	<b>771.04</b>	<b>229.57</b>
Effect of Change in Share Holdings of CG Power and Industrial Power Solutions Limited (CGPISL)	-	-	51.41	-	-	-	-	-	-	51.41	46.62
Exercise of share options	5.08	(1.76)	-	-	-	-	-	-	-	3.32	-
Share-based payments expenses	-	0.58	-	-	-	-	-	-	-	0.58	0.29
Dividend paid during the year	-	-	(67.51)	-	-	-	-	-	-	(67.51)	(5.66)
<b>As at 31<sup>st</sup> March 2022</b>	<b>345.73</b>	<b>7.56</b>	<b>2,305.94</b>	<b>0.01</b>	<b>0.60</b>	<b>359.81</b>	<b>0.32</b>	<b>28.38</b>	<b>3.44</b>	<b>3,051.79</b>	<b>654.18</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date  
**For S.R. BATLIBOI & ASSOCIATES LLP**  
 Chartered Accountants  
 ICAI Firm Regn. No : 101049W / E300004

per **Aravind K**  
 Partner  
 Membership No : 221268

Chennai  
 15<sup>th</sup> May 2023

On behalf of the Board  
 For Tube Investments of India Limited

**Mukesh Ahuja**  
 Managing Director  
 DIN : 09364667

**AN Meyyappan**  
 Chief Financial Officer

**M A M Arunachalam**  
 Executive Chairman  
 DIN : 00202958

**S Suresh**  
 Company Secretary

## Consolidated Cash Flow Statement

₹ in Crores

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022 (Restated)
<b>A. Cash Flow from Operating Activities:</b>		
<b>Profit Before Tax adjusted for share of loss from Associate/ Joint Ventures</b>	<b>1,581.01</b>	<b>1,128.44</b>
<i>Adjustments to reconcile Profit Before Tax to Net Cash Flows:</i>		
Depreciation/Amortisation on Property, Plant and Equipment, Right of use assets, investment property and intangible assets	395.86	346.58
Share based payment expenses	13.54	2.36
Loss / (Profit) on Property Plant and Equipment and ROU Assets sold/ discarded, Net	(7.95)	0.95
Loss/ (Profit) on Sale of Investments carried at FVTPL	(14.68)	(8.39)
Impairment allowance for receivables and advances (Net) (includes bad debts written off)	15.99	(20.78)
Net Foreign Exchange differences including impact of Foreign Currency Translation	0.31	13.00
Finance Income (including Fair Value changes in Financial Instruments)	(38.08)	(29.19)
Finance Costs	42.46	81.97
Liabilities/Provisions no longer payable written back	(21.80)	(2.78)
Fair Value gain on investment in Joint Venture	(14.79)	-
Exceptional Items (Net)	(8.06)	(20.21)
Government Grants	(0.41)	(0.92)
Dividend Income	-	(3.24)
Share of Loss from Associates/ Join ventures (net of tax)	19.56	2.92
<b>Operating Profit before Working Capital / Other Changes</b>	<b>1,962.96</b>	<b>1,490.71</b>
<i>Adjustments for :</i>		
Increase/(Decrease) in Provisions and Government Grants	12.75	(43.18)
Increase/(Decrease) in Trade and Other Payables	30.70	135.70
Increase/(Decrease) in Current and Non-Current Liabilities	(67.58)	(25.85)
(Increase)/Decrease in Current and Non-Current Assets	27.54	181.15
(Increase)/Decrease in Trade and Other Receivables	(320.99)	(531.69)
(Increase)/Decrease in Inventories	(25.46)	(217.65)
<b>Cash Generated From Operations</b>	<b>1,619.92</b>	<b>989.19</b>
Income Tax paid (Net of refunds)	(245.03)	(114.83)
Non-Controlling Interest in (Profit)/Loss	0.30	-
Net Cash Flow (used in)/from discontinued operating activities	10.50	21.22
<b>Net Cash Flow (used in)/from Operating Activities</b>	<b>1,385.69</b>	<b>895.58</b>
<b>B. Cash Flow from Investing Activities:</b>		
Capital Expenditure (Including Capital Work In Progress and Capital Advances)	(416.01)	(248.73)
Proceeds from Sale of Property, Plant and Equipment	13.64	11.18
(Purchase)/Sale or redemption of Current Investments (Net) (Refer Note 11c)	(324.84)	(88.30)
Sale of Non Current Investments at FVTOCI	-	14.03
Purchase of Investment in Associate, Joint Venture & Consideration towards acquisition of Subsidiaries from existing Shareholders	(159.87)	(164.37)
Net cash flow (used in) / from discontinued investing activities	(0.81)	367.18

## Consolidated Cash Flow Statement

₹ in Crores

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022 (Restated)
Loan to erstwhile Joint Ventures	(3.00)	-
Proceeds/(Investment) in deposits having a original maturity of more than 3 months (Net)	(9.37)	(3.37)
Unrealised Exchange gain/(loss) on Consolidation (net)	(8.45)	5.92
Interest Income received	37.45	24.52
Dividend received	-	3.24
<b>Net Cash (Used in)/from Investing Activities</b>	<b>(871.26)</b>	<b>(78.70)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds from issuance of compulsorily convertible preference shares in subsidiary	400.00	-
Proceeds from Exercise of Share Options	5.11	3.32
Proceeds from Long Term Borrowings	-	81.10
(Repayment) of Long Term Borrowings	(361.63)	(651.10)
(Repayment)/Proceeds from Short Term Borrowings (Net)	204.89	(44.69)
Corporate Guarantee Settlement	(100.72)	(138.72)
Payment of Lease Liabilities	(21.30)	(17.74)
Finance Costs Paid	(29.11)	(82.86)
Dividends Paid	(168.74)	(72.37)
Payment towards purchase of non-controlling interest	(0.35)	-
Net cash flow (used in) / from discontinued financing activities	(2.53)	2.21
Changes in Non-controlling Interest	(0.30)	-
<b>Net Cash (Used in)/from Financing Activities</b>	<b>(74.68)</b>	<b>(920.85)</b>
<b>Net Increase in Cash and Cash Equivalents [A+B+C]</b>	<b>439.75</b>	<b>(103.97)</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>411.80</b>	<b>515.77</b>
<b>Additions on account of Business Combination (Refer Note 40.2)</b>	<b>21.39</b>	<b>-</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>872.94</b>	<b>411.80</b>
Cash and Cash Equivalents as per Note 11 d	842.83	411.21
Less: Cash Credit facility	(0.02)	(1.62)
Add: Cash and Cash Equivalents from Discontinued Operations	30.13	2.21
<b>Total Cash and Cash Equivalents as per Statement of Cash Flow</b>	<b>872.94</b>	<b>411.80</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date  
For **S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Regn. No : 101049W / E300004

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

per **Aravind K**  
Partner  
Membership No : 221268

**Mukesh Ahuja**  
Managing Director  
DIN : 09364667

**M A M Arunachalam**  
Executive Chairman  
DIN : 00202958

Chennai  
15<sup>th</sup> May 2023

**AN Meyyappan**  
Chief Financial Officer

**S Suresh**  
Company Secretary



# Notes to Consolidated Financial Statements

## 1. Corporate Information

### General Information

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

Pursuant to the Scheme of Arrangement (“the Scheme”) approved by NCLT (National Company Law Tribunal), the Manufacturing Business Undertaking of the Demerged Company was vested in/transferred to the Company with effect from 1<sup>st</sup> August 2017 and the appointed date was 1<sup>st</sup> April 2016. The name of the Company was changed to “Tube Investments of India Limited” (Resulting Company).

The Consolidated Financial Statements (“CFS”) relates to Tube Investments of India Limited (the Company), its Subsidiary Companies (together, “the Group”), its Associate and Joint Ventures.

The Group has several manufacturing locations and has seven product segments namely, Mobility, Engineering, Metal Formed Products, Gear and Gear Products, Power Systems, Industrial Systems, E-mobility. The Group presents Others segment which includes Industrial chains and certain other new businesses.

The Company also has Subsidiaries and Associate Companies, Viz., Shanthi Gears Limited, Financiere C10 SAS and its Subsidiaries, Great Cycles (Private) Limited, Creative Cycles (Private) Limited, CG Power and Industrial Solutions Limited (‘CGPISL’) and its Subsidiaries (together ‘CG Power’), Aerostrovilos Energy Private limited, Moshine Electronics Private Limited, X2Fuels and Energy Private Limited and TI Clean Mobility Private limited (‘TICMPL’) and its Subsidiaries (‘TICM’). During the year, the Company acquired controlling stake in IPLTech Electric Private limited and Cellestial E-Mobility Private Limited through TICMPL, acquired Moshine Electronics Private Limited and X2Fuels and Energy Private Limited (Refer Note 40.2).

The Consolidated Financial Statements were authorised for issue in accordance with a resolution of the directors on 15<sup>th</sup> May 2023.

## 2. Principles of Consolidation

The Financial Statements of the Subsidiaries, Associate and Joint Venture used in the Consolidation are drawn up to the same reporting date as that of the Company i.e. 31<sup>st</sup> March except for certain foreign subsidiaries indicated in Paragraph 3 below for which the financial statements as on the reporting date are not available and hence, the same have been consolidated based on the latest available audited financial statements as at 31<sup>st</sup> December. No significant transactions or events have occurred between this date and the date of consolidation.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Group controls an investee if and only if the Group has:

- a. Power over the investee (i.e. existing rights that gives it the current ability to direct the relevant activities of the investee)
- b. Exposure, or rights, to variable returns from its involvement with the investee, and
- c. The ability to use its power over the investee to affect its returns

## Notes to Consolidated Financial Statements

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- a. The contractual arrangement with the other vote holders of the investee
- b. Rights arising from other contractual arrangements
- c. The Group's voting rights and potential voting rights
- d. The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity and any resultant gain or loss arising from such loss of control, is recognised in consolidated statement of profit and loss. Any investment retained is recognised at fair value.

Changes in the Group's holding that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's holding and the non-controlling interests are adjusted to reflect the changes in their relative holding. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group

member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

### Consolidation procedures:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and Property, Plant and Equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.
- d) The carrying value of Goodwill arising on consolidation is tested for impairment, if there are any indicators for impairment and also tested at the end of each reporting period.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

### a) Subsidiary

The Financial Statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the amounts of like items of assets, liabilities, income and expenses, after fully eliminating material intra-group balances, intra-group transactions and the resulting unrealised profits or losses, unless cost cannot be recovered, as per Indian Accounting Standard 110 - Consolidated Financial Statements (Ind AS 110).

Non-Controlling Interest in the Net Assets of the Consolidated Subsidiaries consists of:

- i. The amount of Equity attributable to holders of non-controlling interest at the date on

## Notes to Consolidated Financial Statements

which the investment in the Subsidiary is made; and

- ii. The Non-Controlling Interests' share of movements in Equity since the date the Parent Subsidiary relationship came into existence.

Non-Controlling Interest (NCI) share in the Net Profit / (Loss) for the year of the Consolidated Subsidiaries is identified and adjusted against the Profit After Tax of the Group even if this results in the NCI having a deficit balance.

### b) Associate and Joint Venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the

statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate or joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit and loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

## Notes to Consolidated Financial Statements

### 3. Particulars of Consolidation

The list of Subsidiary Companies, Joint Ventures & Associates and the Company's holding therein are as under:

Company	Relationship	Year End	Country of Incorporation	Proportion of ownership		
				As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022	
Financiere C10 SAS (FC 10)						
Subsidiaries of FC 10						
- Sedis SAS	Subsidiary – Others	31 <sup>st</sup> December	France	100.00%	100.00%	
- Sedis GmbH			Germany			
- Sedis Co. Ltd			United Kingdom			
Shanthi Gears Limited (SGL)	Subsidiary – Gear and Gear Products	31 <sup>st</sup> March	India	70.47%	70.47%	
Great Cycles (Private) Limited	Subsidiary – Mobility	31 <sup>st</sup> March	Sri Lanka	80.00%	80.00%	
Creative Cycles (Private) Limited	Subsidiary – Mobility	31 <sup>st</sup> March	Sri Lanka	80.00%	80.00%	
CG Power and Industrial Solutions Limited	Subsidiary - Power / Industrial	31 <sup>st</sup> March	India	58.05%	58.05%	
Subsidiaries of CG Power and Industrial Solutions Limited:						
- CG PPI Adhesive Products Limited						India
-CG International Holdings Singapore Pte Limited						Singapore
- CG Power Solutions Limited						India
- CG Power Equipments Limited						India
- CG Sales Networks Malaysia Sdn. Bhd.						Malaysia
- PT Crompton Prima Switchgear Indonesia						Indonesia
- CG International BV						The Netherlands
- CG Drives & Automation Netherlands BV						The Netherlands
- CG Drives & Automation Germany GmbH						Germany
- CG Industrial Holdings Sweden AB						Sweden
- CG Drives & Automation Sweden AB						Sweden
- CG Power Americas, LLC						USA
- QEI, LLC						USA
- CG Power Solutions UK Ltd						United Kingdom
- CG Middle East FZE (Liquidated during the year end March 31, 2023)						UAE
- CG Power Systems Canada Inc. (Deconsolidated during the year March 31,2023)	Canada					
- CG Power and Industrial Solutions Limited Middle East FZCO (Liquidated during year ended March 31, 2023)	UAE					
TI Clean Mobility Private Limited			India	100.00%*	100.00%	
Subsidiaries of TICMPL						
- IPLTech Electric Private Limited (Refer Note 40.2)			India	65.25%	NA	
- Celestial E Mobility Private limited (Wholly owned Subsidiary of TICMPL) (Refer Note 40.1 and 40.2)	Subsidiary – E- Mobility	31 <sup>st</sup> March	India	100.00%	69.95%	
- Celestial E Trac Private limited (Wholly owned Subsidiary of Celestial E Mobility Private Limited)			India			

## Notes to Consolidated Financial Statements

Company	Relationship	Year End	Country of Incorporation	Proportion of ownership	
				As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Moshine Electronics Private Limited (Refer Note 40.2)	Subsidiary – Others	31 <sup>st</sup> March	India	76.00%	NA
X2Fuels and Energy Private Limited (Refer Note 40.1)	Joint Venture	31 <sup>st</sup> March	India	50.00%	NA
Aerostrovilos Energy Private Limited (Refer Note 40.1)	Associate	31 <sup>st</sup> March	India	27.78%	27.78%

\* TI Clean Mobility Private Limited proportion of ownership: 99.999996%

#### 4. Basis of Preparation

The Consolidated Financial Statement (CFS) are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS.

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

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

The CFS have been prepared using uniform accounting policies for like transactions and other events in similar circumstances with certain exceptions as mentioned in the paragraphs below and are presented to the extent possible, in the same manner as the Company's separate financial statements.

The Consolidated financial statements are presented in INR, which is its functional currency and all values are rounded to the nearest crore, except when otherwise indicated.

#### 5. Summary of Significant Accounting Policies

##### 5.1 Presentation and disclosure of financial statements

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

- a) It is expected to be realised in, or is intended for sale or consumption in, the normal operating cycle relevant for each of the entities in the Group;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realised within twelve months after the reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability

for at least twelve months after the reporting date.

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

- a) It is expected to be settled within the normal operating cycle relevant for each of the entities in the Group;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within twelve months after the reporting date; or
- d) The entities in the Group do not have an unconditional right to defer settlements of the liability for at least twelve months after the reporting date.

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

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

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

##### 5.2 Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.



## Notes to Consolidated Financial Statements

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent to its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in

a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Where it is not possible to complete the determination of fair values by the date on which the first post-acquisition financial statements are approved, a provisional assessment of fair value is made and any adjustments required to those provisional fair values are finalised within 12 months of the acquisition date. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed twelve months from the acquisition date.

### 5.3 Fair Value Measurement

The financial instruments, such as, derivatives are measured at fair value at each balance sheet date.

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

## Notes to Consolidated Financial Statements

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

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

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

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

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

- a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

External valuers are involved for valuation of assets such as investment properties. Involvement of external valuers is decided upon annually by the Group. At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the accounting

policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. Other fair value related disclosures are given in the relevant notes (Refer Note 41.1).

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above (Refer Note 41.2).

### 5.4 Use of Estimates

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

### 5.5 Cash and Cash Equivalents

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

### 5.6 Cash Flow Statement

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

For the purpose of the consolidated statement of cash flows, cash and cash equivalents are as defined above, net of outstanding bank overdrafts as they are considered an integral part of the cash management of the Group.

## Notes to Consolidated Financial Statements

### 5.7 Property, Plant and Equipment

Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is measured at cost and not depreciated. Cost includes related taxes, duties, freight, insurance, etc. attributable to the acquisition and installation of the Property, Plant and Equipment but excludes duties and taxes that are recoverable from tax authorities. When significant parts of plant and equipment are required to be replaced at intervals, it is depreciated separately based on their specific useful life.

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

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

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

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

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate (Refer Note 5.19).

Pursuant to transition to Ind AS, the Group has elected to continue with the carrying value of all of its Property,

Plant and Equipment as per the previous GAAP as its deemed cost on the transition date.

#### Capital Work-in-Progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, net of accumulated impairment loss if any. Cost comprises direct cost and attributable interest. Once it becomes available for use, their cost is re-classified to appropriate caption and subjected to depreciation.

### 5.8 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

### 5.9 Investment Properties

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

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

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if

## Notes to Consolidated Financial Statements

the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, it is depreciated separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation on building classified as investment property has been provided on the straight-line method over a period of 30-60 years as prescribed in Schedule II to the Companies Act, 2013. These are based on the estimate of their useful lives taking into consideration technical factors.

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

Pursuant to transition to Ind AS, the Group has elected to continue with the carrying value of all of its Investment Properties as per the previous GAAP as its deemed cost on the transition date.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of de-recognition.

### 5.10 Impairment of Non-Financial Assets

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

The impairment calculations are based on detailed budgets and forecast calculations which are prepared separately for each of the cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts cash flow projections in the budget are extrapolated using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

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

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

### 5.11 Inventories

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

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

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

## Notes to Consolidated Financial Statements

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

Cost of Traded goods includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

### 5.12 Revenue from Contracts with Customers

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, regardless of when the payment is being made. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

The Group is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

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

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

#### Sale of Goods and Services:

Revenue from sale of goods is recognised when control of the goods is transferred to the Customers. The normal credit term is 30 to 120 days from the invoice date.

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised

amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

#### Rendering of Services:

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

#### Contract Balances:

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the Customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade Receivable represents the Group's right to an amount of consideration that is unconditional. Refer to accounting policies of financial assets in Note 5.27.A.

#### Construction Contracts:

Performance obligations with reference to construction contracts are satisfied over the period of time, and accordingly, Revenue from such contracts is recognised based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs. Revenue is adjusted towards liquidated damages, and price variations / escalation, wherever, applicable. Variation in contract work and other claims are included to the extent that the amount can be measured reliably and generally when it is agreed with customer. Estimates of revenue and costs are reviewed periodically and revised, wherever circumstances change, resulting increases or decreases in revenue determination, is recognised in the period in which estimates are revised.

Contract liability is the obligation to transfer goods or services to a Customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

#### Cost to obtain a contract:

The Group pays sales commission to agents for obtaining the contract. The Group has elected to apply the optional practical expedient for costs to obtain



## Notes to Consolidated Financial Statements

a contract which allows the Group to immediately expense sales commissions because the amortisation period of the asset that the Group otherwise would have used is one year or less.

### Warranty obligations:

The Group provides warranties for certain products and these warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in Note 5.22 Provisions and Contingencies.

### 5.13 Other Income

#### Dividends:

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

#### Interest Income:

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

#### Rental Income:

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

#### Royalty Income:

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

### 5.14 Government Grants, Subsidies and Export Incentives

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

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

On receipt of grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset, i.e. by equal annual instalments.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value of the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

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

### 5.15 Employee Benefits

#### I. Defined Contribution Plans

##### a. Superannuation

Contributions at a sum equivalent to 15% of eligible employees salary are made to Superannuation Funds administered by trustees and managed by Life Insurance Corporation of India (LIC). There is no liability for future Superannuation Fund benefits other than the annual contribution and such contributions are recognised as an expense in the year in which the services are rendered.

##### b. Provident Fund

Contributions towards Employees Provident Fund made to the Regional/Employee Provident Fund are recognised as expense in the year in which the services are rendered.

##### c. Employee State Insurance

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

#### II. Defined Benefit Plan

##### a. Gratuity

Annual contributions, in respect of Company and certain subsidiaries incorporated in India, are made to Gratuity Funds administered by trustees and the Contributions are invested in a Scheme with Life Insurance Corporation of India, as permitted by Indian Law. In respect of certain other subsidiaries incorporated in India the contributions are made to the Funds operated by such subsidiaries. The liability for future gratuity benefits is accounted for based on actuarial valuation, as at the Balance Sheet date, determined every year using the Projected Unit Credit method.

Re-measurements comprising of Actuarial gains/losses the effect of the asset ceiling, excluding amounts included in net interest on the net defined

## Notes to Consolidated Financial Statements

benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are immediately recognised in the balance sheet with a corresponding debit or Credit in to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to profit or loss in subsequent periods.

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The following changes are recognised in the net defined benefit obligation as an expense in the statement of profit and loss:

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

### b. Provident Fund

Eligible employees of the Group receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Group make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Group contributes a portion to the Group's Employee Provident Fund Trusts. These trust invest in specific designated instruments as permitted by the Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which annual interest is payable to the beneficiaries by the trusts is administered by the government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trusts and the notified interest rate.

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

### III. Long Term Compensated Absences

The accumulated leave expected to be carried forward beyond twelve months, as long-term

employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

### IV. Short Term Employee Benefits

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

### V. Voluntary Retirement Scheme

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

Employee benefits relating to employees of overseas subsidiaries are covered based on the labour laws prevailing in the country of incorporation of the subsidiaries.

### VI. Termination benefits:

Termination benefits are recognised as an expense when the entity can no longer withdraw the offer of the termination benefits or when the entity recognise any related restructuring costs whichever is earlier.

### 5.16 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and low value leases. The Group recognises lease liabilities to make lease payments

## Notes to Consolidated Financial Statements

and right-of-use assets representing the right to use the underlying assets.

### a. Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment. Right-of-use assets mainly consists of land, building and vehicles, having a lease term of 2 to 95 years.

### b. Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are

included in financial liabilities.

### c. Short-term leases and Leases of Low Value Assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases on low value assets are recognised as expense on a straight-line basis over the lease term.

### Operating Lease as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## 5.17 Foreign Currency Transactions

### Initial recognition

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

### Measurement as at Balance Sheet Date

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

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

### Treatment of exchange differences

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities are recognised as income or expense in the statement of profit and loss.

### Consolidation of subsidiaries situated in foreign countries

The translation of financial statements of the foreign subsidiaries from their respective functional currencies

## Notes to Consolidated Financial Statements

to the presentation currency (INR) is performed for assets and liabilities using the exchange rates prevailing at the reporting date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under OCI.

When a subsidiary is disposed of, in full, the relevant amount is transferred to net profit in the consolidated statement of profit and loss. However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

### 5.18 Derivative Instruments and Hedge Accounting

#### Cash flow Hedge

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

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

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

Changes in the fair value of Derivative Contracts that do not qualify for hedge accounting are recognized in the statement of profit and loss as they arise.

The amounts recognised in the Other Comprehensive Income are transferred to the statement of profit and loss when the hedged transactions crystalizes.

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

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

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge by applying the hedge accounting principles set out in Ind AS 109 – "Financial Instruments". The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

### 5.19 Depreciation and Amortisation

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

Description of Assets	Useful life
Plant & Machinery	7.5 Years - 15 Years
Electrical Appliances	5 Years – 10 Years
Furniture & Fixtures	10 Years
Factory Buildings	30 Years
Other Buildings	60 Years
Vehicles	4 Years

The following category of Property, Plant and Equipment and Intangibles are not depreciated/ amortised as per Schedule II of Companies Act, 2013. These category of Property, Plant and Equipment and Intangibles are depreciated/amortised based on the Group's estimate of their useful lives taking into consideration, technical advice:

## Notes to Consolidated Financial Statements

Description of Assets	Category	Useful life
Buildings - Roof structure on certain factory areas, where useful life is less	PPE	3 Years – 93 Years
Plant and Machinery - Special tools and special purpose machines used in door frame products	PPE	4 Years
Plant and Machinery - used in die making process	PPE	10 Years
Plant and Machinery – Others	PPE	1 Year - 20 Years
Office Equipment - Data Processing Equipment	PPE	1 Year - 15 Years
Vehicles - Motor Vehicles	PPE	1 Year - 10 Years
Furniture & Fixtures	PPE	1 Year - 15 Years
Software	Intangibles	3 Years - 15 Years
Other Intangibles	Intangibles	2 Years - 15 Years
Intangible Asset on Lease Contract	Intangibles	19 Years - 71 Years
Technical Know-How	Intangibles	6 Years- 11 Years
Brand	Intangibles	5 Years – 15 Years
Customer Relationship	Intangibles	1 Years – 7 Years
Development cost R&D	Intangibles	3 Years

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

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

### 5.20 Research and Development

Revenue expenditure on research and development is expensed when incurred. Capital expenditure on research and development is capitalised under Property, Plant and Equipment and depreciated in accordance with Note 5.19 above.

Development expenditure on an individual project is capitalised as intangible asset, if all of the following criteria can be demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The Group has intention to complete the development of intangible asset and use or sell it;

- The Group has ability to use or sell the intangible asset;
- The manner in which the probable future economic benefit will be generated including the existence of a market for output of the intangible asset or the intangible asset itself or if it is to be used internally, the usefulness of the intangible asset;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The Group has ability to measure the expenditure attributable to the intangible asset during the development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over a period of five years. During the period of development, the asset is tested for impairment annually.

### 5.21 Taxes on Income

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The DTA is recognised for MAT credit available only to the extent that it is probable that the group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as deferred tax asset. The Group reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is probable that it will pay normal tax during the specified period.



## Notes to Consolidated Financial Statements

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred Tax Liability is not recognised in respect of taxable temporary differences associated with investments in subsidiaries and investments in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- i. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ii. In respect of taxable temporary differences associated with investments in subsidiaries, and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except

- i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit

will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside the Statement of profit and loss is recognised outside Statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

In the situations where one or more entities in the Group are entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate.

In respect of overseas subsidiaries, income tax is provided for based on income tax laws prevailing in the country of incorporation of the respective subsidiaries.

Expenses and assets are recognised net of the amount of sales/ taxes paid, except when the tax incurred on a purchase of assets or services is not recoverable, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

### 5.22 Provisions and Contingencies

A provision is recognized when there is a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at

## Notes to Consolidated Financial Statements

the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

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

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

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

### 5.23 Borrowing Costs

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

### 5.24 Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of parent company by the weighted average number of equity shares outstanding during the period.

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

### 5.25 Share Based Payments (Employees Stock Option Scheme)

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

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

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

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

### 5.26 Cash Dividend

The Group recognises a liability to make cash distributions to equity holders, when the distribution is authorised and the distribution is no longer at the

## Notes to Consolidated Financial Statements

discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### 5.27 Financial Instruments

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

#### A. Financial Assets

##### i. Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables that do not contain a significant financing component are measured at transaction price.

##### ii. Subsequent Measurement

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

- a. Debt instruments at amortised cost
- b. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- c. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

#### Debt Instruments at Amortised Cost

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

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

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

#### Debt Instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### Debt Instrument at FVTPL

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

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

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

#### Equity Investments

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

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

## Notes to Consolidated Financial Statements

### iii. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised primarily when:

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

### iv. Impairment of Financial Assets

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

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

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

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

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

- a. All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot

be estimated reliably, then the group is required to use the remaining contractual term of the financial instrument

- b. Cash flows from the sale of collateral held or other Credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reported under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

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

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

## B. Financial Liabilities

### i. Initial Recognition and Measurement

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

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

### ii. Subsequent measurement

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

#### Financial Liabilities at Fair Value Through Profit or Loss

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

## Notes to Consolidated Financial Statements

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

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

### Loans and Borrowings

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

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

### De-recognition

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

### Offsetting of Financial Instruments

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

### C. Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the Group to make specified payment to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Group

are initially measured at their fair values and, if not designated as at FVTPL, are Subsequently measured at the higher of, the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

### 5.28 Segment accounting:

Operating segments are those components of the business whose operating results are regularly reviewed by the management to make decisions for performance assessment and resource allocation. Segment performance is evaluated based on the profit or loss of reportable segment and is measured consistently.

The Operating segments have been identified on the basis of the nature of products / services.

- a. Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
- b. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under unallocable expenditure.
- c. Income which relates to the Group as a whole and not allocable to segments is included in unallocable income.
- d. Segment result includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Group.
- e. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

### 5.29 Exceptional items:

An item of income or expense which by its size, type or incidence is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed as such in the CFS.

### 5.30 Non-current assets held for sale and discontinued operations:

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are



## Notes to Consolidated Financial Statements

measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss. Also comparative statement of profit and loss is represented as if the operation had been discontinued from the start of the comparative period. Assets and liabilities classified as held for disposal are presented separately from other assets and liabilities in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

### 5.31 New and amended standards

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 01<sup>st</sup> April 2022.

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022.

#### (i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable costs of meeting the obligations under the contract costs (i.e., the costs that the group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil

the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

This amendment did not have any impact for the group.

#### (ii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 01<sup>st</sup> April 2022. These amendments had no impact on the standalone financial statements of the group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

#### (iii) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

In accordance with the transitional provisions, the group applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the standalone financial statements of the group as there were no modifications of the group's financial instruments during the period.

# Notes to Consolidated Financial Statements

## Note 6a. Property, Plant and Equipment

₹ in Crores

Particulars	Gross Block at Cost					Depreciation				Impairment (Refer Note d)			Net Block				
	As at 31-Mar-2022	Acquisition through Business Combination (Refer Note 40.2)	Transfer to Discontinued Operations (Refer Note 43)	Exchange Fluctuation pertaining to Foreign Subsidiaries	Additions	Deletions	As at 31-Mar-2023	As at 31-Mar-2022	Transfer to Discontinued Operations (Refer Note 43)	Exchange Fluctuation pertaining to Foreign Subsidiaries	For the Year	On Deletions	As at 31-Mar-2023	As at 31-Mar-2022	As at 31-Mar-2023		
Land (Freehold & Leashold)	211.02	1.40	(23.75)	0.53	7.65	0.09	196.76	-	0.09	2.12	0.09	2.12	2.12	-	194.64	211.02	
	(206.03)	-	-	0.30	(5.29)	-	(211.02)	-	-	-	-	-	-	-	(211.02)	(206.03)	
Buildings	914.75	-	(38.90)	6.16	46.94	21.67	907.28	156.97	0.54	45.98	21.48	(0.60)	182.01	-	2.83	722.44	757.78
	(909.24)	-	-	3.74	(12.03)	(2.78)	(914.75)	(118.37)	2.22	(41.42)	(0.60)	(156.97)	-	-	(757.78)	(790.87)	
Plant & Machinery	1,880.89	3.71	(63.19)	12.05	232.53	67.95	1,978.04	970.40	1.56	177.04	67.46	(9.14)	1,059.60	-	26.34	892.10	890.49
	(1,683.39)	-	-	13.60	(207.23)	(16.13)	(1,860.89)	(803.40)	11.96	(188.10)	(9.14)	(970.40)	-	-	(890.49)	(879.99)	
Railway Siding	0.01	-	-	-	-	-	0.01	-	-	-	-	-	-	-	-	0.01	0.01
	(0.01)	-	-	-	-	-	(0.01)	-	-	-	-	-	-	-	-	(0.01)	(0.01)
Office Equipment	62.32	0.37	(1.54)	0.54	16.45	2.89	75.25	33.97	0.48	7.36	2.73	(0.37)	38.93	-	-	36.32	28.35
	(55.15)	-	-	0.69	(8.23)	(0.37)	(62.32)	(29.51)	0.84	(5.67)	(0.37)	(33.97)	-	-	(28.35)	(25.64)	
Furniture & Fixtures	28.36	0.41	(0.97)	0.04	3.76	1.12	30.48	12.03	0.03	3.44	0.97	(0.98)	13.55	-	0.07	16.86	16.33
	(27.69)	-	-	(0.02)	(0.89)	(0.24)	(28.36)	(8.31)	(0.05)	(3.83)	(0.16)	(12.03)	-	-	(16.33)	(19.38)	
Vehicles	16.75	-	(0.06)	0.10	17.86	6.96	27.69	5.47	0.07	5.15	4.79	(0.02)	5.88	-	-	21.81	11.28
	(14.64)	-	-	0.14	(7.82)	(5.57)	(16.75)	(6.91)	0.11	(3.24)	(4.57)	(5.47)	-	-	(11.28)	(7.73)	
<b>TOTAL</b>	<b>3,094.10</b>	<b>5.89</b>	<b>(128.41)</b>	<b>19.42</b>	<b>325.19</b>	<b>100.68</b>	<b>3,215.51</b>	<b>1,178.84</b>	<b>2.77</b>	<b>241.09</b>	<b>97.52</b>	<b>(23.09)</b>	<b>1,302.09</b>	<b>-</b>	<b>29.24</b>	<b>1,884.18</b>	<b>1,915.26</b>
	(2,896.15)	-	-	18.45	(241.49)	(25.09)	(3,094.10)	(966.50)	15.08	(242.26)	(14.84)	(1,178.84)	-	-	(1,915.26)	(1,929.65)	

### Notes:

- All the above assets are owned by the Company unless otherwise stated as leased asset.
- Previous Year Figures are given in brackets
- Non Convertible Debentures are secured by first pari-passu charge on certain Land and Building (refer note 15a and 17a).
- During the year ended 31<sup>st</sup> March 2023 impairment loss of ₹29.27 Cr. has been recognised towards write-down of property, plant & equipment and intangible assets of certain Cash Generating Units pertaining to the "Other Business Segment" to their recoverable amount on account of various market factors, uncertainties related to future project potential and expected usage. The losses have been recognized in the statement of Profit and Loss under exceptional items.
- On transition to Ind AS (i.e. 1<sup>st</sup> April 2016), the Company has elected to continue with the carrying value of all Property, Plant and Equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, Plant and Equipment.

# Notes to Consolidated Financial Statements

## Note 6b - Right-of-use assets

₹ in Crores

Particulars	Gross Block at Cost				Amortisation			Net Block					
	As at 31-Mar-2022	Acquisition through Business Combination (Refer Note 40.2)	Exchange Fluctuation pertaining to Foreign Subsidiaries	Additions	Deletions	As at 31-Mar-2023	As at 31-Mar-2022	For the Year	On Deletions	As at 31-Mar-2023	As at 31-Mar-2022		
Land (Leasehold)	330.79	-	-	11.11	7.90	334.00	35.29	0.86	4.45	6.36	34.24	299.76	295.50
	(313.25)	-	(1.84)	(29.68)	(13.98)	(330.79)	(26.34)	(0.60)	(8.35)	-	(35.29)	(295.50)	(286.91)
Buildings	53.91	19.55	0.66	12.73	24.35	62.50	21.89	0.41	8.60	3.39	27.51	34.99	32.02
	(57.65)	-	0.07	(4.87)	(8.54)	(53.91)	(14.79)	(0.29)	(7.64)	(0.83)	(21.89)	(32.02)	(42.86)
Vehicles	4.22	1.51	0.24	0.84	2.32	4.49	4.22	0.25	1.48	1.46	4.49	-	-
	(2.19)	-	(0.22)	(1.81)	-	(4.22)	(1.95)	-	(2.27)	-	(4.22)	-	(0.24)
Office equipments	0.48	-	-	-	-	0.48	0.16	-	-	-	0.16	0.32	0.32
	-	-	-	(0.48)	-	(0.48)	-	-	(0.16)	-	(0.16)	(0.32)	-
Plant & Machinery	2.16	-	0.13	0.40	-	2.69	0.72	0.14	0.39	-	1.25	1.44	1.44
	(1.94)	-	(0.22)	-	-	(2.16)	-	(0.10)	(0.62)	-	(0.72)	(1.44)	(1.94)
TOTAL	391.56	21.06	1.03	25.08	34.57	404.16	62.28	1.66	14.92	11.21	67.65	336.51	329.28
	(375.03)	-	(2.21)	(36.84)	(22.52)	(391.56)	(43.08)	(0.99)	(19.04)	(0.83)	(62.28)	(329.28)	(331.95)

### Notes:

- Previous Year Figures are given in brackets
- The Group's application for renewal of lease in respect of property in Mumbai is considered by local municipal corporation, however documentation formalities in this regards are in progress. The net book value of tangible assets in relation to this property as at 31<sup>st</sup> March, 2023 is ₹182.67 Cr. (as at 31<sup>st</sup> March, 2022 ₹187.44 Cr.).

## Note 6c. Capital Work in progress (CWIP)

### CWIP Ageing Schedule

Particulars	Amount in CWIP for a period of				
	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	31-Mar-23
Projects in progress	153.90	19.58	3.92	0.53	177.93
Projects temporarily suspended	-	-	-	-	-
	99.09	15.64	2.41	0.13	117.27

# Notes to Consolidated Financial Statements

Capital work in progress (CWIP) completion schedule as at 31-03-2023\*

Particulars	To be completed in			To be completed in		
	< 1 Year	1 - 2 Years	> 3 Years	< 1 Year	1 - 2 Years	> 3 Years
Variable frequency drives frame	0.90	-	-	0.90	-	-
VSI modules	-	-	-	4.58	-	-
Variable frequency drives	1.45	-	-	1.37	-	-
Ermo variable frequency drives	-	-	-	0.20	-	-
Softstarter high power range	4.08	-	-	-	-	-
Other Business	2.41	-	-	2.41	-	-
<b>Total</b>	<b>8.84</b>	<b>-</b>	<b>-</b>	<b>8.84</b>	<b>9.49</b>	<b>-</b>

\*Project wise completion schedule where project cost has exceeded or projects are overdue

## Movement of Capital Work-in-Progress

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Opening Balance as at the beginning of the year	117.27	138.27
Movement during the year	60.66	(21.00)
<b>Closing Balance as at the end of the year</b>	<b>177.93</b>	<b>117.27</b>

## Note 6d - Intangible Assets

Particulars	Gross Block at Cost				Amortisation				Impairment (Refer Note d)				Net Block					
	As at 31-Mar-2022	Acquisition through Business Combination (Refer Note 40.2)	Transfer to Discontinued Operations (Refer Note 43)	Exchange Fluctuation pertaining to Foreign Subsidiaries	As at 31-Mar-2023	As at 31-Mar-2022	For the Year	On Deletions	As at 31-Mar-2023	As at 31-Mar-2022	Additions	Deletions	As at 31-Mar-2023	As at 31-Mar-2022				
Software	6.72	0.17	(5.21)	0.69	16.44	-	18.81	4.15	(2.61)	0.67	3.00	-	0.03	-	5.21	0.03	13.57	2.57
	(3.79)	-	-	0.65	(3.58)	-	(6.72)	(2.55)	-	0.75	(2.35)	-	-	-	(4.15)	-	(2.57)	(1.24)
Fair Value of Lease Contracts	9.50	-	-	(0.20)	-	-	9.30	1.57	-	(0.01)	0.26	-	-	-	1.82	-	7.48	7.93
	(9.50)	-	-	-	-	-	(9.50)	(1.07)	-	-	(0.50)	-	-	-	(1.57)	-	(7.93)	(8.43)
Technical Know-How	194.12	173.59	-	5.35	-	-	373.06	37.04	-	5.38	39.04	-	-	-	81.46	-	291.60	157.08
	(194.92)	-	-	1.82	(1.02)	-	(194.12)	(8.16)	-	(0.60)	(28.28)	-	-	-	(37.04)	-	(157.08)	(186.76)
Brand	144.47	-	(17.84)	8.23	-	-	134.86	20.36	(7.31)	8.18	8.99	-	-	-	30.22	-	104.64	124.11
	(149.96)	-	-	5.49	-	-	(144.47)	(5.74)	-	(4.22)	(10.40)	-	-	-	(20.36)	-	(124.11)	(144.22)

## Notes to Consolidated Financial Statements

Particulars	Gross Block at Cost				Amortisation				Impairment (Refer Note d)			Net Block				
	As at 31-Mar-2022	Acquisition through Business Combination (Refer Note 40.2)	Transfer to Discontinued Operations (Refer Note 43)	Exchange Fluctuation pertaining to Foreign Subsidiaries	Additions	Deletions	As at 31-Mar-2023	As at 31-Mar-2022	On Deletions For the Year	Transfer to Discontinued Operations (Refer Note 43)	Exchange Fluctuation pertaining to Foreign Subsidiaries	As at 31-Mar-2023	As at 31-Mar-2022	As at 31-Mar-2023	As at 31-Mar-2022	
Customer Relationship	154.63	-	-	-	-	-	154.63	50.86	-	-	-	110.01	-	-	44.62	103.77
	(154.63)	-	-	-	-	-	(154.63)	(9.21)	-	(41.65)	-	(50.86)	-	-	(103.77)	(145.42)
Development Cost	10.03	-	(6.66)	(1.19)	12.14	-	14.32	0.62	(3.14)	(0.50)	4.00	0.98	-	-	13.34	9.41
	(0.45)	-	-	1.98	(11.56)	-	(10.03)	(0.31)	-	1.59	(1.90)	(0.62)	-	-	(9.41)	(0.14)
Non Compete	-	69.55	-	-	0.02	-	69.57	-	-	-	24.27	24.27	-	-	45.30	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Order Book	-	4.36	-	-	-	-	4.36	-	-	-	0.70	0.70	-	-	3.66	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Intangibles	-	-	-	1.00	1.67	-	2.67	-	-	0.91	0.24	1.15	-	-	1.52	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	519.47	247.67	(29.71)	13.88	30.27	-	781.58	114.60	(13.06)	14.63	139.65	255.82	-	0.03	525.73	404.87
	(513.25)	-	-	9.94	(16.16)	-	(519.47)	(27.04)	-	(2.48)	(85.08)	(114.60)	-	-	(404.87)	(486.21)

Notes:

- Previous Year Figures are given in brackets
- On transition to Ind AS (i.e. 1st April 2016), the Company has elected to continue with the carrying value of all Intangible Assets measured as per the previous GAAP and use that carrying value as the deemed cost of Intangible Assets.

### Note 6e. Intangible Assets under Development

Particulars	< 1 Year			1 - 2 Years			2 - 3 Years			> 3 Years		
	< 1 Year	1 - 2 Years	2 - 3 Years	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	> 3 Years	> 3 Years	> 3 Years	> 3 Years	> 3 Years
Projects in progress	11.03	1.17	-	1.24	13.44	4.78	0.10	3.54	2.59	11.01	-	-
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>11.03</b>	<b>1.17</b>	<b>-</b>	<b>1.24</b>	<b>13.44</b>	<b>4.78</b>	<b>0.10</b>	<b>3.54</b>	<b>2.59</b>	<b>11.01</b>	<b>-</b>	<b>-</b>

Notes:

- There are no overdue projects as at March 31, 2023 and March 31, 2022



## Notes to Consolidated Financial Statements

### Note 6f. Goodwill on Consolidation

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
<b>Opening Balance as at beginning of the year</b>	663.14	664.67
Adjustment on account of business combination (Refer Note 40.2)	169.73	-
Effect of Foreign Currency Translation	1.61	(1.53)
<b>Closing Balance as at end of the year</b>	<b>834.48</b>	<b>663.14</b>
<b>Impairment</b>		
<b>Opening Balance as at beginning of the year</b>	-	-
Impairment during the year	-	-
<b>Closing Balance as at end of the year</b>	-	-
<b>Goodwill as at end of the year</b>	<b>834.48</b>	<b>663.14</b>

#### Goodwill recognised at the time of acquisition of Shanthi Gears Limited (SGL)

The Goodwill recognised at the time of acquisition of the SGL represents 34% of the total Goodwill carried by the Group amounting to ₹284.30 Cr. The quoted market value of shares of SGL held by the group as on 31<sup>st</sup> March 2023 is ₹1,984.18 Cr. which is significantly higher than the acquisition price. Accordingly, based on the assessment of goodwill done by the group, it believes that the carrying amount of goodwill is recoverable and no impairment has been considered.

#### Goodwill recognised at the time of acquisition of CG Power and Industrial Solutions Limited (CGPISL)

The Goodwill recognised at the time of acquisition of the CGPISL represents 42% of the total Goodwill carried by the Group amounting to ₹352.65 Cr. The quoted market value of shares of CGPISL held by the group as on 31<sup>st</sup> March 2023 is ₹26,599.00 Cr. which is significantly higher than the acquisition price. Accordingly, based on the assessment of goodwill done by the group, it believes that the carrying amount of goodwill is recoverable and no impairment has been considered.

#### Goodwill recognised at the time of acquisition of IPLT and CEMPL (Subsidiaries of TICM)

The Goodwill amounting to ₹162.18 Cr recognised at the time of acquisition of IPLT and CEMPL (Subsidiaries of TICM) represents 19 % of the total goodwill carried by the Group. The recoverable value was determined by an independent valuer using Discounted Cashflow projections. The discount rate applied to the cashflow projections during the current year is assumed between the 17 % - 23 % in line with the Industry in which the group operates. Further the projections covered a period of 5 years with a terminal growth rate of 3%. The projections for discounted cashflow projections are relatively sensitive to the assumptions relating to gross margin, discount rate and growth rate which is determined based on industry outlook.

### Note 7. Investment Properties

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
<b>Opening Balance as at beginning of the year</b>	14.01	14.01
Additions during the year	-	-
<b>Closing Balance as at end of the year</b>	<b>14.01</b>	<b>14.01</b>
<b>Depreciation</b>		
<b>Opening Balance as at beginning of the year</b>	2.09	1.75
Other Adjustment	-	0.14
Depreciation during the year	0.20	0.20
<b>Closing Balance as at end of the year</b>	<b>2.29</b>	<b>2.09</b>
<b>Net Block as at the end of the year</b>	<b>11.72</b>	<b>11.92</b>

## Notes to Consolidated Financial Statements

### Information regarding income and expenditure of Investment property

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Rental Income derived from Investment Properties	2.20	2.28
Direct Operating Expenses (including repairs and maintenance)	-	-
<b>Profit arising from Investment Properties before Depreciation and Indirect Expenses</b>	<b>2.20</b>	<b>2.28</b>
Depreciation	(0.20)	(0.20)
<b>Profit arising from Investment Properties before Indirect Expenses</b>	<b>2.00</b>	<b>2.08</b>

### Reconciliation of fair value:

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Opening Balance as at beginning of the year</b>	<b>44.85</b>	<b>44.68</b>
Fair value difference	0.80	0.17
<b>Closing Balance as at end of the year</b>	<b>45.65</b>	<b>44.85</b>

The Group's Investment Property consists of properties in Chennai, Mumbai and Coimbatore.

As at 31<sup>st</sup> March 2023, the Fair Value of the Properties is ₹45.65 Cr. (31<sup>st</sup> March 2022 - ₹44.85 Cr.)

The fair value of the investment properties are determined by an accredited Independent valuer, who is a specialist in valuing these types of investment properties and is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The valuation model in accordance with that recommended by the Valuation Standards Committee has been applied. The resulting Fair Value Estimates are classified under Level 3 of the Fair Value Hierarchy (Refer Note 41.2).

On transition to Ind AS (i.e. 1<sup>st</sup> April 2016), the Company has elected to continue with the carrying value of all Investment Properties measured as per the previous GAAP and use that carrying value as the deemed cost of Investment Property.

The Group has no restrictions on the disposal of its Investment Property and no contractual obligations to purchase, construct or develop Investment Property or for repairs, maintenance and enhancements.

### Note 8a. Investment in Joint ventures and Associates

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Investments at Cost:</b>		
<b>Equity Shares (Fully Paid) - Unquoted</b>		
<b>Investment in Joint Ventures</b>		
Cellestial E-Mobility Private Limited and its Subsidiary (Refer Note i)	-	157.98
M/s X2Fuels and Energy Private Limited (Refer Note ii)	6.12	-
<b>Investment in Associates</b>		
M/s Aerostrovilos Energy Private Limited	3.29	3.43
<b>Total</b>	<b>9.41</b>	<b>161.41</b>

#### Notes:

- i) During the previous year, the Holding Company incorporated a wholly owned subsidiary viz., TI Clean Mobility Private Limited ("TICMPL") to pursue and engage in Clean Mobility business interests and electric three-wheeler business with an initial equity investment of ₹100 Cr. During the current year the company further invested ₹150 Cr. in TICMPL by way of Subscription to 15 Cr. Equity shares of ₹10 each.

During the previous year, TICMPL acquired 1,41,677 equity shares of the face value of ₹10/- each, representing about 69.95% of the subscribed and paid up share capital of M/s. Cellestial E-Mobility Private Limited ("CEMPL"), a company engaged in design and manufacture of electric tractors, aviation ground support electric equipment and other electric machinery for a consideration of ₹160.90 Cr. TICMPL had joint control over CEMPL on such acquisition. During the

## Notes to Consolidated Financial Statements

current year, it acquired the remaining 30.04% equity shares (60,860 equity shares) held by the founders of CEMPL for an aggregate consideration of ₹50.90 Cr., and CEMPL became wholly owned subsidiary of TICMPL. (Refer Note 40.2)

- ii) During the year, the Holding company was allotted 10,753 equity shares of face Value of ₹10 each fully paid up, representing 50% of the paid up share capital of M/s. X2Fuels and Energy Private Limited (“X2Fuels”) for an aggregate consideration of ₹6.15 Cr. pursuant to the Shares Subscription Agreement executed between the Holding company, X2Fuels and other parties to Share Subscription Agreement. TII has Joint control over X2Fuels.

### Note 8b. Financial assets - Other Investments

Particulars	Nominal Value ₹ per unit	Number of Securities		₹ in Crores	
		As at 31-Mar-2023	As at 31-Mar-2022	As at 31-Mar-2023	As at 31-Mar-2022
<b>(A) Investments at Fair Value Through Other Comprehensive Income (FVTOCI):</b>					
<b>Equity Shares (Fully Paid) - Unquoted</b>					
Bombay Mercantile Co-op. Limited (Fair value ₹5,000 only) (Refer Note b)	10	500	500	-	-
Southern Energy Development Corporation Limited	10	70,000	70,000	7.68	7.46
TI Cycles of India Co-operative Canteen Limited (Fair value - ₹250 only) (Refer Note b)	5	50	50	-	-
TI Diamond-Miller Co-operative Canteen Limited (Fair value - ₹100 only) (Refer Note b)	5	20	20	-	-
Watsun Infrabuild Private Limited	10	10,55,913	10,55,913	1.06	1.06
<b>Total (A)</b>				<b>8.74</b>	<b>8.52</b>
<b>(B) Investments at Amortised Cost:</b>					
<b>Investments in Bonds - Quoted</b>					
PFC Tax Free Bonds	1,000	2,567	2,567	0.26	0.26
IRFC Tax Free Bonds	1,000	36,783	36,783	3.95	3.96
NHAI Bonds 2015 escrow A/c	1,000	71,428	71,428	8.01	8.01
IREDA Tax Free Bonds	1,000	23,624	23,624	2.41	2.41
HUDCO Tax Free Bonds	1,000	18,442	18,442	1.87	1.87
NABARD Tax Free Bonds	1,000	4,008	4,008	0.40	0.40
RECL Tax Free Bonds	1,000	28,000	28,000	3.23	3.23
NTPC Tax Free Bonds	1,000	-	17,735	-	1.99
NHPC Limited Tax Free Bonds	1,000	800	800	0.09	0.09
Central Government Securities 10.18% 2026	100	39,000	39,000	0.39	0.39
<b>Total (B)</b>				<b>20.61</b>	<b>22.61</b>
<b>(C) Investments at Fair Value Through Profit and Loss (FVTPL):</b>					
Particulars	Nominal Value ₹ per unit	Number of Securities		₹ in Crores	
		As at 31-Mar-2023	As at 31-Mar-2022	As at 31-Mar-2023	As at 31-Mar-2022
<b>Equity Shares (Fully Paid) - Unquoted</b>					
Dinette Exclusive Club Pvt Ltd	100	500	500	0.01	0.01
Radiant Electronics Limited (Refer Note b)	100	1,90,000	1,90,000	-	-
<b>Other non-current investments</b>				<b>0.50</b>	<b>0.17</b>
<b>Investments in Debentures/Bonds</b>					
Avantha Holdings Limited (Optionally Convertible, Zero Coupon, Non-marketable, Transferable Debentures) (Refer Note c)	100	8,00,000	8,00,000	-	8.00

## Notes to Consolidated Financial Statements

Particulars	Nominal Value ₹ per unit	Number of Securities		₹ in Crores	
		As at 31-Mar-2023	As at 31-Mar-2022	As at 31-Mar-2023	As at 31-Mar-2022
Dinette Exclusive Club Pvt Ltd (0% unsecured irredeemable non-convertible debentures)	100	5,000	5,000	0.05	0.05
<b>Total (C)</b>				<b>0.56</b>	<b>0.23</b>
Less: Provision for impairment in value of investment				-	(8.00)
				<b>0.56</b>	<b>0.23</b>
<b>Total (A + B + C)</b>				<b>29.91</b>	<b>31.36</b>
<b>Quoted</b>					
Cost				20.61	22.61
Market value				20.61	22.61
<b>Unquoted</b>					
Cost				1.70	9.37
Provision for impairment in value of investment				-	8.00

### Notes:

- Investments at fair value through OCI (fully paid) reflect investment in unquoted equity securities and quoted debt securities. The Group has irrevocably designated the unquoted equity securities as FVTOCI on the basis that these are not held for trading and considers these as strategic investments. Investments at amortised cost reflect investments in quoted tax free bonds. Refer Note 41.1 for determination of their fair value.
- Represents amounts less than ₹0.01 Cr.
- During the previous year, Group has written off investment of ₹8.00 Cr. in Avantha Holdings Limited ('AHL').

### Note 8c. Other Financial assets

(At Amortised Cost and considered good, unsecured unless stated otherwise)

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Electricity & Other deposits	30.76	23.65
Deposits with banks (with maturity period of more than 12 months)*	7.30	11.06
Advance to others	1.03	-
Others	10.50	21.46
	<b>49.59</b>	<b>56.17</b>
Less: Provision for doubtful advances	(1.03)	-
<b>Total</b>	<b>48.56</b>	<b>56.17</b>

\* Deposits of ₹3.69 Cr (as at 31<sup>st</sup> March, 2022 ₹0.01 Cr) are held as margin money.

### Note 9. Other non-current assets

(Considered Good, Unsecured unless stated otherwise)

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Capital Advances		
- Secured	12.18	4.81
- Unsecured	33.19	30.27
	<b>45.37</b>	<b>35.08</b>
Less: Provision for Doubtful Advance	(0.18)	(0.18)
	<b>45.19</b>	<b>34.90</b>
Balance with Customs, Excise and Sales Tax Authorities	18.72	21.27
Rental Advance	0.27	0.32
<b>Total</b>	<b>64.18</b>	<b>56.49</b>

## Notes to Consolidated Financial Statements

### Note 10. Inventories

(Lower of Cost and Net Realisable Value)

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Raw Materials	506.79	468.12
Work-in-Progress	448.76	469.23
Finished Goods	314.10	285.46
Stock-in-Trade	50.63	40.68
Stores and Spare Parts	11.67	12.06
Goods-in-Transit		
- Raw Materials	19.18	47.48
- Stock-in-Trade	1.78	4.08
<b>Total</b>	<b>1,352.91</b>	<b>1,327.11</b>

During the year ended 31<sup>st</sup> March 2023, ₹2.93 Cr. was recognised as expense to bring the inventories to record them at Net Realisable Value. (31<sup>st</sup> March 2022 - Income of ₹0.90 Cr.)

### Note 11a. Financial assets - Loans

(Considered Good, Unsecured unless stated otherwise)

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Loan to Employees	2.07	2.17
<b>Total</b>	<b>2.07</b>	<b>2.17</b>

Loan to employee are Non Derivative financial assets which generate a fixed or variable interest income for the group.

### Note 11b. Trade Receivables

(Unsecured)

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Considered Good	2,133.04	1,788.00
Provision for Receivables	(7.40)	(4.50)
	<b>2,125.64</b>	<b>1,783.50</b>
Trade Receivables which have significant increase in credit risk	4.33	3.14
Provision for Receivables	(1.07)	(1.30)
	<b>3.26</b>	<b>1.84</b>
Trade Receivables - credit impaired	116.33	166.94
Impairment Allowance (allowance for bad and doubtful debts)	(116.33)	(166.94)
	-	-
<b>Total</b>	<b>2,128.90</b>	<b>1,785.34</b>
<b>Breakup of Security - Credit Risk</b>		
Considered Good	2,133.04	1,788.00
Trade Receivables which have significant increase in credit risk	4.33	3.14
Trade Receivables - credit impaired	116.33	166.94
	<b>2,253.70</b>	<b>1,958.08</b>
<b>Provision for Doubtful / Impairment Allowance on Receivables</b>		
Considered Good	(7.40)	(4.50)
Trade Receivables which have significant increase in credit Risk	(1.07)	(1.30)
Trade Receivables - credit impaired	(116.33)	(166.94)
	<b>(124.80)</b>	<b>(172.74)</b>
<b>Total</b>	<b>2,128.90</b>	<b>1,785.34</b>



## Notes to Consolidated Financial Statements

### Reconciliation of Provision / Impairment for Receivables

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Opening Balance as at beginning of the year	172.74	189.33
Additions / adjustments on account of Business Combination (Refer Note 40.2)	(0.14)	-
Created / (Reversed) during the year	(47.80)	(16.59)
Closing Balance as at end of the year	124.80	172.74

Trade Receivables are non-interest bearing and generally have Credit period to a maximum of 120 days. For terms and conditions, relating to related party receivables, Refer Note 36. There are no dues by directors or other officers of the Group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member, other than as disclosed in Note 36. Refer Note 21 for trade receivable considered as contract balances.

### Break-up of Trade Receivables as at 31<sup>st</sup> Mar 2023

₹ in Crores

Particulars	Current but not due	Outstanding for following periods from due date of Payment					Total
		< 6 months	6 months - 1 year	1-2 Years	2-3 Years	> 3 Years	
(i) Undisputed trade Receivables – considered good	1,335.60	679.28	54.54	51.49	6.04	6.02	2,132.97
(ii) Undisputed trade Receivables – which have significant increase in credit risk	-	-	4.32	-	-	-	4.32
(iii) Undisputed trade Receivables – credit impaired	-	-	0.78	9.85	21.52	83.46	115.61
(iv) Disputed trade Receivables – considered good	-	-	-	0.07	-	-	0.07
(v) Disputed trade Receivables – which have significant increase in credit risk	-	-	-	-	-	0.01	0.01
(vi) Disputed trade Receivables – credit impaired	-	-	-	-	0.04	0.68	0.72
<b>Total</b>	<b>1,335.60</b>	<b>679.28</b>	<b>59.64</b>	<b>61.41</b>	<b>27.60</b>	<b>90.17</b>	<b>2,253.70</b>

### Break-up of Trade Receivables as at 31<sup>st</sup> Mar 2022

₹ in Crores

Particulars	Current but not due	Outstanding for following periods from due date of Payment					Total
		< 6 months	6 months - 1 year	1-2 Years	2-3 Years	> 3 Years	
(i) Undisputed trade Receivables – considered good	1,201.10	525.08	27.76	5.82	18.58	9.16	1,787.50
(ii) Undisputed trade Receivables – which have significant increase in credit risk	-	-	2.98	-	-	0.14	3.12
(iii) Undisputed trade Receivables – credit impaired	-	0.02	1.57	7.96	91.60	65.03	166.18
(iv) Disputed trade Receivables – considered good	-	0.09	0.23	0.09	-	0.09	0.50
(v) Disputed trade Receivables – which have significant increase in credit risk	-	-	0.01	-	-	0.01	0.02
(vi) Disputed trade Receivables – credit impaired	-	-	-	0.04	0.09	0.63	0.76
<b>Total</b>	<b>1,201.10</b>	<b>525.19</b>	<b>32.55</b>	<b>13.91</b>	<b>110.27</b>	<b>75.06</b>	<b>1,958.08</b>

## Notes to Consolidated Financial Statements

### Note 11c. Financial assets - Investments

Particulars	Face value per unit in ₹	No of Shares/ Unit			₹ in Crores	
		As at 31-Mar-2023	As at 31-Mar-2022	As at 31-Mar-2023	As at 31-Mar-2022	
<b>Quoted Investments - FVTPL</b>						
Investments in Mutual Funds				687.92	348.98	
<b>Investments in equity instruments (FVTPL)</b>				0.01	0.01	
<b>Investments at Amortised Cost:</b>						
NTPC Tax Free Bonds	1,000.00	17,735	-	1.99	-	
<b>Total</b>				<b>689.92</b>	<b>348.99</b>	

During the year, the Group has invested an aggregate amount of ₹4,135.35 Cr. (Previous Year - ₹2,121.04 Cr.) in the units of various Cash Management Schemes of Mutual funds/Bonds, for the purposes of deployment of temporary cash surplus and has ₹689.92 Cr. (Previous Year - ₹348.99 Cr.) in mutual funds/Bonds as at year end. The total consideration received on the sale of units during the year was ₹3,810.51 Cr. (Previous Year - ₹2,103.93 Cr.).

### Note 11d. Cash and Cash Equivalents

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Balances with Banks in Current Account	203.02	164.58
Bank Deposits with maturity less than 3 months	639.79	239.40
Cash on Hand	0.02	7.23
<b>Total Cash and Cash Equivalents</b>	<b>842.83</b>	<b>411.21</b>
Cash Credit facility (Secured)	(0.02)	(1.62)
Cash and Cash Equivalents from Discontinued Operations	30.13	2.21
<b>Total Cash and Cash Equivalents as per Statement of Cash Flow</b>	<b>872.94</b>	<b>411.80</b>

Notes:

(a) As at 31<sup>st</sup> March 2023, the Group has undrawn committed lines of ₹836.15 Cr. (As at 31<sup>st</sup> March 2022 - ₹894.36 Cr.).

(b) **Changes in Liabilities arising from Financing Activities:**

Particulars	As at 31-Mar- 2022	Additions on account of Business Combination (Refer Note 40.2)	Additions / Deletions to Lease	Cash Inflows / (Outflows)	Foreign exchange movement impact	Finance cost charged during the year	₹ in Crores
							As at 31-Mar- 2023
<b>Borrowings</b>							
Term Loan from Banks	145.29	-	-	(101.11)	-	-	44.18
Debentures	251.03	-	-	(251.03)	-	-	-
Working Capital Loan	359.36	-	-	225.58	-	-	584.94
Borrowings from Bank	46.46	-	-	(46.46)	-	-	-
Cash Credit	1.62	-	-	(1.60)	-	-	0.02
CCPS	-	-	-	400.00	-	-	400.00
<b>Lease Liabilities</b>							
Lease Liabilities	67.15	21.47	24.59	(21.30)	(0.05)	5.48	96.93
<b>Total</b>	<b>870.91</b>	<b>21.47</b>	<b>24.59</b>	<b>204.08</b>	<b>(0.05)</b>	<b>5.48</b>	<b>1,126.07</b>

## Notes to Consolidated Financial Statements

₹ in Crores

Particulars	As at 31-Mar-2021	Additions on account of Business Combination (Refer Note 40.2)	Additions / Deletions to Lease	Cash Inflows / (Outflows)	Foreign exchange movement impact	Finance cost charged during the year	As at 31-Mar-2022
<b>Borrowings</b>							
Term Loan from Banks	673.87	-	-	(528.58)	-	-	145.29
Debentures	302.06	-	-	(52.06)	-	1.03	251.03
Working Capital Loan	401.14	-	-	(41.78)	-	-	359.36
Borrowings from Bank	537.43	-	-	(490.97)	-	-	46.46
Cash Credit	0.12	-	-	1.50	-	-	1.62
<b>Lease Liabilities</b>							
Lease Liabilities	57.78	-	23.11	(17.74)	(0.38)	4.38	67.15
<b>Total</b>	<b>1,972.40</b>	<b>-</b>	<b>23.11</b>	<b>(1,129.63)</b>	<b>(0.38)</b>	<b>5.41</b>	<b>870.91</b>

### Note 11e. Bank Balances other than above

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Unpaid Dividend Accounts (Refer note a)	3.87	3.30
Bank Deposits with original maturity of more than 3 months but less than 12 months (Refer Note b & c)	106.90	157.82
Others	-	0.33
<b>Total</b>	<b>110.77</b>	<b>161.45</b>

#### Notes:

- There are restrictions in the balances in Unpaid Dividend accounts.
- The bank deposits are earmarked against certain commitments
- Deposits of ₹3.11 Cr. (as at 31<sup>st</sup> March, 2022 ₹7.83 Cr.) are held as margin money.

### Note 11f. Other Financial assets

(At Amortised Cost, considered good and unsecured, unless stated otherwise)

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Interest Accrued	3.38	4.38
Claims Recoverable	0.23	0.69
Other Deposits	18.12	16.04
Government Grants	1.96	2.76
Lease Rent Receivable	0.01	-
Others	3.29	4.56
Receivable on deconsolidation of HBE Group (Refer note below)	132.60	126.70
<b>Total</b>	<b>159.59</b>	<b>155.13</b>

Note: HBE refers to erstwhile subsidiaries consisting of CG Holdings Belgium NV ('HBE'), CG Power Systems Belgium NV ('PSBE'), CG Sales Networks France SA and CG Power Solutions Saudi Arabia Limited (collectively 'HBE Group'). These subsidiaries are deconsolidated with effect from January 1, 2020 consequent to the HBE and PSBE being declared bankrupt by the local court.

## Notes to Consolidated Financial Statements

### Note 12. Other current assets

(Considered Good, Unsecured unless stated otherwise)

₹ in Crores

Particulars	As at	
	31-Mar-2023	31-Mar-2022
Advances Recoverable		
- Goods and Services	179.38	85.65
- Employee Related	13.73	11.67
- Prepaid Expenses	13.63	7.67
- Others	0.51	-
	<b>207.25</b>	<b>104.99</b>
Balances with Customs, Excise, Sales Tax and GST Authorities*	197.34	200.67
	<b>404.59</b>	<b>305.66</b>
Provision for Doubtful advances for Goods and Services	(0.06)	-
<b>Total</b>	<b>404.53</b>	<b>305.66</b>

\* Balances with Customs, Excise, Sales Tax and GST Authorities as at 31<sup>st</sup> March 2023 includes statutory receivables of ₹73.06 Cr. (PY - ₹84.04 Cr) and deposits (includes towards disputed tax demands) of ₹53.53 Cr. (PY - ₹70.91 Cr).

Refer Note 21 for contract assets balance

### Provision for Doubtful Advances for Goods and Services

₹ in Crores

Particulars	As at	
	31-Mar-2023	31-Mar-2022
At the beginning of the year	-	3.70
Created / (Reversed) during the year	0.06	(3.70)
<b>At the end of the year</b>	<b>0.06</b>	<b>-</b>

#### Notes:

The entire advance amount of ₹3.70 Cr has been written off, hence the provision created earlier has been reversed during the previous year.

### Note - 13. Equity Share Capital

₹ in Crores

Particulars	As at	
	31-Mar-2023	31-Mar-2022
<b>Authorised Capital</b>		
25,00,00,000 Equity Shares of ₹1 each	25.00	25.00
(31 <sup>st</sup> March 2022: 25,00,00,000 Equity Shares of ₹1 each)		
<b>Issued, Subscribed and Paid-up Capital</b>		
19,31,21,076 Equity Shares of ₹1 each fully paid up	19.31	19.29
(31-Mar-2022: 19,29,50,221 Equity Shares of ₹1 each fully paid up)		
	<b>19.31</b>	<b>19.29</b>

#### a) The Reconciliation of share capital is given below:

Particulars	As at 31-Mar-2023		As at 31-Mar-2022	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	19,29,50,221	19.29	19,28,16,871	19.28
Shares issued under the Employee Stock Option Scheme	1,70,855	0.02	1,33,350	0.01
At the end of the year	<b>19,31,21,076</b>	<b>19.31</b>	<b>19,29,50,221</b>	<b>19.29</b>

#### b) Terms/Rights attached to class of shares

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

## Notes to Consolidated Financial Statements

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

Particulars	As at 31-Mar-2023		As at 31-Mar-2022	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Ambadi Investments Limited (Face Value ₹1 each)	6,89,66,595	35.71%	6,89,66,595	35.74%
Small Cap World Fund Inc (Face Value ₹1 each)	1,16,27,785	6.02%	1,37,79,230	7.14%

### d) Status on Global Depository Receipts (GDRs):

The GDR Program stands terminated with effect from 12<sup>th</sup> August 2022. The aggregate number of GDRs deemed to be outstanding as at 31<sup>st</sup> Mar 2022 was 9,300.

### e) Details of promoter holding is provided in Note no. 44

### Note - 14. Other equity

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
General Reserve (Refer Note 14a below)	359.81	359.81
Securities Premium (Refer Note 14b below)	352.28	345.73
Retained Earnings (Refer Note 14c below)	3,184.40	2,305.94
Other Reserves		
Share Options Outstanding Account (Refer Note 14d below)	14.81	7.56
Cash Flow Hedge Reserve (Refer Note 14e below)	(1.15)	0.32
Foreign Currency Translation Reserve (Refer Note 14f below)	17.34	28.38
Capital Redemption Reserve	0.01	0.01
FVTOCI Reserve (Refer Note 14g below)	3.22	3.44
Capital Reserve (Refer Note 14h below)	0.60	0.60
<b>Total</b>	<b>3,931.32</b>	<b>3,051.79</b>

#### 14a. General Reserve

General Reserve - Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Balance at the beginning of the year</b>	359.81	359.81
Addition/(Deletion) during the year	-	-
<b>Balance at the end of the year</b>	<b>359.81</b>	<b>359.81</b>

#### 14b. Securities Premium Reserve

The Securities premium received during the year represents the premium received towards allotment of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of Companies Act, 2013.

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Balance at the beginning of the year</b>	345.73	340.65
Exercise of share options	6.55	5.08
<b>Balance at the end of the year</b>	<b>352.28</b>	<b>345.73</b>



## Notes to Consolidated Financial Statements

### 14c. Retained Earnings

Retained earnings are the profits / (loss) that the Company has earned / incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
<b>Balance at the beginning of the year</b>	2,305.94	1,557.21
Profit for the Year	955.58	768.83
Additions / Adjustments pertaining to Business Combination	8.82	-
Other Comprehensive Income - Re-measurement Gain / (Loss) on Defined Benefit Obligations (Net)	(18.37)	(4.00)
Effect of Change in Share Holdings of CGPISL	-	51.41
Dividend paid during the year	(67.57)	(67.51)
<b>Balance at the end of the year</b>	<b>3,184.40</b>	<b>2,305.94</b>

### 14d. Share Option Outstanding Account

Under Ind AS 102, fair value of the options granted is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service.

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
<b>Balance at the beginning of the year</b>	7.56	8.74
Exercise of share options	(1.87)	(1.76)
Share-based payments expenses	9.12	0.58
<b>Balance at the end of the year</b>	<b>14.81</b>	<b>7.56</b>

### 14e. Cash Flow Hedge Reserve

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

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
<b>Balance at the beginning of the year</b>	0.32	0.88
Other comprehensive income for the Year (Note 29)	(1.47)	(0.56)
<b>Balance at the end of the year</b>	<b>(1.15)</b>	<b>0.32</b>

### 14f. Foreign Currency Translation Reserve

Exchange differences relating to the translation of the Results and Net Assets of the Foreign Subsidiaries from their functional currencies to the Group's presentation currency (i.e., Indian Rupees) are recognised directly in Other Comprehensive Income and accumulated in the Foreign Currency Translation Reserve. At the time of disposal of the foreign operation, it is reclassified to the Statement of Profit and Loss.

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
<b>Balance at the beginning of the year</b>	28.38	21.33
Other comprehensive income for the Year (Note 29)	(11.04)	7.05
<b>Balance at the end of the year</b>	<b>17.34</b>	<b>28.38</b>

## Notes to Consolidated Financial Statements

### 14g. FVTOCI Reserve

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income.

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Balance at the beginning of the year	3.44	3.72
Other comprehensive income for the Year (Note 29)	(0.22)	(0.28)
<b>Balance at the end of the year</b>	<b>3.22</b>	<b>3.44</b>

### 14h. Capital Reserve

The share capital of the Holding Company as at 31<sup>st</sup> March 2016, had been cancelled pursuant to the Scheme of Arrangement (Refer Note 1) and the same has been credited to the Capital Reserve. The amount also includes the gain on bargain purchase relating to acquisition of two subsidiaries namely, Great Cycles (Private) Limited and Creative Cycles (Private) Limited.

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Balance at the beginning of the year	0.60	0.60
Addition/(Deletion) during the year	-	-
<b>Balance at the end of the year</b>	<b>0.60</b>	<b>0.60</b>

### Note 15a. Long term Borrowings

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
<b>Secured</b>		
Term Loan from Banks (Refer Note a)	44.18	145.29
<b>Unsecured</b>		
Unlisted Non-Convertible Debentures (NCD)(Refer Note b)	-	200.00
<b>Total</b>	<b>44.18</b>	<b>345.29</b>

#### (a) Secured term loans from banks:

- (i) During the year, the term loan was fully repaid (as at 31<sup>st</sup> March, 2022 ₹98.87 Cr.). The said term loans were drawn at rate of interest of 6 months MCLR plus applicable spread and were secured by first charge on fixed assets except such properties as were specifically excluded. Second charge were by way of hypothecation of inventories and book debts / receivables of the Company.
- (ii) The term loans of ₹ Nil (as at 31<sup>st</sup> March, 2022 ₹0.11 Cr.) were repayable in 6-48 equal monthly instalments and were secured by hypothecation of vehicles. (Current maturity of the said loan is ₹ Nil) (as at 31<sup>st</sup> March, 2022 ₹0.05 Cr.).
- (iii) The term loan of ₹36.56 Cr. (as at 31<sup>st</sup> March, 2022 ₹36.56 Cr.) is secured by land, factory, machineries, inventories and receivables of subsidiary. The loan is supported by Corporate Guarantee of CG Power and Industrial Solutions Limited upto 51% of loan liability. Current maturity of the said loan is ₹36.56 Cr. (as at 31<sup>st</sup> March, 2022 ₹36.56 Cr.). The said loan is part of liabilities associated with group of assets classified as held for sale and discontinued operation as on 31<sup>st</sup> March, 2023.
- (iv) Term loan of ₹ Nil (as at 31<sup>st</sup> March, 2022 ₹16.67 Cr.) at 'Stibor 3M + 2.25%' for a period of 4 years. The loan was repayable in quarterly installment of SEK 2.5 Mn. The loan was secured by pledging of shares of subsidiary. Current maturity of the said loan is ₹ Nil (as at 31<sup>st</sup> March 2022 ₹8.13 Cr.).

#### (b) Unsecured loans (Debentures):

During the year, the Group has fully redeemed Non-convertible Debenture (NCDs). The Non-convertible Debentures (NCDs) were unlisted, unsecured, redeemable and non-convertible. NCDs were issued to lenders in terms of Settlement Agreement towards settlement of borrowings. NCDs carried coupon rate of 0.01% for the initial period of 2 years and thereafter 8% p.a. until the maturity date. CGPISL had the right to redeem the NCDs, in whole or part, on and after initial period of 2 years from date of allotment of the NCDs till the date of maturity.

## Notes to Consolidated Financial Statements

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

4.80% Privately placed NCDs are secured by a pari passu first charge on certain land and building of the Group. (Refer Note 6a)

Coupon Rate and Effective Interest Rate	Outstanding Amount in ₹ Crores	Maturity date and Redemption particulars
*4.80%	51.03	27-Apr-22

\* Classified as “Short Term Borrowings” (Refer Note 17a)

### Note 15b. Lease Liabilities

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Lease Liability (Refer Note 38)	83.11	52.24
<b>Total</b>	<b>83.11</b>	<b>52.24</b>

### Note 15c. Other Financial Liabilities

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
<b>At Amortised Cost:</b>		
Deposits payable	2.20	3.78
Other	0.38	11.05
<b>At FVTPL:</b>		
Compulsorily Convertible Preference Shares (CCPS) (Refer note below)	400.00	-
<b>Total</b>	<b>402.58</b>	<b>14.83</b>

The Group had incorporated M/s. TI Clean Mobility Private Limited (“TICMPL”) in February 2022 to focus on clean mobility solutions. During the year the Company along with TICMPL, executed Securities Subscription Agreements (SSAs) with M/s. Multiples Private Equity Fund III, M/s. Multiples Private Equity Fund IV, M/s. Multiples Private Equity Gift Fund IV & and their Co-Investors (together “Investor”) for investment in TICMPL. As per the terms of the SSAs, TII will be investing ₹500 Cr. towards subscription to Series B CCPS and Investors will be investing ₹1,200 Cr. towards subscription to equity shares & Series A1 CCPS. In this connection, on 28<sup>th</sup> March 2023, the Investors were allotted equity shares & Series A1 CCPS for ₹400 Cr. and on 30<sup>th</sup> March 2023, TII was allotted Series B CCPS for ₹167 Cr. in TICMPL.

Series A1 CCPS and Series B CCPS are convertible into variable number of equity shares of TICMPL. Hence, for the purpose of Consolidated Financial Statements, Series A1 CCPS has been classified as financial liability at fair value through profit and loss in the financial statements of TICMPL.

As at 31<sup>st</sup> March, 2023 the fair value of Series A1 CCPS is ₹400 Cr.

### Note 15d. Long Term Provisions

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
Provision for Compensated Absences (Refer Note 18a)	18.79	17.70
Provision for warranty (Refer Note 18b)	22.33	13.05
Long term Provisions Others	0.18	-
Provision for Gratuity (Refer Note 34a)	2.04	-
<b>Total</b>	<b>43.34</b>	<b>30.75</b>

## Notes to Consolidated Financial Statements

### Note 16. Deferred Tax Assets & Liabilities

₹ in Crores

Particulars	Balance Sheet		Statement of Profit and Loss including OCI	
	31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022
<b>Nature - (Liability) / Asset</b>				
<b>Deferred Tax Liabilities</b>				
Difference between depreciation as per books of accounts and the Income Tax Act, 1961	(17.64)	(123.47)	(105.83)	(135.21)
Accelerated Depreciation	(38.08)	(41.94)	(3.86)	(5.79)
Deferred Tax on fair valuation of assets on acquisition of Subsidiaries	(153.97)	(124.78)	(7.36)	(18.87)
Deferred Tax on Foreign Currency Translation Reserve	3.41	2.64	(0.76)	(2.03)
Others	(93.89)	-	93.89	-
<b>Deferred Tax Liabilities - A</b>	<b>(300.17)</b>	<b>(287.55)</b>	<b>(23.92)</b>	<b>(161.90)</b>
<b>Deferred Tax Assets</b>				
Provision for Doubtful / Impairment on Receivables	61.32	57.75	(3.57)	32.99
Provision for Employee Benefits	6.63	7.99	1.36	2.36
On expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	53.22	48.44	(4.78)	(14.45)
Effect of Cash Flow Hedge and Fair Value of Equity Investments through OCI	(0.73)	3.10	3.83	(1.03)
Provision for Corporate Guarantee obligation settlement	-	31.46	31.46	(4.75)
Unabsorbed losses and unabsorbed depreciation	453.65	614.88	161.23	116.77
Others	29.11	30.27	1.16	13.88
<b>Deferred Tax Assets - B</b>	<b>603.20</b>	<b>793.89</b>	<b>190.69</b>	<b>145.77</b>
<b>Deferred Tax (Income) / Expense (A+B)</b>			<b>166.77</b>	<b>(16.13)</b>
<b>Net Deferred Tax (Liabilities)/ Assets (A+B)</b>	<b>303.03</b>	<b>506.34</b>		
<b>Summary</b>				
Deferred Tax Assets			<b>334.96</b>	<b>513.57</b>
Deferred Tax Liabilities			<b>(31.93)</b>	<b>(7.23)</b>
Deferred Tax Assets / (Liabilities) (Net)			<b>303.03</b>	<b>506.34</b>
<b>Reconciliation of Deferred Tax Assets (Net)</b>				
<b>Particulars</b>			<b>31-Mar-23</b>	<b>31-Mar-22</b>
Opening balance			506.34	493.83
Adjustment on account of Business Combination (Refer Note 40.2)			(41.13)	-
Tax Expense during the period recognised in Statement of Profit and Loss			(163.33)	12.28
Tax Income / (Expense) during the period recognised in OCI			(2.68)	1.82
Tax on Foreign Currency Translation Reserve			0.76	2.03
Others			3.07	(3.62)
<b>Closing balance</b>			<b>303.03</b>	<b>506.34</b>

During the year ended 31<sup>st</sup> March, 2023, the Group has recognised deferred tax asset on losses based on availability of future taxable profits and the same is subject to change, if any, which may arise due to revision of return of income based on the recasting/revision of books of accounts by CGPISL. Deferred tax assets have not been recognized in respect of losses arisen in subsidiaries of CGPISL and TI Clean Mobility Private Limited as they may not be used to offset taxable profits elsewhere in the Group. Those subsidiaries have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

The net deferred tax assets of ₹303.03 Cr. (31<sup>st</sup> March 2022 - ₹506.34 Cr.) includes deferred tax assets of ₹453.65 Cr. (31<sup>st</sup> March 2022 - ₹614.88 Cr.) relating to tax losses. Based on future forecast and current economic conditions in India, there is a reasonable certainty that the deferred tax assets on tax losses will be recovered on or before expiry of 8 years period.

## Notes to Consolidated Financial Statements

### Note 17a. Short term Borrowings

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Current maturities of Long Term Borrowings</b>		
Listed and Rated Non-Convertible Debentures (NCD) (Refer Note 15a(c))	-	51.03
Borrowings from Banks (Refer Note a)		
- Secured	-	46.46
	-	<b>97.49</b>
<b>Secured Borrowings</b> (secured by pari passu first charge on Inventories and Trade Receivables)		
<b>From Banks</b>		
Working Capital Loans	309.59	215.20
Cash Credit	0.02	1.62
	<b>309.61</b>	<b>216.82</b>
<b>Unsecured Borrowings</b>		
Working Capital Loans	275.35	144.16
	<b>275.35</b>	<b>144.16</b>
<b>Total</b>	<b>584.96</b>	<b>458.47</b>

#### Note:

- Refer Note 15a for nature of security and repayment terms.
- Short term Borrowings have a maturity of up to 6 months with an interest rate range of 2.15%-16%.
- During the current year, the Group has borrowed fresh short term loans amounting to ₹1,331.34 Cr. (Previous year - ₹1,098.61 Cr. and repaid loans to the tune of ₹1,129.83 Cr. (Previous year - ₹1,140.37 Cr.) relating to Packing Credit, Commercial Paper and other Short Term Working Capital Loans. Further, as part of acquisition the Group has also acquired borrowings as part of the business combination amounting to ₹22.47 Cr. (Previous Year - Nil)

The Group has filed declarations to bank on regular basis as per the books of accounts.

The group has not defaulted on any loans (including interest) payable during the year and is in compliance with all the borrowing covenants.

### Note 17b. Trade Payables

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Trade Payables*		
- Dues to Micro, Small & Medium Enterprises	108.34	68.01
- Others	2,210.77	2,275.22
<b>Total</b>	<b>2,319.11</b>	<b>2,343.23</b>

\* Refer Note 36 for transactions with related parties

### Break-up of Trade Payables as at 31<sup>st</sup> Mar 2023

₹ in Crores

Particulars	Current but not due	Outstanding				Total
		< 1 Year	1-2 Years	2-3 Years	> 3 Years	
(i) Total Outstanding dues to micro enterprises and small enterprises	101.21	6.89	0.15	0.06	0.03	<b>108.34</b>
(ii) Total Outstanding dues to creditors other than micro enterprises and small enterprises	1,537.46	618.05	13.35	3.67	19.16	<b>2,191.69</b>
(iii) Disputed Dues - dues to micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed Dues - dues to creditors other than micro enterprises and small enterprises	-	-	-	-	19.08	<b>19.08</b>
	<b>1,638.67</b>	<b>624.94</b>	<b>13.50</b>	<b>3.73</b>	<b>38.27</b>	<b>2,319.11</b>



## Notes to Consolidated Financial Statements

### Break-up of Trade Payables as at 31<sup>st</sup> Mar 2022

₹ in Crores

Particulars	Current but not due	Outstanding				Total
		< 1 Year	1-2 Years	2-3 Years	> 3 Years	
(i) Total Outstanding dues to micro enterprises and small enterprises	60.61	7.24	0.07	0.09	-	68.01
(ii) Total Outstanding dues to creditors other than micro enterprises and small enterprises	1,749.83	460.19	6.36	29.13	10.63	2,256.14
(iii) Disputed Dues - dues to micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed Dues - dues to creditors other than micro enterprises and small enterprises	-	-	-	0.66	18.42	19.08
<b>Total</b>	<b>1,810.44</b>	<b>467.43</b>	<b>6.43</b>	<b>29.88</b>	<b>29.05</b>	<b>2,343.23</b>

### Note 17c. Other Financial Liabilities

(At Amortised Cost)

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Unpaid Dividends #	3.87	3.30
Advances and Deposits from Customers / Others	24.37	19.85
Dues to Directors	1.03	2.38
Interest free sales tax deferral loans from State Government	0.12	-
Liability on deconsolidation of HBE group (Refer Note 11f)	187.63	342.39
Other liabilities		
- Recoveries from Employees	25.92	25.22
- Capital Creditors	35.37	73.07
- Others ##	108.52	282.43
<b>Total</b>	<b>386.83</b>	<b>748.64</b>

#### Notes

# Amount of unclaimed dividend due to be transferred to Investor Education and Protection Fund ('IEPF') as at 31<sup>st</sup> March 2023 ₹0.05 Cr. (as at 31<sup>st</sup> March 2022 - ₹0.04 Cr.)

## Major items includes provision towards guarantee settlement consideration of ₹43.28 Cr. (as at 31<sup>st</sup> March, 2022 ₹165.80 Cr.) and provision towards disputed claims ₹ Nil (as at 31<sup>st</sup> March, 2022 ₹40 Cr.).

### Note 18. Short Term Provisions

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Provision for Compensated Absences (Refer Note a below)	32.36	23.02
Gratuity Obligation (Net of plan assets) (Refer Note 34a)	25.72	5.78
Provision for Warranties (Refer Note b below)	56.16	43.61
Provision for Statutory liabilities / Others (Refer Note c below)	115.05	118.11
Provision for Other litigation Claims (Refer Note d below)	0.78	3.87
Provision for Onerous Contracts (Refer Note e below)	3.26	3.19
Provision for share of Net assets in certain subsidiaries (Refer Note 27b)	16.59	-
<b>Total</b>	<b>249.92</b>	<b>197.58</b>

#### (a) Provision for Compensated absences

This refers to the Group's liability for accumulated Earned Leave and Sick Leave, which can be encashed at the time of resignation/retirement of employee. The assumptions used to compute the provision are provided in Note 34c.

## Notes to Consolidated Financial Statements

### (b) Provision for Warranties

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
At the Beginning of the Year	56.66	49.83
Created during the Year	39.50	17.10
Amounts used during the year	(4.21)	(10.27)
Unused amounts reversed during the year	(13.47)	-
Exchange differences	0.01	-
<b>At the End of the Year</b>	<b>78.49</b>	<b>56.66</b>
- Current	56.16	43.61
- Non-Current	22.33	13.05

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

### (c) Provision for Statutory liabilities/Others

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
At the Beginning of the Year	118.11	164.91
Addition on account of Business Combination (Refer Note 40.2)	0.85	-
(Utilised) / Created during the Year	(3.91)	(46.80)
<b>At the End of the Year</b>	<b>115.05</b>	<b>118.11</b>

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

### (d) Provision for Other litigation Claims

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
At the Beginning of the Year	3.87	13.11
(Utilised) / Created during the Year	(3.09)	(9.24)
<b>At the End of the Year</b>	<b>0.78</b>	<b>3.87</b>

Provision for Litigation related obligations represents estimated liabilities that are expected to materialise in respect of matters under litigation.

### (e) Provision for Onerous Contracts

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
At the Beginning of the Year	3.19	3.24
(Utilised) / Created during the Year	-	(0.05)
Exchange differences	0.07	-
<b>At the End of the Year</b>	<b>3.26</b>	<b>3.19</b>

Provision for onerous contracts have been made on contracts when it is probable that the estimated cost will exceed the total contract revenue.

## Notes to Consolidated Financial Statements

### Note 19. Other current liabilities

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Statutory Liabilities	128.35	75.32
Contract Liability	0.08	-
Advances from Customers	241.65	231.22
Due to Customers	7.14	10.25
Advance from Others*	-	566.70
Others	29.43	25.73
<b>Total</b>	<b>406.65</b>	<b>909.22</b>

\*CGPSOL, a subsidiary of CG Power had received certain advances from unrelated parties aggregating to ₹566.70 crores (as at 31<sup>st</sup> March, 2022 ₹566.70 crores). The Group has recognised these advances as current liability and will continue to do so until fulfilment /extinguishment of aforesaid liability. The said advance from others is part of liabilities associated with group of assets classified as held for sale and discontinued operation as on 31<sup>st</sup> March, 2023.

### Note 20a. Financial Assets

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Financial Assets - Non Current</b>		
<b>At Fair Value</b>		
Investments at FVTOCI	8.74	8.52
Investments at FVTPL	0.56	0.24
<b>At Amortised Cost</b>		
Investments at Amortised Cost	20.61	22.60
Other Financial Assets	48.56	56.17
<b>Total Non Current Financial Assets (A)</b>	<b>78.47</b>	<b>87.53</b>
<b>Financial Assets - Current</b>		
<b>At Fair Value</b>		
Investments at FVTPL	689.92	348.99
Derivative Instruments	0.07	1.02
<b>At Amortised Cost</b>		
Loans	2.07	2.17
Trade Receivables	2,128.90	1,785.34
Cash and Cash Equivalents	842.83	411.21
Bank Balances other than Cash and Cash Equivalents	110.77	161.45
Other Financial Assets	159.59	155.13
<b>Total Current Financial Assets (B)</b>	<b>3,934.15</b>	<b>2,865.31</b>
<b>Total Financial Assets (A + B)</b>	<b>4,012.62</b>	<b>2,952.84</b>

## Notes to Consolidated Financial Statements

### Note 20b. Financial Liabilities

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Financial Liabilities - Non Current</b>		
<b>At Amortised Cost</b>		
Long Term Borrowings	44.18	345.29
Lease Liabilities	83.11	52.24
Other Financial Liabilities	2.58	14.83
<b>At Fair Value</b>		
Compulsorily convertible preference shares	400.00	-
Derivative Instruments	1.07	-
<b>Total Non Current Financial Liabilities (A)</b>	<b>530.94</b>	<b>412.36</b>
<b>Financial Liabilities - Current</b>		
<b>At Amortised Cost</b>		
Short Term Borrowings	584.96	458.47
Trade Payables	2,319.11	2,343.23
Lease Liabilities	13.82	14.91
Other Financial Liabilities	386.83	748.64
<b>At Fair Value</b>		
Derivative Instruments	0.63	-
<b>Total Current Financial Liabilities (B)</b>	<b>3,305.35</b>	<b>3,565.25</b>
<b>Total Financial Liabilities (A + B)</b>	<b>3,836.29</b>	<b>3,977.61</b>

### Note 20c. Government Grants

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Opening balance at the beginning of the year</b>	18.56	20.82
Received during the Year	10.05	6.95
Released to the Statement of Profit and Loss	(9.63)	(9.21)
<b>Closing balance at the end of the year</b>	<b>18.98</b>	<b>18.56</b>
Current	18.50	17.87
Non Current	0.48	0.69
	<b>18.98</b>	<b>18.56</b>

Government grants are Interest Subvention given by Reserve Bank of India (RBI) on Packing Credit Rupee Export Loan towards Exports of Certain Products and savings in Customs Duty on import under Export Promotion Capital Goods (EPCG) Scheme.

### Note 20d. Distribution made and proposed

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Proposed dividend on Equity Shares:		
Final Dividend for FY 2022-23 - ₹1.50 per share (PY - ₹1.50 per share)	28.97	28.94
<b>Closing balance at the end of the year</b>	<b>28.97</b>	<b>28.94</b>
Dividends on equity shares declared and paid:		
Final dividend of ₹1.50 per share proposed for the year ended 31 <sup>st</sup> March 2022 was paid during FY 2022-23, after approval in annual general meeting held in August'22	28.95	-
Final dividend of ₹1.50 per share proposed for the year ended 31 <sup>st</sup> March 2021 was paid during FY 2021-22, after approval in annual general meeting held in August'21	-	28.92
Interim dividend for the year ended on 31 <sup>st</sup> March 2023: ₹2 per share (31 <sup>st</sup> March 2022: ₹2 per share)	38.62	38.59
	<b>67.57</b>	<b>67.51</b>

Proposed Dividend on Equity Shares are subject to approval at the Annual General Meeting and are not recognised as a Liability as at 31<sup>st</sup> March.

## Notes to Consolidated Financial Statements

### Note 21. Revenue from Operations

₹ in Crores

Particulars	Year Ended 31-Mar-2023							Total		
	Mobility	E-Mobility	Engineering	Metal Formed Products	Gear and Gear Products	Power Segment	Industrial Segment		Others	Unallocated Corporate Income
<b>Revenue from Contract with Customers</b>										
Finished Goods	751.63	4.28	3,952.51	1,305.64	431.14	2,012.79	4,555.16	662.00	-	13,675.15
Traded Goods	54.82	-	-	17.23	-	-	310.62	373.13	-	755.80
<b>Sale of Products (A)</b>	<b>806.45</b>	<b>4.28</b>	<b>3,952.51</b>	<b>1,322.87</b>	<b>431.14</b>	<b>2,012.79</b>	<b>4,865.78</b>	<b>1,035.13</b>	<b>-</b>	<b>14,430.95</b>
<b>Other Operating Revenue</b>										
Scrap Sales	2.15	0.53	307.33	98.38	9.04	9.26	68.62	30.96	-	526.27
Service Income	-	-	-	-	-	-	-	0.02	-	0.02
Conversion Income	-	-	0.26	-	-	-	-	-	-	0.26
Government Grants	-	-	-	-	0.67	-	-	-	-	0.67
Others	0.95	0.03	3.19	1.26	0.60	-	-	0.53	-	6.56
<b>Other Operating Revenue (B)</b>	<b>3.10</b>	<b>0.56</b>	<b>310.78</b>	<b>99.64</b>	<b>10.31</b>	<b>9.26</b>	<b>68.62</b>	<b>31.51</b>	<b>-</b>	<b>533.78</b>
<b>Total (A+B)</b>	<b>809.55</b>	<b>4.84</b>	<b>4,263.29</b>	<b>1,422.51</b>	<b>441.45</b>	<b>2,022.05</b>	<b>4,934.40</b>	<b>1,066.64</b>	<b>-</b>	<b>14,964.73</b>
										₹ in Crores
Particulars	Year Ended 31-Mar-2022 (Restated)							Total		
	Mobility	E-Mobility	Engineering	Metal Formed Products	Gear and Gear Products	Power Segment	Industrial Segment		Others	Unallocated Corporate Income
<b>Revenue from Contract with Customers</b>										
Finished Goods	848.68	-	3,334.51	1,134.43	316.31	1,504.74	3,696.80	660.04	-	11,495.51
Traded Goods	127.36	-	-	23.13	-	-	186.16	150.37	-	487.02
<b>Sale of Products (A)</b>	<b>976.04</b>	<b>-</b>	<b>3,334.51</b>	<b>1,157.56</b>	<b>316.31</b>	<b>1,504.74</b>	<b>3,882.96</b>	<b>810.41</b>	<b>-</b>	<b>11,982.53</b>
<b>Other Operating Revenue</b>										
Scrap Sales	2.57	-	257.74	80.61	6.65	10.58	69.29	24.43	-	451.87
Service Income	-	-	-	-	5.37	-	-	-	-	5.37
Conversion Income	-	-	0.11	-	-	-	-	-	-	0.11
Others	2.14	-	2.55	1.69	0.53	-	-	0.64	-	7.55
<b>Other Operating Revenue (B)</b>	<b>4.71</b>	<b>-</b>	<b>260.40</b>	<b>82.30</b>	<b>12.55</b>	<b>10.58</b>	<b>69.29</b>	<b>25.07</b>	<b>-</b>	<b>464.90</b>
<b>Total (A+B)</b>	<b>980.75</b>	<b>-</b>	<b>3,594.91</b>	<b>1,239.86</b>	<b>328.86</b>	<b>1,515.32</b>	<b>3,952.25</b>	<b>835.48</b>	<b>-</b>	<b>12,447.43</b>



## Notes to Consolidated Financial Statements

Reconciliation of the revenue from contract with customers with the amounts disclosed in the segment information (Note 37):

₹ in Crores

Particulars	Year Ended 31-Mar-2023								Unallocated Corporate Income
	Mobility	E-Mobility	Engineering	Metal Formed Products	Gear and Gear Products	Power Segment	Industrial Segment	Others	
External Customers	809.55	4.84	4,263.29	1,422.51	441.45	2,022.05	4,934.40	1,066.64	-
Inter-Segment	-	-	298.34	1.15	4.20	0.87	0.07	23.04	2.25
	<b>809.55</b>	<b>4.84</b>	<b>4,561.63</b>	<b>1,423.66</b>	<b>445.65</b>	<b>2,022.92</b>	<b>4,934.47</b>	<b>1,089.68</b>	<b>2.25</b>
Inter Segment Elimination and Adjustment	-	-	(298.34)	(1.15)	(4.20)	(0.87)	(0.07)	(23.04)	(2.25)
<b>Total revenue from contracts with customers</b>	<b>809.55</b>	<b>4.84</b>	<b>4,263.29</b>	<b>1,422.51</b>	<b>441.45</b>	<b>2,022.05</b>	<b>4,934.40</b>	<b>1,066.64</b>	<b>-</b>

₹ in Crores

Particulars	Year Ended 31-Mar-2022 (Restated)								Unallocated Corporate Income
	Mobility	E-Mobility	Engineering	Metal Formed Products	Gear and Gear Products	Power Segment	Industrial Segment	Others	
External Customers	980.75	-	3,594.91	1,239.86	328.86	1,515.32	3,952.25	835.48	-
Inter-Segment	-	-	273.05	0.40	8.21	0.34	0.28	1.16	2.25
	<b>980.75</b>	<b>-</b>	<b>3,867.96</b>	<b>1,240.26</b>	<b>337.07</b>	<b>1,515.66</b>	<b>3,952.53</b>	<b>836.64</b>	<b>2.25</b>
Inter Segment Elimination and Adjustment	-	-	(273.05)	(0.40)	(8.21)	(0.34)	(0.28)	(1.16)	(2.25)
<b>Total revenue from contracts with customers</b>	<b>980.75</b>	<b>-</b>	<b>3,594.91</b>	<b>1,239.86</b>	<b>328.86</b>	<b>1,515.32</b>	<b>3,952.25</b>	<b>835.48</b>	<b>-</b>

### Timing of Revenue Recognition

₹ in Crores

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022 (Restated)
Revenue recognised at a point in time	14,927.76	12,394.48
Revenue recognised over a period of time	36.97	52.95
<b>Total</b>	<b>14,964.73</b>	<b>12,447.43</b>

### Summary of Contract Balances

₹ in Crores

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022 (Restated)
Trade Receivables	2,128.90	1,785.34
<b>Contract Asset</b>	<b>0.20</b>	<b>0.63</b>
<b>Contract Liabilities</b>		
Advances from Customers	241.65	231.22
Due to customers	7.14	10.25

## Notes to Consolidated Financial Statements

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:

₹ in Crores

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022 (Restated)
Revenue as per Contracted Price	15,147.61	12,592.59
Adjustments		
- Discounts	(153.96)	(133.00)
- Others (includes liquidated damages, price variations, etc)	(28.92)	(12.16)
Revenue as per Statement of Profit and loss	<b>14,964.73</b>	<b>12,447.43</b>

Performance obligation is satisfied upon meeting the terms specified in the contractual agreement with the customers.

### Contract assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration and are transferred to trade receivables on completion of milestones and its related invoicing.

### Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group satisfies the performance obligation.

### Note 22. Other Income

₹ in Crores

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022 (Restated)
Dividend Income from Investments at FVTOCI	-	0.67
Dividend Income from Investments at FVTPL	-	2.57
Rental Income	7.70	8.28
Gain on Exchange Fluctuation (Net)	6.36	5.93
Profit on Property, Plant and Equipment and ROU Assets sold/discarded (Net)	7.95	-
Profit on sale of Investments at FVTPL	14.68	9.51
Fair Value Gain on Financial Instruments at FVTPL	2.36	-
Liabilities/Provisions no longer payable written back	21.80	12.16
Claims recovered	0.52	0.03
Government Grant	14.80	22.31
Interest Income from Financial Assets		
Fixed Deposits with Banks and Tax Free Bond	34.28	13.97
Others investments	6.16	10.79
Others	11.85	18.22
Fair Value gain on investment in Joint Venture	14.79	-
<b>Total</b>	<b>143.25</b>	<b>104.44</b>

## Notes to Consolidated Financial Statements

### Note 23. Cost of material consumed

₹ in Crores

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022 (Restated)
Opening Raw Materials	509.64	428.13
Addition on account of Business Combination (Refer Note 40.2)	15.98	-
Purchases	9,195.41	7,994.62
Closing Raw Materials	(528.04)	(509.64)
<b>Cost of Raw Material and Components Consumed</b>	<b>9,192.99</b>	<b>7,913.11</b>

Note: Opening inventories and closing inventories excludes inventories related to discontinued operations

### Note 24. Changes in inventories of work-in-progress, finished goods and stock-in-trade

₹ in Crores

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022 (Restated)
<b>Closing Stock</b>		
Work-in-Progress	448.76	457.54
Finished Goods	314.10	284.83
Stock-in-Trade	52.41	44.75
	<b>815.27</b>	<b>787.12</b>
<b>Opening Stock</b>		
Work-in-Progress	457.54	374.53
Finished Goods	284.83	255.89
Stock-in-Trade	44.75	25.20
	<b>787.12</b>	<b>655.62</b>
<b>Addition on account of Business Combination (Refer Note 40.2)</b>		
Work-in-Progress	0.19	-
Finished Goods	0.06	-
	<b>0.25</b>	<b>-</b>
<b>Changes in Inventories</b>		
Work-in-Progress	8.97	(83.01)
Finished Goods	(29.21)	(28.94)
Stock-in-Trade	(7.66)	(19.55)
<b>Total</b>	<b>(27.90)</b>	<b>(131.50)</b>

Note: Opening inventories and closing inventories excludes inventories related to discontinued operations

### Note 25. Employee Benefit Expense

₹ in Crores

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022 (Restated)
Salaries, Wages and Bonus (Refer Note 33)	993.70	842.02
Gratuity Expenses (Refer Note 34 (a))	8.65	6.88
Contribution to Provident and Other Funds	97.98	90.19
Staff Welfare Expenses	104.50	93.41
<b>Total</b>	<b>1,204.83</b>	<b>1,032.50</b>

**Note on Social Security Code:** The date on which the Code of Social Security, 2020 ('The Code') relating to employee benefits during employment and post-employment benefits will come into effect is yet to be notified and the related rules are yet to be finalised. The Group will evaluate the code and its rules, assess the impact, if any and account for the same once they become effective.

## Notes to Consolidated Financial Statements

### Note 26. Depreciation and amortization expense

₹ in Crores

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022 (Restated)
Depreciation of Property, Plant and Equipment (Refer Note 6a)	241.09	242.26
Amortisation on Right of use of assets (Refer Note 6b)	14.92	19.04
Depreciation of Investment properties (Refer Note 7)	0.20	0.20
Amortisation of Intangible Assets (Refer Note 6d)	139.65	85.08
<b>Total</b>	<b>395.86</b>	<b>346.58</b>

### Note 27. Finance Costs

₹ in Crores

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022 (Restated)
Interest Expense on Borrowings	36.42	53.87
Interest Expense on Lease liability (Refer Note 38)	5.48	4.38
Other Borrowing Costs	0.56	23.72
<b>Total</b>	<b>42.46</b>	<b>81.97</b>

**Note:** Interest Expense on Borrowings is net of interest subvention received, amounting to ₹8.94 Cr. (Previous year - ₹5.82 Cr.) on Packing Credit loans.

### Note 27a. Other Expenses

₹ in Crores

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022 (Restated)
Consumption of Stores and Spares	395.28	330.90
Conversion Charges	241.09	213.03
Power and Fuel	273.47	240.10
Rent (Net of recoveries)	22.40	17.41
Repairs and Maintenance - Building	12.03	6.66
Repairs and Maintenance - Machinery	162.33	131.92
Repairs - Others	15.33	15.30
Insurance	15.76	14.56
Rates and Taxes	19.19	12.01
Travelling and Conveyance	45.18	22.51
Printing, Stationery and Communication	7.25	6.10
Freight, Delivery and Shipping Charges	364.94	327.59
Commission on Sales	17.67	16.15
Advertisement and Publicity	23.83	33.08
Impairment allowance for receivables and advances (Net) (includes bad debts written off)	15.99	7.64
Consultancy Charges	92.24	100.87
After sales services (including warranties)	49.87	35.57
Auditor's Remuneration	1.17	0.76
Commission to Non Whole Time Directors	0.70	2.70
Directors' Sitting Fees	0.76	1.49
Bank Charges	15.32	16.95
Information Technology Expenses	20.99	10.70
Loss on Property, Plant and Equipment and ROU Assets sold/discarded (Net)	-	0.95
Donations to Charitable and Other Institutions	0.32	1.44
Legal and Professional Charges	8.65	1.97
Expenditure on Corporate Social Responsibility	10.25	7.38
Other Expenses	210.05	115.78
	<b>2,042.06</b>	<b>1,691.52</b>

## Notes to Consolidated Financial Statements

### Note 27b. Exceptional Items

₹ in Crores

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022 (Restated)
Reversal of provision towards non-performance of contractual obligation towards delay in completion of land sale and expected restructuring cost (Refer Note a)	-	20.21
Reversal of provision towards litigation expenses	31.77	-
(Impairment Provision) / Reversal of impairment provision on Net Investments in subsidiaries (Refer Note b)	(16.59)	-
Impairment loss recognised towards write-down of Property, plant and equipment (Refer Note c)	(29.27)	-
Reversal of excess provision towards settlement of Corporate Guarantee obligation including foreign exchange loss (net)	22.15	-
	<b>8.06</b>	<b>20.21</b>

- (a) The amount represents the accrual / reversal of provision relating to penal charges pertaining to land transaction of CG Power and Industrial Solution Limited.
- (b) During the year ended 31<sup>st</sup> March 2023, considering the economic crisis in Sri Lanka and current market conditions of Bicycle Industry in India, the Group has made an impairment provision in respect of cash generating units pertaining to Mobility segment.
- (c) During the year ended 31<sup>st</sup> March 2023, impairment loss of ₹29.27 Cr. has been recognised towards write-down of property, plant and equipment and intangible assets of certain Cash Generating Units pertaining to the "Other Business Segment" to their recoverable amount on account of various market factors, uncertainties related to future project potential and expected usage.

### Note 28. Income Tax Expense

The major components of income tax expense for the years ended 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022 are:

#### Statement of Profit and Loss

₹ in Crores

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022 (Restated)
<b>Current Tax:</b>		
Current Income Tax charge	256.72	179.32
Adjustments in respect of Current Income Tax of Prior Years	2.54	(6.21)
<b>Deferred Tax:</b>		
Relating to the origination and reversal of Temporary Differences	163.33	(12.28)
<b>Income Tax Expense reported in the Statement of Profit and Loss</b>	<b>422.59</b>	<b>160.83</b>

#### Other Comprehensive Income (OCI)

Deferred tax related to items recognised in OCI during the year:

₹ in Crores

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022 (Restated)
Net Gain / (Loss) on FVTOCI Equity Investments	(0.07)	(0.03)
Re-measurement Gain / (Loss) on Defined Benefit Obligations (Net)	(3.11)	1.65
Exchange difference on translation of Foreign Subsidiaries	(0.76)	2.03
Movement on cash flow hedges	0.50	0.20
<b>Income Tax charged to OCI</b>	<b>(3.44)</b>	<b>3.85</b>



## Notes to Consolidated Financial Statements

### Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022.

The Holding Company and certain subsidiaries have exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, it has recognised Provision for Income Tax for the year and re-measured its Deferred tax liability on the basis of the rate prescribed in the said section. The tax on the Group's profit before tax differs from the theoretical amount that would arise on using the standard rate of corporate tax in India (25.168%) as follows:

Particulars	₹ in Crores	
	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022 (Restated)
<b>Accounting Profit Before Tax from continuing operations</b>	<b>1,581.01</b>	<b>1,128.44</b>
Profit before income tax multiplied by standard rate of corporate tax in India of 25.168% (Previous year: 25.168%)	397.91	284.01
Effects of:		
Income - Exempt from tax	(67.92)	(69.47)
Change in Income Tax Rate / Effect of different tax rates applicable to Subsidiaries	140.11	1.88
Deferred Tax Assets not recognised due to absence of convincing evidence in respect of recognition	-	22.24
Income / expense not deductible/considered in determining taxable profits	(39.38)	-
Capital Allowance u/s 32AC of Income Tax Act, 1961	-	(0.13)
Impact of Deferred Tax created at lower tax rates	8.97	(50.50)
Provision for Impairment	5.90	-
Tax effect on fair valuation of PPE	-	(68.73)
Reversal of provision with respect to prior years	2.54	(6.21)
Others	(25.54)	47.74
	<b>422.59</b>	<b>160.83</b>

**Note:** Deferred tax assets have not been recognised in respect of long term capital losses relating to impairment of investments in Srilankan Subsidiaries as they may not be used to offset taxable profits. If the Company were able to recognise this deferred tax assets, the profits would increase by ₹5.90 Cr.

### Note 29. Components of Other Comprehensive Income (OCI)

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

₹ in Crores					
During the year ended 31 <sup>st</sup> March 2023	Cash flow hedge reserve	FVTOCI reserve	Retained Earnings	Foreign Currency Translation Reserve	Total
Foreign Exchange forward contracts	(1.95)	-	-	-	(1.95)
Net Gain / (Loss) on FVTOCI financial assets	-	0.22	-	-	0.22
Re-measurement loss on defined benefit plans	-	-	(26.23)	-	(26.23)
Exchange Difference on Translation of Foreign Subsidiaries	-	-	-	(12.56)	(12.56)
	<b>(1.95)</b>	<b>0.22</b>	<b>(26.23)</b>	<b>(12.56)</b>	<b>(40.52)</b>

## Notes to Consolidated Financial Statements

During the year ended 31<sup>st</sup> March 2022

₹ in Crores

	Cash flow hedge reserve	FVTOCI reserve	Retained Earnings	Foreign Currency Translation Reserve	Total
Foreign Exchange forward contracts	(0.56)	-	-	-	(0.56)
Net Gain / (Loss) on FVTOCI financial assets	-	(0.28)	-	-	(0.28)
Re-measurement loss on defined benefit plans	-	-	(4.96)	-	(4.96)
Exchange Difference on Translation of Foreign Subsidiaries	-	-	-	15.37	15.37
	(0.56)	(0.28)	(4.96)	15.37	9.57

### Note 30. Earnings Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent 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 parent 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.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022 (Restated)
Profit After Tax - attributable to equity holders of the Parent (₹ in Cr.)	955.58	768.83
Profit After Tax - attributable to equity holders of the Parent (₹ in Cr.) - Discontinued Operations	166.64	23.43
Weighted average number of Equity Shares		
- Basic	19,30,29,669	19,28,56,763
- Diluted	19,34,45,480	19,32,83,568
Earnings Per Share of ₹1 each		
- Basic	49.50	39.87
- Diluted	49.40	39.78
Earnings Per Share of ₹1 each - Discontinued Operations		
- Basic	8.63	1.21
- Diluted	8.61	1.21
Weighted average number of Equity Shares in calculating Basic Earnings Per Share	19,30,29,669	19,28,56,763
Dilution - Stock options granted under ESOP (Refer Note 33)	4,15,811	4,26,805
Weighted average number of Equity Shares in calculating Diluted EPS	19,34,45,480	19,32,83,568

### Note 31. Significant Accounting Judgements, Estimates and Assumptions

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

#### a. Judgements

In the process of applying the Group's accounting policies, management has made the following judgement, which has significant effect on the amounts recognised in the Consolidated Financial Statements.

##### i. Leases

#### Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

## Notes to Consolidated Financial Statements

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow.

Refer Note 38 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

### b. Estimates and Assumptions

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

#### i. Impairment of Non-Financial Assets including Goodwill

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

#### ii. Taxes

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

#### iii. Revenue from Contract with Customers

The Group estimates variable considerations to be included in the transaction price for the sale of goods with rights of return and volume rebates. The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer's rebates entitlement and accumulated purchases to date.

#### iv. Allowances for slow / Non-moving Inventory and obsolescence

An allowance for Inventory is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory allowance is estimated taking into account various factors, including prevailing sales prices of inventory item and losses associated with obsolete / slow-moving / redundant inventory items. The Group has, based on these assessments, made adequate provision in the books.

#### v. Employee Benefits

The cost of the defined benefit gratuity plan, provident fund plan and other post-employment leave encashment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. In determining the appropriate discount rate, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about defined benefit obligations are given in Note 34.

#### vi. Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible,

## Notes to Consolidated Financial Statements

a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, Credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 41 for further disclosures.

### vii. Development Cost

Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred. Management assesses and monitors whether the recognition requirements for development costs continue to be met. There is inherent uncertainty in the economic success of any product development. The Group uses judgement in assessment of development cost eligible for capitalisation.

### viii. Business Combination

During the year ended 31<sup>st</sup> March 2023, the Group had acquired controlling stake in Celestial E Mobility Private Limited, IPLTech Electric Private Limited, Moshine Electronics Private Limited and has accounted for the acquisition in accordance with paragraph 45 of Ind AS 103 (Also Refer Note 40.2). As a part of the acquisition accounting, the Group measures all assets and liabilities as at the acquisition date at its fair values. The Company engaged an independent valuation specialist to assess fair values of tangible and intangible assets. Fair value was determined as follows –

- i) Building and leasehold improvement – Cost approach (depreciated replacement cost method).
- ii) Plant and Machinery - Market approach (sales comparison method) and cost approach (discounted cash flow method).
- iii) Technical Know How – Multi Period Excess Earnings Method
- iv) Non-Compete – Incremental Cash Flow method (With and Without)

The estimated useful life of tangible and intangible assets for such assets acquired as part of the business combination were considered based on economic life of those assets as estimated by the management basis a technical assessment.

### ix. Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

### x. Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in notes but are not recognised, the cases which have been determined as remote by the Group are not disclosed.

### Note 32. Standards issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31<sup>st</sup> March 2023 to amend the following Ind AS which are effective from 01<sup>st</sup> April 2023.

#### (i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 01<sup>st</sup> April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the group's financial statements.

#### (ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

## Notes to Consolidated Financial Statements

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 01<sup>st</sup> April 2023. Consequential amendments have been made in Ind AS 107.

The group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

### (iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 01<sup>st</sup> April 2023.

The group is currently assessing the impact of the amendments.

### Note 33. Stock Options

With reference to the grants approved by the Nomination and Remuneration Committee of the Board of Directors of the Holding Company and its respective subsidiary, the Group has recognised expense amounting to ₹13.54 Cr. (Previous Year - ₹2.36 Cr.) for employees' services received during the year, shown under Salaries, Wages and Bonus (Refer Note 25).

#### A. Tube Investments of India Limited

During the year, fresh grant of 1,89,800 options under ESOP 2017 scheme was approved by the Nomination and Remuneration Committee of the Board of Directors of the Company.

The movement in Stock Options are given below:

Particulars	Date of Grant	Options outstanding As at 31-Mar-2022	During the Year 2022-23			Options outstanding As at 31-Mar-2023	Options vested but not exercised As at 31-Mar-2023
			Options Granted	Options Cancelled/ lapsed	Options Exercised and allotted		
Grant 1	21-Nov-17	-	-	-	-	-	-
Grant 2	21-Nov-17	9,290	-	-	9,290	-	-
Grant 3	12-Feb-18	3,61,573	-	-	1,32,724	2,28,849	2,28,849
Grant 4	12-Feb-18	72,428	-	-	13,500	58,928	58,928
Grant 5	27-Mar-19	52,074	-	-	-	52,074	52,074
Grant 6	24-Jul-19	38,684	-	-	15,341	23,343	23,343
Grant 7	16-Mar-22	2,85,400	-	77,080	-	2,08,320	39,360
Grant 8	12-May-22	-	72,300	-	-	72,300	-
Grant 9	02-Aug-22	-	37,100	-	-	37,100	-
Grant 10	18-Nov-22	-	17,100	-	-	17,100	-
Grant 11	03-Feb-23	-	28,800	-	-	28,800	-
Grant 12	28-Mar-23	-	34,500	-	-	34,500	-
<b>Total</b>		<b>8,19,449</b>	<b>1,89,800</b>	<b>77,080</b>	<b>1,70,855</b>	<b>7,61,314</b>	<b>4,02,554</b>



## Notes to Consolidated Financial Statements

Particulars	Date of Grant	Options outstanding As at 31-Mar-2021	During the Year 2021-22			Options outstanding As at 31-Mar-2022	Options vested but not exercised As at 31-Mar-2022
			Options Granted	Options Cancelled/lapsed	Options Exercised and allotted		
Grant 1	21-Nov-17	3,964	-	-	3,964	-	-
Grant 2	21-Nov-17	32,560	-	-	23,270	9,290	9,290
Grant 3	12-Feb-18	4,23,505	-	-	61,932	3,61,573	3,41,841
Grant 4	12-Feb-18	1,16,612	-	-	44,184	72,428	72,428
Grant 5	27-Mar-19	52,074	-	-	-	52,074	36,342
Grant 6	24-Jul-19	38,684	-	-	-	38,684	38,684
Grant 7	16-Mar-22	-	2,85,400	-	-	2,85,400	-
<b>Total</b>		<b>6,67,399</b>	<b>2,85,400</b>	<b>-</b>	<b>1,33,350</b>	<b>8,19,449</b>	<b>4,98,585</b>

The details of Stock Options granted to certain employees for 2022-23 and 2021-22 are given below:

2022-23	Date of Grant	Weighted Average Exercise Price (₹)	Options Granted	Options Cancelled/lapsed	Options Exercised and allotted	Options vested and Outstanding at the End of the Year	Options unvested and Outstanding at the End of the Year	Vested Date	Weighted Average Remaining Contractual Life (In Years)
Grant 1	21-Nov-17	44.36	-	-	-	-	-	21-Nov-17	-
Grant 2	21-Nov-17	187.29	-	-	9,290	-	-	15-Mar-18	-
Grant 3	12-Feb-18	270.20	-	-	1,32,724	2,28,849	-	Partially vested on 12-Feb-19,	2.00
Grant 4	12-Feb-18	270.20	-	-	13,500	58,928	-	12-Feb-20, 12-Feb-21 & 12-Feb-22	2.57
Grant 5	27-Mar-19	378.25	-	-	-	52,074	-	Partially vested on 27-Mar-20, 27-Mar-21, 27-Mar-22 & 27-Mar-23	3.69
Grant 6	24-Jul-19	384.20	-	-	15,341	23,343	-	Partially vested on 24-July-20, 24-July-21	2.82
Grant 7	16-Mar-22	1,471.90	-	77,080	-	39,360	1,68,960	Vesting date: 16-Mar-23, 16-Mar-24, 16-Mar-25, 16-Mar-26	6.66
Grant 8	12-May-22	1,666.60	72,300	-	-	-	72,300	Vesting date: 12-May-23, 12-May-24, 12-May-25, 12-May-26	6.82

## Notes to Consolidated Financial Statements

2022-23	Date of Grant	Weighted Average Exercise Price (₹)	Options Granted	Options Cancelled/lapsed	Options Exercised and allotted	Options vested and Outstanding at the End of the Year	Options unvested and Outstanding at the End of the Year	Vested Date	Weighted Average Remaining Contractual Life (In Years)
Grant 9	02-Aug-22	2,023.00	37,100	-	-	-	37,100	Vesting date: 02-Aug-23, 02-Aug-24, 02-Aug-25, 02-Aug-26	7.05
Grant 10	18-Nov-22	2,541.95	17,100	-	-	-	17,100	Vesting date: 18-Nov-23, 18-Nov-24, 18-Nov-25, 18-Nov-26	7.34
Grant 11	03-Feb-23	2,689.85	28,800	-	-	-	28,800	Vesting date: 03-Feb-24, 03-Feb-25, 03-Feb-26, 03-Feb-27	7.55
Grant 12	28-Mar-23	2,495.50	34,500	-	-	-	34,500	Vesting date on 28-Mar-24, 28-Mar-25, 28-Mar-26, 28-Mar-27	7.70
			<b>1,89,800</b>	<b>77,080</b>	<b>1,70,855</b>	<b>4,02,554</b>	<b>3,58,760</b>		

2021-22	Date of Grant	Weighted Average Exercise Price (₹)	Options Granted	Options Cancelled/lapsed	Options Exercised and allotted	Options vested and Outstanding at the End of the Year	Options unvested and Outstanding at the End of the Year	Vested Date	Weighted Average Remaining Contractual Life (In Years)
Grant 1	21-Nov-17	44.36	-	-	3,964	-	-	21-Nov-17	-
Grant 2	21-Nov-17	187.29	-	-	23,270	9,290	-	15-Mar-18	0.96
Grant 3	12-Feb-18	270.20	-	-	61,932	3,61,573	-	Partially vested on 12-Feb-19,	3.00
Grant 4	12-Feb-18	270.20	-	-	44,184	72,428	-	12-Feb-20, 12-Feb-21 & 12-Feb-22	3.57
Grant 5	27-Mar-19	378.25	-	-	-	52,074	-	Partially vested on 27-Mar-20, 27-Mar-21 & 27-Mar-22	4.69
Grant 6	24-Jul-19	384.20	-	-	-	38,684	-	Partially vested on 24-July-20, 24-July-21	3.82

## Notes to Consolidated Financial Statements

2021-22	Date of Grant	Weighted Average Exercise Price (₹)	Options Granted	Options Cancelled/ lapsed	Options Exercised and allotted	Options vested and Outstanding at the End of the Year	Options unvested and Outstanding at the End of the Year	Vested Date	Weighted Average Remaining Contractual Life (In Years)
Grant 7	16-Mar-22	1,471.90	2,85,400	-	-	-	2,85,400	Vesting date: 16-Mar-23, 16-Mar-24, 16-Mar-25, 16-Mar-26	7.66
			<b>2,85,400</b>	<b>-</b>	<b>1,33,350</b>	<b>5,34,049</b>	<b>2,85,400</b>		

The following tables list the inputs to the Black Scholes model used for the plans for the year ended 31<sup>st</sup> March 2023:

Particulars	Grant Date	Risk-free Interest Rate	Expected Life	Expected Volatility of Share Price	Dividend Yield	Price of the Underlying Share in the market at the time of Option grant	Fair Value of the Option
		% (p.a)	(Years)	(%)	(%)	(₹)	(₹)
Grant 1	21-Nov-17	8.23	4.64	43.70	1.86	44.36	21.30
Grant 2	21-Nov-17	6.75	3.50	31.49	0.25	187.29	60.27
Grant 3	12-Feb-18	7.33	4.63	38.19	-	270.20	117.98
Grant 4	12-Feb-18	7.41	5.21	38.19	-	270.20	125.66
Grant 5	27-Mar-19	6.99	4.61	50.72	0.46	378.25	199.60
Grant 6	24-Jul-19	6.24	4.01	49.32	0.65	384.20	167.53
Grant 7	16-Mar-22	6.21	5.21	39.91	0.24	1,471.90	656.18
Grant 8	12-May-22	6.97	5.21	40.14	0.21	1,666.60	768.17
Grant 9	02-Aug-22	6.99	5.21	40.68	0.17	2,023.00	942.96
Grant 10	18-Nov-22	7.16	5.21	40.97	0.14	2,541.95	1,199.04
Grant 11	03-Feb-23	7.16	5.21	40.97	0.14	2,689.85	1,267.43
Grant 12	28-Mar-23	7.17	5.21	40.68	0.08	2,495.50	1,179.07

### B. CG Power and Industrial Solutions Limited

During the year, 4,53,140 (previous year 18,34,100) stock options were granted to eligible employees at the rate of one stock option of the CG Power and Industrial Solutions Limited for every stock option held and outstanding in CG Power and Industrial Solutions Limited.

Particulars	Date of Grant	Options outstanding As at 31-Mar-2022	During the Year 2022-23			Options outstanding As at 31-Mar-2023	Options vested but not exercised As at 31-Mar-2023
			Options Granted	Options Cancelled/ lapsed	Options Exercised and allotted		
Grant 1	18-Nov-21	8,38,020	-	-	54,760	7,83,260	7,83,260
Grant 2	18-Nov-21	3,17,120	-	-	-	3,17,120	-
Grant 3	18-Nov-21	3,39,480	-	-	-	3,39,480	-
Grant 4	18-Nov-21	3,39,480	-	-	-	3,39,480	-
Grant 5	26-Dec-22	-	4,53,140	-	-	4,53,140	-

## Notes to Consolidated Financial Statements

Particulars	Date of Grant	Options outstanding As at 31-Mar-2021	During the Year 2021-22			Options outstanding As at 31-Mar-2022	Options vested but not exercised As at 31-Mar-2022
			Options Granted	Options Cancelled/ lapsed	Options Exercised and allotted		
Grant 1	18-Nov-21	-	8,38,020	-	-	8,38,020	-
Grant 2	18-Nov-21	-	3,17,120	-	-	3,17,120	-
Grant 3	18-Nov-21	-	3,39,480	-	-	3,39,480	-
Grant 4	18-Nov-21	-	3,39,480	-	-	3,39,480	-

Details of stock options granted to certain employees for 2022-23 are given below :

2022-23	Date of Grant	Weighted Average Exercise Price (₹)	Options Granted	Options Cancelled/ lapsed	Options Exercised and allotted	Options vested and Outstanding at the End of the Year	Options unvested and Outstanding at the End of the Year	Vested Date	Weighted Average Remaining Contractual Life (In Years)
Grant 1	18-Nov-21	156.20	8,38,020	-	54,760	7,83,260	-	44,883	-
Grant 2	18-Nov-21	156.20	3,17,120	-	-	-	3,17,120	-	0.64
Grant 3	18-Nov-21	156.20	3,39,480	-	-	-	3,39,480	-	1.64
Grant 4	18-Nov-21	156.20	3,39,480	-	-	-	3,39,480	-	2.64
Grant 5	26-Dec-22	251.65	4,53,140	-	-	-	4,53,140	-	0.74

Details of stock options granted to certain employees for 2021-22 are given below :

2021-22	Date of Grant	Weighted Average Exercise Price (₹)	Options Granted	Options Cancelled / lapsed	Options Exercised and allotted	Options vested and Outstanding at the End of the Year	Options unvested and Outstanding at the End of the Year	Vested Date	Weighted Average Remaining Contractual Life (In Years)
Grant 1	18-Nov-21	156.20	8,38,020	-	-	-	8,38,020	-	0.64
Grant 2	18-Nov-21	156.20	3,17,120	-	-	-	3,17,120	-	1.64
Grant 3	18-Nov-21	156.20	3,39,480	-	-	-	3,39,480	-	2.64
Grant 4	18-Nov-21	156.20	3,39,480	-	-	-	3,39,480	-	3.64

The following tables list the input to the Black Scholes model used for the plans for the year ended 31<sup>st</sup> March 2023 :

Particulars	Grant Date	Risk-free Interest Rate	Expected Life	Expected Volatility of Share Price	Dividend Yield	Price of the	Fair Value of the Option
						Underlying Share in the market at the time of Option grant	
		% (p.a)	(Years)	(%)	(%)	(₹)	(₹)
Grant 1	18-Nov-21	3.81	1.00	47.82	-	156.20	31.98
Grant 2	18-Nov-21	4.46	2.00	55.99	-	156.20	52.97
Grant 3	18-Nov-21	4.96	3.00	56.02	-	156.20	65.54
Grant 4	18-Nov-21	5.36	4.00	53.10	-	156.20	73.22
Grant 5	26-Dec-22	6.60	1.00	35.99	-	251.65	43.40

## Notes to Consolidated Financial Statements

The following tables list the input to the Black Scholes model used for the plans for the year ended 31<sup>st</sup> March 2022 :

Particulars	Grant Date	Risk-free Interest Rate	Expected Life	Expected Volatility of Share Price	Dividend Yield	Price of the Underlying Share in the market at the time of Option grant	Fair Value of the Option
		% (p.a)	(Years)	(%)	(%)	(₹)	(₹)
Grant 1	18-Nov-21	3.81	1.00	47.82	-	156.20	31.98
Grant 2	18-Nov-21	4.46	2.00	55.99	-	156.20	52.97
Grant 3	18-Nov-21	4.96	3.00	56.02	-	156.20	65.54
Grant 4	18-Nov-21	5.36	4.00	53.10	-	156.20	73.22

### C. TI Clean Mobility Private Limited

IPLTech Electric Private Limited, subsidiary of TI Clean Mobility Private Limited has stock based compensation scheme called 'Ipltech Stock Option Plan' 2020, out of 600 stock, 270 stock units were exercised on the vesting date and there are 81 stock units pending as on 31<sup>st</sup> March 2023. The scheme is administered and supervised by the the Board of Directors of the Company.

#### Terms and Conditions of the Plan:

Maximum vesting period of ESOP's is 2 year from the grant date. Vesting of the shares would be done on the basis of the terms mentioned in the grant letter. Any eligible employee can exercise the number of shares granted under the plan in accordance with the terms and conditions of the plan.

The movement in Stock Options are given below:

Particulars	Date of Grant	Options outstanding As at 31-Mar-2022	During the Year 2022-23			Options outstanding As at 31-Mar-2023	Options vested but not exercised As at 31-Mar-2023
			Options Granted	Options Cancelled/ lapsed	Options Exercised and allotted		
Grant 1	18-Apr-20	81.00	-	-	-	81.00	81.00

Particulars	Date of Grant	Options outstanding As at 31-Mar-2021	During the Year 2021-22			Options outstanding As at 31-Mar-2022	Options vested but not exercised As at 31-Mar-2022
			Options Granted	Options Cancelled/ lapsed	Options Exercised and allotted		
Grant 1	18-Apr-20	351.00	-	-	270.00	81.00	81.00

The details of Stock Options granted to certain employees for 2022-23 and 2021-22 are given below:

2022-23	Date of Grant	Weighted Average Exercise Price (₹)	Options Granted	Options Cancelled/ lapsed	Options Exercised and allotted	Options vested and Outstanding at the End of the Year	Options unvested and Outstanding at the End of the Year	Vested Date	Weighted Average Remaining Contractual Life (In Years)
Grant 1	18-Apr-20	10.00	-	-	-	81.00	-	18-Apr-22	-

The details of Stock Options granted to certain employees for 2022-23 and 2021-22 are given below:

2021-22	Date of Grant	Weighted Average Exercise Price (₹)	Options Granted	Options Cancelled/ lapsed	Options Exercised and allotted	Options vested and Outstanding at the End of the Year	Options unvested and Outstanding at the End of the Year	Vested Date	Weighted Average Remaining Contractual Life (In Years)
Grant 1	18-Apr-20	10.00	-	-	270.00	81.00	-	18-Apr-22	-



## Notes to Consolidated Financial Statements

The following tables list the inputs to the Black Scholes model used for the plans for the year ended 31st March 2023 and 31<sup>st</sup> March 2022:

Particulars	Grant Date	Risk-free Interest Rate	Expected Life	Expected Volatility of Share Price	Dividend Yield	Price of the Underlying Share in the market at the time of Option grant	Fair Value of the Option
		% (p.a)	(Years)	(%)	(%)	(₹.)	(₹.)
Grant 1	18-Apr-20	6.70	2.00	32.10	-	10.00	38,684.00

### Note 34. Employee Benefits Obligation

#### a. Gratuity (Defined Benefit Plan)

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

		₹ in Crores	
		31-Mar-23	31-Mar-22
<b>S.No</b>	<b>Particulars</b>		
<b>A.</b>	<b>Change in defined benefit obligation</b>		
1.	Defined benefit obligation at beginning of period	124.72	121.02
	Adjustments pursuant to Business Combination (Refer Note 40.2)	0.05	-
2.	Service cost		
	a. Current service cost	7.22	6.39
	b. Past service cost	1.12	-
3.	Interest expenses	8.59	7.98
4.	Cash flows		
	a. Benefit payments from plan	(14.72)	(18.21)
5.	Remeasurements		
	a. Effect of changes in demographic assumptions	0.79	1.26
	b. Effect of changes in financial assumptions	11.55	2.93
	c. Effect of experience adjustments	9.96	3.35
6.	Defined benefit obligation at end of period	<b>149.28</b>	<b>124.72</b>
		₹ in Crores	
		31-Mar-23	31-Mar-22
<b>B.</b>	<b>Change in fair value of plan assets</b>		
	Fair value of plan assets at beginning of period	118.94	114.20
	Interest income	8.28	7.49
	Cash flows		
	a. Total employer contributions	9.84	15.17
	b. Benefit payments from plan assets	(14.72)	(18.21)
	Remeasurements		
	a. Return on plan assets (excluding interest income)	(0.82)	0.29
	Transfer In /Out	-	-
	<b>Fair value of plan assets at end of period</b>	<b>121.52</b>	<b>118.94</b>
		₹ in Crores	
		31-Mar-23	31-Mar-22
<b>C.</b>	<b>Amounts recognised in the Balance Sheet</b>		
	Defined benefit obligation	149.28	124.72
	Fair value of plan assets	(121.52)	(118.94)
	Funded status	27.76	5.78
	Net defined benefit liability / (asset)	27.76	5.78

## Notes to Consolidated Financial Statements

		₹ in Crores	
D.	Components of defined benefit cost	31-Mar-23	31-Mar-22
	Service cost		
	a. Current service cost	7.22	6.39
	b. Past service cost	1.12	-
	Net interest cost		
	a. Interest expense on DBO	8.59	7.98
	b. Less - Interest income on plan assets	8.28	7.49
	c. Total net interest cost	0.31	0.49
	Remeasurements (recognized in OCI)		
	a. Effect of changes in demographic assumptions	0.79	1.26
	b. Effect of changes in financial assumptions	11.55	2.93
	c. Effect of experience adjustments	9.96	3.35
	d. Less - (Return) on plan assets (excluding interest income)	0.82	(0.29)
	e. Total remeasurements included in OCI	23.12	7.25
	<b>Total defined benefit cost recognised in P&amp;L and OCI</b>	<b>31.77</b>	<b>14.13</b>
		₹ in Crores	
E.	Re-measurement	31-Mar-23	31-Mar-22
	a. Actuarial loss on DBO	22.30	7.54
	b. Less - Returns above Interest Income	0.82	(0.29)
	<b>Total Re-measurements (OCI)</b>	<b>23.12</b>	<b>7.25</b>
		₹ in Crores	
F.	Employer Expense (P&L)	31-Mar-23	31-Mar-22
	a. Current Service Cost	7.22	6.39
	b. Past Service Cost	1.12	-
	c. Interest Cost on net DBO	0.31	0.49
	<b>d. Total P&amp;L Expenses</b>	<b>8.65</b>	<b>6.88</b>
		₹ in Crores	
G.	Net Defined Benefit Liability/(Asset) reconciliation	31-Mar-23	31-Mar-22
	Net defined benefit (asset)/liability	5.78	6.82
	Adjustments pursuant to Business Combination (Refer Note 40.2)	0.05	-
	Defined benefit cost included in P&L	8.65	6.88
	Total remeasurements included in OCI	23.12	7.25
	Employer contributions	(9.84)	(15.17)
	<b>Net defined benefit Liability/(Asset) as at end of period</b>	<b>27.76</b>	<b>5.78</b>
		₹ in Crores	
H.	Reconciliation of OCI (Re-measurement)	31-Mar-23	31-Mar-22
	Recognised in OCI during the period	23.12	7.25
	Recognised in OCI at the end of the period	23.12	7.25
		₹ in Crores	
I.	Sensitivity Analysis		
	Discount rate +1%	81.43	66.93
	Discount rate - 1%	97.53	80.40
	Salary Increase Rate +1%	97.13	80.22
	Salary Increase Rate -1%	81.63	67.03
	Attrition Rate +1%	88.72	74.28
	Attrition Rate -1%	89.52	72.13

## Notes to Consolidated Financial Statements

	₹ in Crores	
	31-Mar-23	31-Mar-22
<b>J. Significant Actuarial Assumptions</b>		
Discount rate Current Year	7.25% - 7.57%	6.80% - 7.37%
Discount rate Previous Year	6.80% - 7.37%	6.00% - 6.90%
Salary increase rate	6.00% - 8.00%	Uniform 6.0%
Attrition Rate	2.0% (Age 0-30)	2.0% (Age 0-30)
	1.0% (Age 31-40)	1.0% (Age 31-40)
	6.0% (Age default)	6.0% (Age default)
Retirement Age	58	58
Pre-retirement mortality	Indian Assured Lives Mortality (2006-08 & 2012-14) Ultimate	Indian Assured Lives Mortality (2006-08 & 2012-14) Ultimate
Disability	Nil	Nil
<b>K. Data</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
No. of employees	6,600	6,217
Avg. Age (years)	39	42
Avg. Past Service (years)	11	14
Avg. Sal. Monthly (₹)	31,300	24,367
Future Service (years)	12	15
Weighted average duration of DBO	14	18
		₹ in Crores
<b>L. Expected cash flows for following year</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Expected employer contributions / Additional Provision Next Year	12.60	11.52
Expected total benefit payments		
Year 1	22.75	19.77
Year 2 to Year 5	63.88	52.92
Year 6 to Year 10	73.90	57.44
More than 10 Years	75.00	35.27
		₹ in Crores
<b>M. Defined benefit obligation at end of period</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Current Obligation	61.20	18.40
Non-Current Obligation	88.08	106.32
<b>Total</b>	<b>149.28</b>	<b>124.72</b>
		₹ in Crores
<b>SUMMARY</b>		
<b>Assets / Liabilities</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Defined benefit obligation at end of period	149.28	124.72
Fair value of plan assets at end of period	121.52	118.94
Net defined benefit liability (asset)	27.76	5.78
Defined benefit cost included in P&L	8.65	6.88
Total remeasurements included in OCI	23.12	7.25
Total defined benefit cost recognized in P&L and OCI	31.77	14.13

## Notes to Consolidated Financial Statements

### Notes:

- i The entire Plan Assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC).
- ii The expected / actual return on Plan Assets is as furnished by LIC.
- iii The estimate of future salary increase takes into account inflation, likely increments, promotions and other relevant factors.

### b. Provident Fund

#### Tube Investments India Limited

The Holding Company's Provident Fund is exempted under Section 17 of the The Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust (including any decrease in value of investments) and the notified interest rate. The exempt provident fund set up by the company is a defined benefit plan under Ind AS 19 - Employee Benefits.

There is net asset position as at 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022, the same has not been recognized in the books.

Particulars	₹ in Crores	
	31-Mar-23	31-Mar-22
<b>A. Change in defined benefit obligation</b>		
1. Defined benefit obligation at the beginning of the period	166.36	161.12
2. Service cost		
a. Current service cost	8.63	13.59
3. Interest expenses	13.06	13.12
4. Employees' Contribution	15.23	13.83
5. Cash flows		
a. Benefit payments from plan	(37.50)	(29.27)
6. Remeasurements		
a. Effect of changes in demographic assumptions	-	(0.11)
b. Effect of financial adjustments	0.43	(5.54)
c. Effect of experience adjustments	(1.15)	(3.93)
7. Transfer In /Out	3.29	3.55
8. Defined benefit obligation at end of period	<b>168.35</b>	<b>166.36</b>
		₹ in Crores
<b>B. Change in Fair Value of Plan Assets</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
1. Fair value of plan assets at beginning of period	171.15	155.46
2. Interest income	12.58	11.76
3. Cash flows		
a. Total employer contributions	8.63	13.59
b. Benefit payments from plan assets	(37.50)	(29.27)
4. Employee's contributions	15.23	13.83
5. Remeasurement on Plan assets	(0.61)	2.23
6. Transfer In /Out	3.29	3.55
7. Fair value of plan assets at end of period	<b>172.77</b>	<b>171.15</b>
		₹ in Crores
<b>C. Components of Defined Benefit Cost</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
1. Interest cost on obligation	13.06	13.12
2. Interest income on Plan assets	(12.58)	(11.76)
3. Current Service cost	8.63	13.59
4. Defined Benefit Cost recognized in P&L	<b>9.11</b>	<b>14.95</b>

## Notes to Consolidated Financial Statements

	₹ in Crores	
<b>D. Remeasurement</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
1. Remeasurements on Plan assets	0.61	(2.23)
2. Remeasurements for Change in financial assumption	0.43	(5.54)
3. Remeasurements towards Experience variance	(1.15)	(3.93)
4. Remeasurements for Change in demographic assumptions	-	(0.11)
	<b>(0.11)</b>	<b>(11.81)</b>

	₹ in Crores	
<b>E. Net Defined Benefit Liability / (Asset) Reconciliation</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
1. Net defined benefit liability / (asset)	(4.79)	5.66
2. Defined benefit cost included in P&L	9.11	14.95
3. Total remeasurements included in OCI	(0.11)	(11.81)
4. Contributions to the fund	(8.63)	(13.59)
<b>5. Net defined benefit liability / (asset) at the end of the period</b>	<b>(4.42)</b>	<b>(4.79)</b>

	₹ in Crores	
<b>F. Proportion of Total Asset Categories</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
1. Government of India securities	11.20%	10.69%
2. State Government securities	45.64%	55.37%
3. High quality corporate bonds	34.77%	26.52%
4. Equity	2.56%	1.90%
5. Special Deposits	0.00%	0.00%
6. Bank balance and others	5.83%	5.52%
7. Funds managed by Insurer	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

	₹ in Crores	
<b>G. Funded Status</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
1. Fair Value of Plan assets	172.77	171.15
2. Present value of obligation	168.35	166.36
<b>3. Net (Asset)/Liability</b>	<b>(4.42)</b>	<b>(4.79)</b>
4. Amount as per books	-	-

Note: Since there is net asset position as at 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022, the same has not been recognised in the books

	₹ in Crores	
<b>H. Current and Non-Current liability</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
1. Current Liability (Less than 1 year)	32.30	33.46
2. Non-current liability (More than 1 year)	136.05	132.90

	₹ in Crores	
<b>I. Sensitivity analysis on interest rate guarantee liability</b>	<b>Liability</b>	<b>Change</b>
1. Best estimate - Base scenario	4.17	0%
2. Discount Rate - Increased by 0.5%	4.08	(2)%
3. Discount Rate - Decreased by 0.5%	4.27	2%
4. Return on Gov.Securities - Increased by 1.00%	-	(100)%
5. Return on Gov.Securities - Decreased by 1.00%	8.95	115%
6. Return on Equities - Increased by 1.00%	3.96	(5)%
7. Return on Equities - Decreased by 1.00%	4.39	5%
8. Return on Bonds - Increased by 1.00%	1.25	(70)%
9. Return on Bonds - Decreased by 1.00%	7.10	70%



## Notes to Consolidated Financial Statements

<b>J. Significant actuarial assumptions</b>		<b>31-Mar-23</b>	<b>31-Mar-22</b>
1.	Discount rate	7.25%	7.20%
2.	Interest rate guarantee	8.15%	8.10%
3.	Attrition Rate	6.00%	6.00%
4.	Retirement Age	58	58
5.	Pre-retirement mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

<b>K. Membership Data - Summary Statistics</b>		<b>31-Mar-23</b>	<b>31-Mar-22</b>
<b>₹ in Crores</b>			
1.	Number of employees	17,889	17,819
2.	Employee contribution	15.24	13.82
3.	Employer contribution	8.63	13.59
4.	Average attained age	35 years	34 years
5.	Average Past Service	10.64 years	10.19 years

### **CG Power and Industrial Solutions Limited, TI Clean Mobility Private Limited (Group) & Moshine Electronics Private Limited (Indian Subsidiaries)**

The other Indian subsidiaries in the Group makes contributions determined as a specified percentage of employees' salary in respect of qualifying employees towards Provident Fund. The Group has no obligation other than to make the specified contributions. The contributions are charged to the Statement of Profit & Loss as they are incurred.

#### **c. Long Term Compensated Absences**

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

<b>Assumptions</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Discount Rate	7.15% - 7.57%	6.80% - 7.40%
Future Salary Increase	6.00% - 8.00%	5.00% - 6.00%
Attrition Rate	6.00% - 8.00%	3.00% - 6.00%

#### **d. Contributions to Defined Contribution Plan**

		<b>₹ in Crores</b>	
<b>Contribution to</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	
Provident Fund	20.12	16.69	
Super Annuation Fund	12.70	11.46	
Employee State Insurance	1.10	0.76	
Labour Welfare Scheme	0.01	0.02	
National Pension Scheme	1.48	1.19	
Family Pension	23.54	21.52	

### **Note 35. Capital Commitment and Contingencies**

#### **Note 35a. Contingent Liabilities**

##### **Note i**

- Matters wherein management has concluded the Company's liability to be probable have accordingly been provided for in the books. Also Refer Note 18
- Matters wherein management has concluded the Company's liability to be possible have accordingly been disclosed under Note 35a (ii) Contingent liabilities below
- Matters wherein management is confident of succeeding in these litigations and have concluded the Company's liability to be remote. This based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceedings and claims, in different stages of process

## Notes to Consolidated Financial Statements

### Note ii Contingent Liabilities

₹ in Crores

Particulars	₹ in Crores	
	As at 31-Mar-2023	As at 31-Mar-2022
(i) Disputed Income-Tax demands under appeal / remand pending before various appellate/ assessing authorities against the Company (including interest and penalty).	4.09	5.23
(ii) Disputed Service Tax, Excise and Customs duty demand pertaining to financial years 2001-02 to 2002-2003 under appeal pending before the Appellate Tribunal. The Management is of the opinion that the above demands are arbitrary and are not sustainable	-	0.11
(iii) Claims against the Company not acknowledged as debts	5.84	6.04
(iv) Amounts payable to employees with respect to retrospective applicability of amendments to the Payment of Bonus Act, 1965 in respect of FY 2014-15, pending at High Court under a writ petition. The Management is of the opinion that the above retrospective amendment is not sustainable.	2.61	2.61
(v) Sales tax / VAT liability that may arise in respect of matters in appeal	5.01	5.57
(vi) Excise duty / Customs duty / Service tax liability that may arise in respect of matters in appeal	14.57	15.60

#### Notes

- Draft Assessment Orders received from IT Authorities and Show Cause Notices received from various other government authorities, pending adjudication, have been assessed by the management and considered appropriately in the consolidated financial statements.
- The uncertainties and possible reimbursement in respect of the above mentioned contingent liabilities are dependent on the outcome of various legal proceedings and therefore, cannot be predicted accurately.
- The Group considers the Cash flow in each of the cases to be uncertain and hence considered as Contingent Liabilities.
- From time to time, the Group is involved in claims and legal matters arising in the ordinary course of business. Management is not currently aware of any matters that will have a material adverse effect on the financial position, results of operations, or cash flows of the Group.
- It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (d) above, pending resolution of the arbitration / appellate proceedings.
- Sales tax / VAT cases include disputes pertaining to disallowances of Input tax credit and non-submission of various forms with authorities.
- Excise duty / custom duty / service tax cases include disputes pertaining to inadmissibility of cenvat credit, short payment of service tax on work contracts, refund of excise duty on export of transformers, interest payment on Provisional Assessment Cases, etc.
- Contingent liabilities for Income tax cases pertains to difference on account of cenvat credit and valuation of closing inventory, disallowance of expenses, etc.
- The Holding Company's subsidiary (CGPISL) had received notice of demand under Income Tax Act for ₹606.30 Cr. for financial year 2016-17, and the Hon'ble Bombay High Court has granted the interim stay against the notice of demand until admission of appeal before the High Court. CGPISL has filed its detailed submissions in response to the notices received for the appeal filed before Commissioner of Income Tax (Appeals). Considering the facts and underlying documents with respect to the demand raised under Section 68 of the Income Tax Act, 1961, the management strongly believes that the demand is not sustainable, bad in law and will be reversed at appellate levels.

# Notes to Consolidated Financial Statements

## Note 35b. Commitments

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
(i) Estimated amount of contracts remaining to be executed on capital expenditure and not provided for	243.17	92.12
(ii) Export obligation under EPCG to be fulfilled. The Company is confident of meeting its obligations under the Schemes within the Stipulated Period.	95.38	97.34

## Note 36. Disclosure in respect of Related Parties pursuant to Ind AS 24

### a) List of Related Parties

#### I. Joint venture & Associate Companies

- a. X2Fuels and Energy Private Limited (Refer Note 8a(ii)) (w.e.f 23<sup>rd</sup> February 2023)
- b. Aerostrovilos Energy Private Limited (w.e.f 24<sup>th</sup> November 2021)
- c. Joint Venture of TI Clean Mobility Private Limited
  - i. Celestial E-Mobility Private Limited and its subsidiary (till 2<sup>nd</sup> February 2023)
    - a. Celestial E-Trac Private Limited (till 2<sup>nd</sup> February 2023)

#### II. Company having Significant Influence

- a. Ambadi Investments Limited

#### III. Other Related Parties

- a. Parry Enterprises India
- b. Parry Agro Industries

#### IV. Key Management Personnel (KMP)

- a. Mr. M A M Arunachalam, Whole-Time Director and Executive Chairman (w.e.f. 1<sup>st</sup> April 2022)
- b. Mr. Vellayan Subbiah - Managing Director (till 31<sup>st</sup> March 2022); Whole-Time Director and Executive Vice Chairman (w.e.f. 1<sup>st</sup> April 2022)
- c. Mr. Mukesh Ahuja - Managing Director (w.e.f 1<sup>st</sup> April 2022)
- d. Mr. K R Srinivasan - President and Whole Time Director
- e. Mr. S Suresh - Company Secretary
- f. Mr. K Mahendra Kumar - Chief Financial Officer (till 8<sup>th</sup> September 2022)
- g. Mr. AN Meyyappan - Chief Financial Officer (w.e.f 9<sup>th</sup> September 2022)

#### V. Non Executive Directors

- a. Mr. M A M Arunachalam, Chairman (w.e.f 11<sup>th</sup> November 2020 till 31<sup>st</sup> March 2022)
- b. Ms. Madhu Dubhashi (till 13<sup>th</sup> August 2021)
- c. Mr. Sanjay Johri
- d. Mr. Anand Kumar
- e. Ms. Sasikala Varadachari (w.e.f 17<sup>th</sup> June 2021)
- f. Mr. Tejpreet Singh Chopra (w.e.f. 16<sup>th</sup> March 2022)
- g. Mr. Mahesh Chhabria (till 27<sup>th</sup> October 2021)

#### VI. Post Employment Benefit Funds

- a. T.I.I.(Subsidiaries) Employees Provident Fund
- b. TI Employees Provident Fund India Ltd
- c. Tube Products Of India Employees Provident Fund
- d. Tube Investments of India Limited, Employees Gratuity Fund
- e. Tube Investments of India Limited, Employees Earned Leave Fund
- f. CG Provident Fund
- g. CG Gratuity Fund

## Notes to Consolidated Financial Statements

### VII. Post Employment Contribution Funds

a. Tube Investments of India Limited, Senior Staff Superannuation Fund

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

		₹ in Crores	
Transaction	Related Party	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Services Received	Parry Enterprises India Limited	10.23	1.89
Dividend Paid	Ambadi Investments Limited	24.14	24.14
	Mr. K R Srinivasan	0.03	0.01
	Mr. Mahesh Chhabria	-	0.01
	Mr M A M Arunachalam	0.22	0.22
	Mr Mukesh Ahuja	0.01	-
Purchases and Services received	Parry Agro Industries Limited	0.01	-
Purchase of Investment	CG Provident Fund	0.33	-
Sales and Services rendered	Aerostrovilos Energy Private Limited	0.05	-
Remuneration (Refer note below)	Key Management Personnel	22.70	12.04
Fair value Cost of Stock options granted	Key Management Personnel	3.51	0.12
Sitting Fees and Commission	Non executive directors	0.66	2.71
Other Expenses	Clean Max Enviro Energy Solutions Private Limited	-	0.38
Contribution to Post Employment Benefit Funds	T.I.I.(Subsidiaries) Employees Provident Fund	6.94	6.72
	TI Employees Provident Fund India Ltd	6.22	8.24
	Tube Products Of India Employees Provident Fund	10.71	12.31
	Tube Investments of India Limited, Employees Gratuity Fund	0.06	8.32
	Tube Investments of India Limited, Employees Earned Leave Fund	4.66	4.99
Contribution to Post Employment Contribution Fund	Tube Investments of India Limited, Senior Staff Superannuation Fund	6.13	5.32
Benefits received from Employment Benefit funds	Tube Investments of India Limited, Employees Gratuity Fund	8.57	8.58
	Tube Investments of India Limited, Employees Earned Leave Fund	2.50	2.28
	CG Provident Fund	-	10.91
	CG Gratuity Fund	5.67	6.69

## Notes to Consolidated Financial Statements

₹ in Crores

Balances	Related Party	As at 31-Mar-2023	As at 31-Mar-2022
Payable	Parry Enterprises India Limited	0.04	0.10
	Key Managerial Personnel	5.32	2.94
	T.I.I.(Subsidiaries) Employees Provident Fund	0.58	0.50
	TI Employees Provident Fund India Ltd	0.52	0.52
	Tube Products Of India Employees Provident Fund	0.94	0.80
Receivable	Aertostrovilos Energy Private Limited	0.05	-
Other Current Assets	Parry Enterprises India Limited	-	0.75

### Terms and Conditions of transactions with Related Parties

The sale to and purchases from Related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in Cash. For the year ended 31<sup>st</sup> March 2023, the Group has not recorded any impairment of receivables relating to amounts owed by Related Parties.

### Details of remuneration to Key Managerial Personnel are given below:

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
- Salaries and Allowances	14.67	7.77
- Provident Fund and Superannuation	1.86	0.93
- Perquisites	0.85	0.40
- Incentive	5.32	2.94
- Fair value of Stock Options granted	3.51	0.12
- Sitting Fees and Commission to Non Executive Directors	0.66	2.71
	<b>26.87</b>	<b>14.87</b>



# Notes to Consolidated Financial Statements

## Note 37. Segment Information

Effective 1<sup>st</sup> January 2023, the Group has re-organized certain business units and its operating structure across all the business units and subsidiaries and in view of the structural changes, effective quarter ended 31<sup>st</sup> March 2023, the Chief Operating Decision Maker (CODM) reviews the business as seven operating segments – “Engineering”, “Metal Formed Products”, “Mobility”, “Gear and Gear Products”, “Power Systems”, “Industrial Segments” and “E-Mobility”, and in accordance with the core principles of Ind AS 108 - ‘Operating Segments’, these have been considered as the reportable segments of the Group.

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

The Engineering segment comprises of cold rolled steel strips and precision steel tube viz., Cold Drawn Welded tubes (CDW) and Electric Resistance Welded tubes (ERW). The Metal Formed Products segment comprises of Automotive chains, fine blanked products, stamped products, roll-formed car doorframes and cold rolled formed sections for railway wagons and passenger coaches. The Mobility segment comprises of Standard bi-cycles, Special bi-cycles including alloy bikes and Speciality performance bikes, fitness equipment. Gear and Gear Products segment consists of gears, gear boxes, gear motors and gear assemblies. The Power systems segment consists of Transformer, switchgear, Automation and Turnkey Projects. The Industrial systems segment consists of Electric Motors, Alternators, Drives, Traction Electronics and SCADA. The Industrial chains business along with new businesses of the Group and Financiere C10 are reported as Others for the purpose of segment reporting. The Industrial chains and new business namely, Optic Lens, TMT Bars, Truck Body Building and TI Machine building are reported as Others for the purpose of segment reporting. The segment “E-Mobility” comprises the electric mobility business of the Group. The Company has re-presented the information relating to previous year in line with the revised segment classification.

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

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

PARTICULARS	Mobility		E-Mobility		Engineering		Metal Formed Products		Gear and Gear Products		Power Systems		Industrial Systems		Others		Discontinued Operations		Eliminations		Consolidated Total		
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	
	₹ in Crores																						
<b>REVENUE</b>																							
External Sales	806.45	976.04	4.28	-	3,952.51	3,334.51	1,322.87	1,157.56	431.14	316.31	2,012.79	1,504.74	4,865.78	3,882.96	1,035.13	810.41	-	-	-	-	-	14,430.95	11,982.53
Inter-Segment Sales	-	-	-	-	298.34	273.05	1.15	0.40	4.20	8.21	0.87	0.34	0.07	0.28	23.04	1.16	-	-	(327.67)	(283.44)	-	-	-
Other Operating Revenue	3.10	4.71	0.56	-	310.78	280.40	99.64	82.30	10.31	12.55	9.26	10.58	68.62	69.29	31.51	25.07	-	-	(2.25)	(2.25)	-	531.53	462.65
Unallocated Corporate Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.25	2.25
<b>Total Revenue</b>	<b>809.55</b>	<b>980.75</b>	<b>4.84</b>	<b>-</b>	<b>4,561.63</b>	<b>3,867.96</b>	<b>1,423.66</b>	<b>1,240.26</b>	<b>445.65</b>	<b>337.07</b>	<b>2,022.92</b>	<b>1,515.66</b>	<b>4,934.47</b>	<b>3,952.53</b>	<b>1,089.68</b>	<b>836.64</b>	<b>-</b>	<b>-</b>	<b>(329.92)</b>	<b>(283.69)</b>	<b>-</b>	<b>14,964.73</b>	<b>12,447.43</b>
Unallocated Corporate Expenses net of Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(70.51)	(17.87)
<b>RESULTS</b>																							
Operating Profit	17.77	49.87	(104.07)	(9.54)	548.06	376.40	172.73	135.49	89.98	58.74	212.87	122.91	692.43	418.04	53.08	47.28	-	-	-	-	-	1,612.34	1,181.32
Profit / (Loss) on Sale of Property, Plant and Equipment	0.36	0.30	1.87	-	0.99	(0.82)	0.93	0.82	0.21	-	(0.02)	-	0.81	-	4.08	-	-	-	(1.28)	(1.25)	-	7.95	(0.95)
<b>Net Operating Profit</b>	<b>18.13</b>	<b>50.17</b>	<b>(102.20)</b>	<b>(9.54)</b>	<b>549.05</b>	<b>375.58</b>	<b>173.66</b>	<b>136.31</b>	<b>90.19</b>	<b>58.74</b>	<b>212.85</b>	<b>122.91</b>	<b>693.24</b>	<b>418.04</b>	<b>57.16</b>	<b>47.28</b>	<b>-</b>	<b>-</b>	<b>(1.28)</b>	<b>(1.25)</b>	<b>-</b>	<b>1,620.29</b>	<b>1,180.37</b>

# Notes to Consolidated Financial Statements

PARTICULARS	Mobility		E-Mobility		Engineering		Metal Formed Products		Gear and Gear Products		Power Systems		Industrial Systems		Others		Discontinued Operations		Eliminations		Consolidated Total		
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	
	₹ in Crores																						
Dividend Income																						3.24	
Finance Costs																						(42.46)	(81.97)
Tax Expense																						(422.59)	(160.83)
Exceptional Items																						8.06	20.21
Profit on Sale of Current Investments (Net)																						14.68	9.51
Loss from Associates and JVs																						(19.56)	(2.92)
(Loss)/Profit from discontinued operations after tax																						166.64	23.43
<b>Net Profit</b>	<b>1.54</b>	<b>50.17</b>	<b>(102.20)</b>	<b>(9.54)</b>	<b>549.05</b>	<b>375.58</b>	<b>173.66</b>	<b>136.31</b>	<b>90.19</b>	<b>58.74</b>	<b>212.85</b>	<b>122.91</b>	<b>693.24</b>	<b>418.04</b>	<b>81.81</b>	<b>67.49</b>	-	-	-	<b>(1.28)</b>	<b>(1.25)</b>	<b>1,325.06</b>	<b>991.04</b>
<b>ASSETS</b>																							
Segment Assets	227.02	354.94	1,029.48	231.83	1,477.61	1,474.18	558.52	562.17	373.46	339.15	1,459.04	1,529.88	1,774.59	1,593.26	647.96	593.47	189.87	8.06	(461.91)	(206.48)	7,275.64	6,480.46	
Unallocated Corporate Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,806.79	1,223.29	
<b>Total Assets</b>	<b>227.02</b>	<b>354.94</b>	<b>1,029.48</b>	<b>231.83</b>	<b>1,477.61</b>	<b>1,474.18</b>	<b>558.52</b>	<b>562.17</b>	<b>373.46</b>	<b>339.15</b>	<b>1,459.04</b>	<b>1,529.88</b>	<b>1,774.59</b>	<b>1,593.26</b>	<b>647.96</b>	<b>593.47</b>	<b>189.87</b>	<b>8.06</b>	<b>(461.91)</b>	<b>(206.48)</b>	<b>9,082.43</b>	<b>7,703.75</b>	
<b>LIABILITIES</b>																							
Segment Liabilities	120.26	219.90	715.83	80.79	676.67	777.67	240.93	272.09	75.54	80.80	1,085.03	1,775.80	869.46	760.64	194.14	180.20	692.85	8.84	(236.16)	(142.09)	4,434.55	4,014.64	
Unallocated Corporate Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	189.12	330.80	
<b>Total Liabilities</b>	<b>120.26</b>	<b>219.90</b>	<b>715.83</b>	<b>80.79</b>	<b>676.67</b>	<b>777.67</b>	<b>240.93</b>	<b>272.09</b>	<b>75.54</b>	<b>80.80</b>	<b>1,085.03</b>	<b>1,775.80</b>	<b>869.46</b>	<b>760.64</b>	<b>194.14</b>	<b>180.20</b>	<b>692.85</b>	<b>8.84</b>	<b>(236.16)</b>	<b>(142.09)</b>	<b>4,633.67</b>	<b>4,345.24</b>	
<b>OTHER INFORMATION</b>																							
Capital Expenditure	7.39	8.13	109.73	-	115.52	74.04	18.12	23.55	15.27	2.15	26.59	18.36	52.61	51.15	64.84	14.46	-	-	-	-	410.07	191.84	
Unallocated Corporate Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.94	56.89	
Depreciation and Amortisation expense	11.79	11.69	24.99	-	76.39	77.56	39.47	43.96	10.88	10.37	46.67	50.79	145.27	116.80	31.47	31.19	-	-	(3.47)	-	383.46	342.36	
Unallocated Corporate Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12.40	4.22	

## Notes to Consolidated Financial Statements

### Revenue from external customers

₹ in Crores

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
India	12,857.27	10,603.31
Outside India	2,107.46	1,844.12
<b>Total Revenue per Statement of Profit or Loss</b>	<b>14,964.73</b>	<b>12,447.43</b>

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

### Non-Current operating assets

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
India	3,898.30	3,770.15
Outside India	389.15	522.01
<b>Total</b>	<b>4,287.45</b>	<b>4,292.16</b>

### Reconciliation of Segment assets and liabilities to amounts reflected in the Financial Statements

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Segment Assets	9,082.43	7,703.76
Add: Deferred Tax Assets	334.96	513.57
Add: Goodwill on Consolidation	834.48	663.14
Add: Derivative Instruments	0.07	1.02
<b>Total Assets</b>	<b>10,251.94</b>	<b>8,881.49</b>

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Segment Liabilities	4,633.67	4,345.24
Add: Deferred Tax Liabilities and others	31.93	7.23
Add: Long term and Short term Borrowings (Note 15a and Note 17a)	629.14	803.76
Add: Derivative Instruments	1.70	-
<b>Total Liabilities</b>	<b>5,296.44</b>	<b>5,156.23</b>

### Note 38. Leases

The Group has lease contracts for Land, Building, Furnitures and Vehicles used for the purpose of Warehouses and Factories. Leases of such assets generally have lease terms between 2 and 95 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of machinery with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

The carrying amounts of right-of-use assets recognised and the movements during the year is explained in Note 6b

Set out below are the carrying amounts of lease liabilities included under financial liabilities and the movements during the year:

## Notes to Consolidated Financial Statements

### Movement of Lease Liability

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Opening Balance	67.15	57.78
Additions on account of Business Combination (Refer Note 40.2)	21.47	-
Add: Additions during the year	25.08	36.84
Less: Deletions / Remeasurements during the year	(0.49)	(13.73)
Add / Less: Exchange Differences	(0.46)	(0.38)
Add / Less: Accretion of Interest	5.48	4.38
Less: Payments during the year	(21.30)	(17.74)
<b>Closing Balance</b>	<b>96.93</b>	<b>67.15</b>
Current	13.82	14.91
Non Current	83.11	52.24

### Maturity Analysis of Lease Liability

₹ in Crores

Year Ended	Less than 1 Year	1 - 5 Years	More than 5 Years
31-Mar-2023	22.93	78.17	105.61
31-Mar-2022	18.72	37.98	39.45

The effective interest rate for lease liabilities is 8% - 13% p.a. (PY - 8% - 13% p.a.).

The following are the amounts recognised in profit or loss:

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Depreciation expense of right-of-use assets	14.92	19.04
Interest expense on lease liabilities	5.48	4.38
Expense relating to short-term leases and variable leases (included in other expenses)	22.40	17.41
Income from right-of-use assets (included in other income)	(0.97)	-
<b>Total</b>	<b>41.83</b>	<b>40.83</b>

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (Refer Note 31).

The Group does not expect undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term

### Group as Lessor:

The Group has entered into operating leases on one of its factory buildings from December 2022 onwards having lease term of fifteen years. Rental income recognized by the Company during the year is ₹3.76 Crs (Previous year - ₹0.26 Crs). Future minimum rentals receivable under operating leases as at 31<sup>st</sup> March are as follows:

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Within One Year	4.68	4.13
1 to 5 Years	19.36	18.70
6 to 10 years	25.84	-
11 to 15 years	26.16	-
<b>Total</b>	<b>76.04</b>	<b>22.83</b>

## Notes to Consolidated Financial Statements

### Note 39. Non-Controlling Interest

Financial information of Subsidiaries having Material Non-Controlling Interest are given below:

Name of the Subsidiary	Country of Incorporation	As on 31 <sup>st</sup> March 2023	Profit allocated to Non-Controlling Interest (₹ in Crores)	Other Comprehensive Income allocated to Non-Controlling Interest (₹ in Crores)	Accumulated Non-Controlling Interest (₹ in Crores)
Shanthi Gears Limited	India	29.53%	19.80	(0.49)	89.28
Great Cycles (Private) Limited	Sri Lanka	20.00%	(0.30)	(0.17)	3.32
Creative Cycles (Private) Limited	Sri Lanka	20.00%	0.51	(0.17)	(0.79)
CGPISL and its subsidiaries	India	41.95%	364.33	(8.43)	839.05
Moshine Electronics Private Limited (Refer Note 40.2)	India	24.00%	(0.25)	-	(0.30)
TI Clean Mobility and its subsidiaries (Refer Note 40.2)	India	0.00%	(14.61)	(0.16)	74.31

Name of the Subsidiary	Country of Incorporation	As on 31 <sup>st</sup> March 2022	Profit allocated to Non-Controlling Interest (₹ in Crores)	Other Comprehensive Income allocated to Non-Controlling Interest (₹ in Crores)	Accumulated Non-Controlling Interest (₹ in Crores)
Shanthi Gears Limited	India	29.53%	12.54	(0.13)	76.77
Great Cycles (Private) Limited	Sri Lanka	20.00%	1.42	-	3.76
Creative Cycles (Private) Limited	Sri Lanka	20.00%	(2.69)	-	(1.40)
CGPISL and its subsidiaries	India	41.95%	210.94	7.49	575.05

The summarised financial information of the Subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

#### Summarised Statement of Profit and Loss

₹ in Crores

Particulars	31 <sup>st</sup> March 2023					
	Shanthi Gears Limited	Great Cycles (Private) Limited	Creative Cycles (Private) Limited	CGPISL	Moshine Electronics Private Limited	TICMPL
Income	456.89	6.87	32.47	7,040.29	6.32	23.75
Expenditure	366.70	8.50	29.86	6,143.76	7.35	167.58
Profit / (Loss) Before Tax	90.19	(1.63)	2.61	896.53	(1.03)	(143.83)
Tax Expenses	23.14	(0.13)	0.05	193.98	-	(8.90)
Profit/(Loss) from discontinuing operations	-	-	-	166.64	-	-
Profit / (Loss) for the year	67.05	(1.50)	2.56	869.19	(1.03)	(134.94)
- attributable to the equity holders of the Parent	47.25	(1.20)	2.05	504.87	(0.78)	(120.33)
- attributable to the non-controlling interest	19.80	(0.30)	0.51	364.33	(0.25)	(14.61)
Other Comprehensive Income	(1.65)	-	-	(20.08)	-	(0.47)



## Notes to Consolidated Financial Statements

Particulars	31 <sup>st</sup> March 2023					
	Shanthy Gears Limited	Great Cycles (Private) Limited	Creative Cycles (Private) Limited	CGPISL	Moshine Electronics Private Limited	TICMPL
- attributable to the equity holders of the Parent	(1.17)	-	-	(11.65)	-	(0.31)
- attributable to the non-controlling interest	(0.49)	(0.17)	(0.17)	(8.43)	-	(0.16)
Total Comprehensive Income	65.40	(1.50)	2.56	849.12	(1.03)	(135.41)
- attributable to the equity holders of the Parent	46.08	(1.20)	2.05	493.21	(0.78)	(120.63)
- attributable to the non-controlling interest	19.31	(0.47)	0.34	355.90	(0.25)	(14.77)

₹ in Crores

Particulars	31 <sup>st</sup> March 2022				
	Shanthy Gears Limited	Great Cycles (Private) Limited	Creative Cycles (Private) Limited	CGPISL	
Income	346.12	36.60	69.89	5,603.11	
Expenditure	287.39	27.89	83.42	5,104.44	
Profit / (Loss) Before Tax	58.73	8.71	(13.53)	498.67	
Tax Expenses	16.26	1.62	(0.06)	(7.50)	
Profit/(Loss) from discontinuing operations	-	-	-	23.43	
Profit / (Loss) for the year	42.47	7.09	(13.47)	529.60	
- attributable to the equity holders of the Parent	29.93	5.67	(10.78)	299.70	
- attributable to the non-controlling interest	12.54	1.42	(2.69)	229.90	
Other Comprehensive Income	(0.46)	-	-	18.04	
- attributable to the equity holders of the Parent	(0.33)	-	-	10.55	
- attributable to the non-controlling interest	(0.13)	-	-	7.49	
Total Comprehensive Income	42.01	7.09	(13.47)	547.64	
- attributable to the equity holders of the Parent	29.60	5.67	(10.78)	310.25	
- attributable to the non-controlling interest	12.41	1.42	(2.69)	237.39	

### Summarised Balance Sheet

₹ in Crores

Particulars	31 <sup>st</sup> March 2023					
	Shanthy Gears Limited	Great Cycles (Private) Limited	Creative Cycles (Private) Limited	CGPISL	Moshine Electronics Private Limited	TICMPL
Non-Current Asset	107.43	4.30	4.60	1,640.68	2.36	655.93
Current Asset	270.45	14.27	6.99	2,981.92	4.89	544.23
Assets classified as held for sale and discontinued operations	-	-	-	189.87	-	-
Non-Current Liabilities	0.48	1.28	1.16	58.36	4.18	838.84
Current Liabilities	75.06	0.70	14.36	2,062.41	4.33	168.97
Liabilities associated with group of assets classified as held for sale and discontinued operations	-	-	-	692.85	-	-
Total Equity	302.33	16.58	(3.94)	1,998.84	(1.26)	192.35
- attributable to the equity holders of the Parent	213.05	13.26	(3.15)	1,159.79	(0.96)	118.05
- attributable to the non-controlling interest	89.28	3.32	(0.79)	839.05	(0.30)	74.31

## Notes to Consolidated Financial Statements

₹ in Crores

Particulars	31 <sup>st</sup> March 2022			
	Shanthy Gears Limited	Great Cycles (Private) Limited	Creative Cycles (Private) Limited	CGPISL
Non-Current Asset	101.89	5.28	4.88	2,117.61
Current Asset	238.87	18.50	21.39	2,441.87
Assets classified as held for sale and discontinued operations	-	-	-	8.07
Non-Current Liabilities	0.85	1.95	1.15	363.58
Current Liabilities	79.95	3.02	32.10	2,825.56
Liabilities associated with group of assets classified as held for sale and discontinued operations	-	-	-	8.84
Total Equity	259.96	18.81	(6.98)	1,369.57
- attributable to the equity holders of the Parent	183.19	15.05	(5.58)	794.52
- attributable to the non-controlling interest	76.77	3.76	(1.40)	575.05

### Summarised Cash Flow Statement

₹ in Crores

Particulars	31 <sup>st</sup> March 2023					
	Shanthy Gears Limited	Great Cycles (Private) Limited	Creative Cycles (Private) Limited	CGPISL	Moshine Electronics Private Limited	TICMPL
Net cash inflow / (outflow) from operating activities	62.95	(0.38)	(1.93)	946.86	(2.23)	(246.95)
Net cash inflow / (outflow) from investing activities	(26.17)	-	(0.10)	(20.69)	(1.51)	(614.89)
Net cash inflow / (outflow) from financing activities	(23.01)	(0.09)	(0.13)	(611.54)	3.28	858.67
<b>Net Increase / (Decrease) in Cash and Cash equivalents</b>	<b>13.77</b>	<b>(0.47)</b>	<b>(2.16)</b>	<b>314.63</b>	<b>(0.46)</b>	<b>(3.17)</b>

₹ in Crores

Particulars	31 <sup>st</sup> March 2022			
	Shanthy Gears Limited	Great Cycles (Private) Limited	Creative Cycles (Private) Limited	CGPISL
Net cash inflow / (outflow) from operating activities	35.01	(3.08)	0.69	488.82
Net cash inflow / (outflow) from investing activities	(16.48)	(0.03)	(0.07)	220.94
Net cash inflow / (outflow) from financing activities	(19.18)	0.01	(0.14)	(797.20)
<b>Net Increase / (Decrease) in Cash and Cash equivalents</b>	<b>(0.65)</b>	<b>(3.10)</b>	<b>0.48</b>	<b>(87.44)</b>

### Note 40.1 - Interest in Joint Ventures and Associate

#### Interest in Joint Ventures

##### A) Celestial E-Mobility Private Limited

- i) During the year ended 31<sup>st</sup> March, 2022, the Company has incorporated a wholly owned subsidiary viz., TI Clean Mobility Private Limited ("TICMPL") to pursue and engage in Clean Mobility business interests and electric three-wheeler business with an equity investment of ₹100 Cr. TICMPL acquired 1,41,677 equity shares of the face value of ₹10/- each, representing about 69.95% of the subscribed and paid-up share capital of M/s. Celestial E-Mobility Private Limited ("CEMPL"), a company engaged in design and manufacture of electric tractors. TICMPL has joint control over CEMPL.
- ii) TICMPL acquired the remaining stake in the company in the current year effective 3<sup>rd</sup> February, 2023. Refer Note 40.2 for accounting business combination.

## Notes to Consolidated Financial Statements

### B) X2Fuels and Energy Private Limited

During the year, the Company has acquired 50% stake in X2Fuels & Energy Private Limited ('X2Fuels'). The Company has subscribed to 10,753 equity shares of the Company for a consideration of ₹6.15 Cr. X2Fuels is a start-up company engaged in developing processes to convert waste to liquid / solid fuels. The said investment is in line with the Group's intent to invest in start-ups engaged in innovative research and product development in fields/activities of interest to the Company. The Company has joint control over X2Fuels.

#### Investment in Associate

### A) Aerostravilos Energy Private Limited

During the year ended 31<sup>st</sup> March, 2022, the Company was allotted 4,151 equity shares of face value of ₹10/- each, fully paid up, representing 27.78% of paid-up share capital of M/s. Aerostravilos Energy Private Limited ("AEPL") for a consideration of ₹3.46 Cr., pursuant to the Shares Subscription Agreement executed between the Company and AEPL.

#### Summarised Financial Information

The Group's interest in the above mentioned joint ventures and associate is accounted using the equity method in the Consolidated Financial Statements. Summarised financial information of the joint ventures and associate based on their Ind AS financial statements for the year ended 31<sup>st</sup> March 2023 is given below:

Particulars	₹ in Crores		
	CEMPL (01.04.22 to 03.02.23)	AEPL (Full Year)	X2Fuels (23.03.22 to 31.03.23)
<b>Summarised statement of profit and loss</b>			
Income	0.86	0.21	-
Expenditure	32.36	0.68	0.06
Profit / (Loss) before Tax	(31.50)	(0.46)	(0.06)
Tax Expenses*	(3.74)	0.00	-
Profit/ (Loss) after Tax	(27.76)	(0.47)	(0.06)
Other Comprehensive Income	-	-	-
Total Comprehensive Income	(27.76)	(0.47)	(0.06)
Proportion of Group's ownership	69.95%	27.78%	50.00%
Group's share in Total Comprehensive Income	(19.40)	(0.13)	(0.03)
<b>Summarised Balance Sheet</b>			
Non-Current Asset		2.60	0.05
Current Asset		1.00	5.93
Non-Current Liabilities		-	0.14
Current Liabilities		0.64	0.01
Total Equity		2.96	5.83
Cost of Investment		3.46	6.15
Carrying amount of Investment in Consolidated Financial Statements		3.29	6.12

\* Represents amount less than ₹0.01 Cr.

Summarised financial information of the joint venture based on their Ind AS financial statements for the year ended 31<sup>st</sup> March 2022 is given below:

Particulars	₹ in Crores	
	CEMPL 2022	AEPL 2022
<b>Summarised statement of profit and loss</b>		
Income	0.06	0.02
Expenditure	4.15	0.14
Profit / (Loss) before Tax	(4.09)	(0.12)
Tax Expenses	0.04	-

## Notes to Consolidated Financial Statements

₹ in Crores

Particulars	CEMPL 2022	AEPL 2022
Profit after Tax	(4.13)	(0.12)
Other Comprehensive Income	-	-
Total Comprehensive Income	(4.13)	(0.12)
Proportion of Group's ownership	69.95%	27.78%
Group's share in Total Comprehensive Income	(2.89)	(0.03)
<b>Summarised Balance Sheet</b>		
Non-Current Asset	2.77	0.35
Current Asset	51.87	0.14
Non-Current Liabilities	1.71	0.27
Current Liabilities	5.50	0.08
Total Equity	47.43	0.14
Carrying amount of Investment in Consolidated Financial Statements	157.98	3.43

### Note 40.2 - Business Combination (Acquisitions during the year ended 31<sup>st</sup> March, 2023)

#### A) Acquisition of IPLTech Electric Private Limited

- i) On 21<sup>st</sup> September, 2022 (Acquisition Date), the Group acquired 65.2% of the equity shares of IPLTech Electric Private Limited (IPLT), a un-listed company based in India, for a consideration of ₹245.41 Cr. (13,836 equity shares). It is a start-up engaged in the manufacturing and sale of electric heavy commercial vehicles. The decision by the Group to acquire controlling interest in IPLT was driven by the long-term business objectives of the Group and is in line with Group's intent to broaden its products and business portfolio with a view to reduce its dependence on existing revenue streams.
- ii) The Group has elected to measure the non-controlling interests at the proportionate share of the acquiree's net assets.

#### B) Acquisition of Celestial E-Mobility Private Limited

- i) As more detailed in Note 40.1, during the previous year, TICMPL acquired 141,677 equity shares of the face value of ₹10/- each, representing about 69.95% of the subscribed and paid-up share capital of M/s. Celestial E-Mobility Private Limited ("CEMPL"), a company engaged in design and manufacture of electric tractors for a consideration of ₹160.89 Cr. TICMPL had joint control over CEMPL.

During the current year, the company acquired the remaining 60,860 equity shares from the existing shareholders for a consideration of ₹50.90 Cr. and obtained 100% control over the subsidiary. The decision by the Group to acquire controlling interest in CEMPL was driven by the strategy to consolidate its holding in electric tractor business. The Control was obtained on the Company effective 3<sup>rd</sup> February, 2023 (Acquisition Date) and CEMPL become the Wholly Owned Subsidiary.

- ii) Post acquisition of the remaining equity shares as referred to above, the transaction has been accounted in accordance with Ind AS 103 - Business Combinations and accounting has been provisionally determined as permitted by paragraph 45 of Ind-AS 103

#### C) Acquisition of Moshine Electronics Private Limited

- i) On 23<sup>rd</sup> September, 2022 (Acquisition Date), the Group acquired 76% of the equity shares of Moshine Electronics Private Limited (MEPL), an un-listed company based in India, for a consideration of ₹7.38 Cr. (20,66,628 equity shares). MEPL is a company engaged in the manufacture and sale of camera modules for mobile phones. The decision by the Group to acquire controlling interest in MEPL was driven by the long-term business objectives of the Group and is in line with Group's intent to broaden its products and business portfolio with a view to reduce its dependence on existing revenue streams.

## Notes to Consolidated Financial Statements

- ii) The Group has elected to measure the non-controlling interests at the proportionate share of the acquiree's net assets.

**D) Assets Acquired and Liabilities assumed: The fair values of the identifiable assets and liabilities as at the date of acquisition were:**

Particulars	₹ in Crores		
	IPLT	Moshine	CEMPL (Provisional)
<b>Assets:</b>			
Non-Current Assets			
Property, Plant and Equipment	5.31	0.18	0.40
Right of Use Assets	2.41	1.10	17.55
Capital Work-in-Progress	-	-	6.09
Intangible Assets	133.89	1.39	112.39
Financial Assets- Others	0.18	-	1.15
Other Non-Current Assets	0.02	0.15	-
Deferred Tax Assets	-	0.12	0.13
Current Assets			
Inventories	14.85	1.47	3.02
Trade Receivables	1.51	2.80	-
Cash and cash equivalents	150.21	0.95	20.22
Bank balances other than Cash and cash equivalents	0.23	0.51	-
Financial Assets- Others	0.13	-	-
Other Current Assets	25.32	0.22	3.98
<b>Total Assets (A)</b>	<b>334.06</b>	<b>8.89</b>	<b>164.93</b>
<b>Liabilities:</b>			
Non-current liabilities			
Long term Borrowings	-	-	3.00
Lease Liabilities	0.65	0.52	16.73
Long Term Provision	0.07	-	0.15
Financial Liabilities	-	-	0.71
Deferred Tax Liabilities	22.41	0.35	18.62
Other non-current liabilities	-	-	1.52
Current Liabilities			
Borrowings	22.47	-	-
Lease Liabilities	2.18	0.69	0.70
Trade Payables	3.09	7.42	1.75
Other Financial Liabilities	0.10	0.09	0.21
Other Current Liabilities	26.34	-	1.16
Short Term Provision	0.44	0.05	0.13
<b>Total Liabilities (B)</b>	<b>77.75</b>	<b>9.12</b>	<b>44.68</b>
<b>Net Assets (C=A-B)</b>	<b>256.31</b>	<b>(0.23)</b>	<b>120.25</b>
% Stake held by the Group (D)	65.25%	76.00%	100.00%
<b>Share of Net Assets of the Group (E=C*D)</b>	<b>167.23</b>	<b>(0.17)</b>	<b>120.25</b>
Purchase Consideration (F)	245.41	7.38	204.25
<b>Goodwill (F-E)</b>	<b>78.18</b>	<b>7.55</b>	<b>84.00</b>



## Notes to Consolidated Financial Statements

### Other Matters

- The entire purchase consideration was paid through cash. There is no contingent consideration to be paid as per the definite agreements and transactions has to be recognised separately from acquisition of assets and assumption of liabilities. The carrying value and gross value of trade receivables equals to the fair values.
- The goodwill of ₹169.73 Cr. comprises the value of expected synergies arising from the acquisition and Intangibles assets recognised in accordance with Ind AS 38 (ie, Technical know-how, Non Compete, Order book etc). Goodwill of ₹162.18 Cr. and ₹7.55 Cr. has been allocated to E-Mobility segment and Other segment respectively. None of the goodwill recognised is expected to be deductible for income tax purposes.
- From the date of acquisition, the Companies contribution on revenue and Profit/ (Loss) before tax from continuing operations of the Group is as follows:

Particulars	₹ in Crores		
	IPLT	CEMPL	Moshine
Revenue	3.07	0.23	6.32
Profit/ (Loss) before tax from continuing operations	(43.89)	(8.97)	(1.03)

- If the combination had taken place at the beginning of the year ended 31<sup>st</sup> March 2023, the contribution to group's revenue from operations and profit before tax would have been as follows

Particulars	₹ in Crores		
	IPLT	CEMPL	Moshine
Revenue	5.56	0.23	12.20
Profit/ (Loss) before tax from continuing operations	(60.25)	(18.96)	(1.70)

- Transaction costs of ₹0.27 Cr. have been expensed and are included in other expenses.
- The deferred tax liability mainly comprises the tax effect of the fair value of tangible and intangible assets due to the acquisitions.

### Note 40.3. Hedging activities and derivatives

#### Cash Flow Hedges

Foreign Exchange Forward Contracts measured at Fair Value through OCI are designated as Hedging Instruments in cash flow hedges of forecast sales in EUR and USD and also for forecast purchases in EUR and USD.

Particulars	₹ in Crores			
	As at 31-Mar-2023		As at 31-Mar-2022	
	Assets	Liabilities	Assets	Liabilities
Fair Value of Foreign Exchange Forward Contracts	0.07	1.70	1.02	-

#### Disclosure of effects of Hedge accounting

##### As at 31-Mar-2023

Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments (₹ in Crores)		Maturity Date	Hedge Ratio	Weighted Average Rate	Changes in Fair value of Hedging Instrument	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness
	Asset	Liability	Asset	Liability					
Foreign Currency Forward Contracts	18	42	42.76	212.26	17-Apr-2023 to 28-Mar-2025	1:1	1 USD - ₹82.41 1 EUR - ₹93.50 1 JPY - ₹0.62 1 CHF - ₹90.36 1 CNH - ₹12.15	(1.00)	1.00

## Notes to Consolidated Financial Statements

₹ in Crores

Cash Flow Hedge	Change in the value of Hedging Instrument recognised in Other Comprehensive Income	Hedge Ineffectiveness recognised in Profit or Loss	Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss	Line item affected in Statement of Profit and Loss because of the Reclassification
Foreign Exchange Risk	(2.38)	-	(0.07)	Other Expenses

As at 31-Mar-2022

Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments (₹ in Crores)		Maturity Date	Hedge Ratio	Weighted Average Rate	Changes in Fair value of Hedging Instrument	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness
	Asset	Liability	Asset	Liability					
	Foreign Currency Forward Contracts	-	30	-					

₹ in Crores

Cash Flow Hedge	Change in the value of Hedging Instrument recognised in Other Comprehensive Income	Hedge Ineffectiveness recognised in Profit or Loss	Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss	Line item affected in Statement of Profit and Loss because of the Reclassification
Foreign Exchange Risk	3.34	-	(4.12)	Other Expenses

### Note 41.1 Fair Values

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

₹ in Crores

Particulars	Carrying value		Fair value	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
<b>Financial assets</b>				
FVTOCI Equity Investments	8.74	8.52	8.74	8.52
FVTPL Debt Investments	0.56	0.23	0.56	0.23
Investments at amortised cost	20.61	22.61	20.61	22.61
Other Financial Assets - Non Current	48.56	56.17	48.56	56.17
Loans	2.07	2.17	2.07	2.17
Trade Receivables	2,128.90	1,785.34	2,128.90	1,785.34
FVTPL Investments in Mutual Funds	689.92	348.99	689.92	348.99
Derivative Instruments - Current	0.07	1.02	0.07	1.02
Cash and Bank Balances	953.60	572.66	953.60	572.66
Other Financial Assets - Current	159.59	155.13	159.59	155.13
<b>Total</b>	<b>4,012.62</b>	<b>2,952.84</b>	<b>4,012.62</b>	<b>2,952.84</b>

## Notes to Consolidated Financial Statements

₹ in Crores

Particulars	Carrying value		Fair value	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
<b>Financial liabilities</b>				
Non-current Borrowings	44.18	345.29	44.18	345.29
Lease Liabilities - Non Current	83.11	52.24	83.11	52.24
Derivative Instruments - Non Current	1.07	-	1.07	-
Other Financial Liabilities - Non-Current	402.58	14.83	402.58	14.83
Current Borrowings	584.96	458.47	584.96	458.47
Trade Payables	2,319.11	2,343.23	2,319.11	2,343.23
Lease Liabilities - Current	13.82	14.91	13.82	14.91
Derivative Instruments - Current	0.63	-	0.63	-
Other Financial Liabilities - Current	386.83	748.64	386.83	748.64
<b>Total</b>	<b>3,836.29</b>	<b>3,977.61</b>	<b>3,836.29</b>	<b>3,977.61</b>

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

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

- The fair values of quoted equity investments are derived from quoted market prices in active markets.
- The fair values of certain unquoted equity investments have been estimated using Discounted Cash-flow Model (DCF). The valuation is based on certain assumptions like forecast cash-flows, discount rate, etc.
- The fair value of borrowings is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return, adjusted for the Credit spread considered by the lenders for instruments of the similar maturity.
- Derivatives are fair valued using market observable rates and published prices.

### Note 41.2 Fair Values Hierarchy

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

**Quantitative disclosures fair value measurement hierarchy for assets as at 31<sup>st</sup> March 2023:** ₹ in Crores

Particulars	Total	Fair Value Measurement using		
		Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Asset measured at fair value:</b>				
FVTOCI Investments	8.74	-	-	8.74
FVTPL Investments	690.48	690.48	-	-
Foreign Exchange Forward Contracts	0.07	-	0.07	-
<b>Assets for which fair values are disclosed:</b>				
Investment Properties *	45.65	-	-	45.65
Investments carried at amortised cost	20.61	-	20.61	-

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

There have been no transfers between the level 1, level 2 and Level 3 during the period.

## Notes to Consolidated Financial Statements

### Quantitative disclosures fair value measurement hierarchy for liabilities as at 31<sup>st</sup> March 2023:

₹ in Crores

Particulars	Total	Fair Value Measurement using		
		Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Liabilities for which fair values are disclosed:</b>				
Foreign Exchange forward Contracts	1.70	-	1.70	-
Compulsorily Convertible preference Shares	400.00	-	400.00	-
Long term Borrowings	44.18	-	44.18	-

There have been no transfers between the level 1, level 2 and level 3 during the period.

### Quantitative disclosures fair value measurement hierarchy for assets as at 31<sup>st</sup> March 2022:

₹ in Crores

Particulars	Total	Fair Value Measurement using		
		Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Asset measured at fair value:</b>				
FVTOCI Investments	8.52	-	-	8.52
FVTPL Investments	349.22	349.22	-	-
Foreign Exchange Forward Contracts	1.02	-	1.02	-
<b>Assets for which fair values are disclosed:</b>				
Investment Properties *	44.85	-	-	44.85
Investments carried at amortised cost	22.61	-	22.61	-

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

There have been no transfers between the level 1, level 2 and level 3 during the period.

### Quantitative disclosures fair value measurement hierarchy for liabilities as at 31<sup>st</sup> March 2022:

₹ in Crores

Particulars	Total	Fair Value Measurement using		
		Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Liabilities for which fair values are disclosed:</b>				
Long term Borrowings	345.29	-	345.29	-

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

Particulars	Valuation technique	Significant unobservable inputs	Range (Weighted average)	Sensitivity of the input to fair value
Unquoted FVTOCI equity investments As at 31 <sup>st</sup> March 2023	DCF Model	Discount Rate	14%	5% sensitivity 2022-23- Discount Rate-19.1%, ₹(1.34) Cr. Discount Rate-9.1%, ₹1.71 Cr.
Unquoted FVTOCI equity investments As at 31 <sup>st</sup> March 2022	DCF Model	Discount Rate	15%	5% sensitivity 2021-22- Discount Rate-20%, ₹(2.05) Cr. Discount Rate-10%, ₹4.10 Cr.

## Notes to Consolidated Financial Statements

Particulars	Valuation technique	Significant unobservable inputs	Range (Weighted average)	Sensitivity of the input to fair value
Investment Property As at 31 <sup>st</sup> March 2023	Valuation by External Independent Valuer	Price per Sq. feet	₹6000 - ₹17,000 per Sq. ft.	5% sensitivity 2022-23 - Rate per Sq. ft - 5%, ₹0.46 Cr.
Investment Property As at 31 <sup>st</sup> March 2022	Valuation by External Independent Valuer	Price per Sq. feet	₹5000 - ₹16,000 per Sq. ft.	5% sensitivity 2021-22 - Rate per Sq. ft - 5%, ₹0.42 Cr.

### Note 41.3 Financial Risk Management Objectives and Policies

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

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

#### A. Market Risk

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

##### i. Foreign Currency Exchange Rate Risk

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

As per the forex policy, foreign exchange and other derivative instruments are primarily used to hedge foreign exchange and interest rate exposure.

The impact of foreign exchange rate fluctuations is evaluated by assessing its exposure to exchange rate risks. A part of these risks are hedged by using derivative financial instruments in accordance with the forex policy.

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

#### Foreign Currency Sensitivity

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



## Notes to Consolidated Financial Statements

		₹ in Crores				
As at	Nature	Increase/ (Decrease) in PBT for change in USD rates	Increase/ (Decrease) in PBT for change in EUR rates	Increase/ (Decrease) in PBT for change in GBP rates	Increase/ (Decrease) in PBT for change in IDR rates	Increase/ (Decrease) in PBT for change in Other rates
31-Mar-2023	Receivables	10.69	9.24	0.07	-	0.07
	Payables	4.58	4.57	-	-	0.22
31-Mar-2022	Receivables	9.04	3.83	-	-	0.25
	Payables	(0.29)	(0.05)	-	-	-

		₹ in Crores						
As at	Nature	Increase/ (Decrease) in PBT for change in USD rates	Increase/ (Decrease) in PBT for change in EUR rates	Increase/ (Decrease) in PBT for change in JPY rates	Increase/ (Decrease) in OCI for change in USD rates	Increase/ (Decrease) in OCI for change in EUR rates	Increase/ (Decrease) in OCI for change in CNH rates	Increase/ (Decrease) in OCI for change in CHF rates
31-Mar-2023	Derivative Contracts	(3.10)	(1.45)	0.12	0.09	(9.88)	1.69	0.07
31-Mar-2022	Derivative Contracts	2.25	(0.97)	-	(3.24)	(0.99)	-	-

Conversely, 5% depreciation in the USD and Euro rates against the significant foreign currencies as at 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022 would have had the same but opposite effect, again holding all other variables constant.

### ii. Equity Price Risk

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

The Group has investments in other equity investments, routed through FVTOCI of only ₹8.74 Cr. as at 31<sup>st</sup> March 2023. (As at 31<sup>st</sup> March 2022 - ₹8.52 Cr.)

### B. Credit Risk

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

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

Exposure to Credit risk - The carrying amount of financial assets represents the maximum Credit exposure. The maximum exposure to Credit risk was ₹4,012.60 Cr. as at 31<sup>st</sup> March 2023 and ₹2,945.61 Cr. as at 31<sup>st</sup> March 2022, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables and other financial assets excluding equity investments.

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

Of the above, ₹160.75 Cr. (Previous year – ₹172.02 Cr.) is backed by Export Credit Guarantee Cover / Letter of Credit as at 31<sup>st</sup> March 2023.

### C. Liquidity Risk

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

The Group has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Group has access to funds from debt markets through commercial paper, non-convertible debentures, and other debt instruments.

## Notes to Consolidated Financial Statements

The Group invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no/low mark to market risks. The Group has also invested 15% of the non-convertible debentures (taken by the group) falling due for repayment in the next 12 months in bank deposits, to meet the regulatory norms of liquidity requirements.

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

As at 31<sup>st</sup> March 2023, the Group has undrawn committed lines of ₹836.15 Cr. (As at 31<sup>st</sup> March 2022 - ₹894.36 Cr.).

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

₹ in Crores

Particulars	Carrying Value	On demand	< 3 months	3 to 12 months	> 1 year	Total
<b>Year ended 31-Mar-2023</b>						
Borrowings	629.14	0.02	283.26	311.11	45.85	640.24
Other Financial Liabilities	789.41	20.29	29.11	339.36	400.65	789.41
Trade and Other Payables	2,319.11	293.96	688.82	1,336.31	0.02	2,319.11
Derivatives	1.70	-	-	0.63	1.07	1.70
Lease Liabilities	96.93	-	3.28	19.65	183.78	206.71
	<b>3,836.29</b>	<b>314.27</b>	<b>1,004.47</b>	<b>2,007.06</b>	<b>631.37</b>	<b>3,957.17</b>
<b>Year ended 31-Mar-2022</b>						
Borrowings	803.76	1.62	154.69	307.77	346.41	810.49
Other Financial Liabilities	763.47	51.51	691.43	5.00	15.53	763.47
Trade and Other Payables	2,343.23	320.30	1,979.17	43.46	0.30	2,343.23
Lease Liabilities	67.15	-	5.18	13.54	77.43	96.15
	<b>3,977.61</b>	<b>373.43</b>	<b>2,830.47</b>	<b>369.77</b>	<b>439.67</b>	<b>4,013.34</b>

### Note 42. Capital Management

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

The amount of capital required is determined based on annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through internal accruals, non-convertible debentures, external commercial borrowings and other long-term/short-term borrowings. The Group's policy is aimed at combination of short-term and long-term borrowings.

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

The following table summarizes the Capital of the Group:

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Borrowings		
- Long Term	44.18	345.29
- Short Term	584.96	458.47
<b>Total Debt</b>	<b>629.14</b>	<b>803.76</b>
Equity Share Capital	19.31	19.29
Other Equity	3,931.32	3,051.79
<b>Equity</b>	<b>3,950.63</b>	<b>3,071.08</b>
Debt Equity ratio	0.16	0.26

# Notes to Consolidated Financial Statements

## Note 43 Non-current assets held for sale and Discontinued Operations

Following subsidiaries/ business units are considered as discontinued operations as at 31<sup>st</sup> March, 2023:

- (i) CG Power Solutions Limited
- (ii) CG Power Equipments Limited
- (iii) PT Crompton Prima Switchgear Indonesia
- (iv) CG Sales Networks Malaysia Sdn. Bhd.
- (v) QEI LLC

### Transformer Division - Kanjurmarg

In previous year 2021-22, CG Power and Industrial Solutions Limited had completed the sale transaction of remaining portion of land at Kanjurmarg and received net sale consideration ₹367.18 Cr. and accounted profit of ₹123.62 Cr. of this transaction.

Hence, provision made towards delay in completion of contractual obligation and land sale aggregating to ₹156.90 Cr. had been reversed in financial year 2021-22 and formed part of the exceptional items in the consolidated financial statements.

During the year, subsidiary CG Power and Industrial Solutions Limited Middle East FZCO has been liquidated and CG Power Systems Canada Inc. has been deconsolidated as per IND AS 105.

Liquidation of subsidiary CG Sales Networks Malaysia Sdn. Bhd is under process. Consequently, as on 31<sup>st</sup> March, 2023, business of said subsidiary has been classified as discontinued operation.

The Group during the year has decided to divest its investment in a wholly owned subsidiary QEI LLC and has engaged a third party to find suitable buyers and presently expects to complete the divestment in FY 2023-24. In accordance with IND AS 105 "Non-Current Assets Held For Sale And Discontinued Operations" the operations of the subsidiary including its assets, liabilities and net results are disclosed as discontinuing operations.

The Group has de-consolidated one of its subsidiaries i.e. CG Middle East FZE in respect of which it has received a liquidation order. As a consequence, an amount of INR 173.31 Cr. has been credited to profit and loss account as discontinued operations.

During the year, one of the subsidiaries of the Group i.e. CG Power Solutions Limited ('CGPSOL') admitted to Insolvency and Bankruptcy Code 2016 ('IBC') and Corporate Insolvency Resolution Process ('CIRP') was initiated as per NCLT order dated April 27, 2022 ('effective date'). As per order, Interim Resolution Professional ('IRP') was appointed and subsequently IRP was confirmed to continue as the Resolution Professional ('RP') by Committee of Creditors ('CoC') on July 30, 2022 to manage the affairs of the CGPSOL. As per provisions of IBC, RP has invited claims from concern parties. In absence of having any resolution plan after publishing the expression of interest, the RP has filed for liquidation / dissolution of CGPSOL with NCLT as on December 24, 2022 after receiving due approval from CoC. As on March 31, 2023, said application is with NCLT, Mumbai Bench and hearing is scheduled on June 5, 2023. In view of the same, operation of CGPSOL has been considered under discontinuing operation.

In case of one of the subsidiaries of Group i.e. PT Crompton Prima Switchgear Indonesia, the Parent Company has passed resolutions to liquidate the assets of the subsidiary. Hence said subsidiary is part of discontinued operation as on 31<sup>st</sup> March, 2023

Statement of profit and loss of the discontinued operations is as under:

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Revenue from operations	94.23	82.02
Expenses (net of other income)	(75.57)	58.53
<b>Profit / (loss) before tax</b>	<b>169.80</b>	<b>23.49</b>
Tax expense	3.16	0.06
<b>Profit / (loss) after tax from discontinued operations</b>	<b>166.64</b>	<b>23.43</b>

## Notes to Consolidated Financial Statements

The major classes of assets and liabilities of the discontinued operation are as under:

₹ in Crores

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	71.93	-
Right-of-use assets	13.35	-
Intangible Assets	11.82	-
Intangible Assets under Development	1.43	-
Financial Assets - Others	8.22	-
<b>Current Assets</b>		
Inventories	30.25	-
<b>Financial Assets</b>		
Trade Receivables	20.05	0.35
Cash and Cash equivalents	30.13	2.21
Others	0.79	-
Current Tax Assets (net)	0.90	0.87
Other current assets	1.00	4.63
<b>Assets classified as held for sale (A)</b>	<b>189.87</b>	<b>8.06</b>
<b>Non-Current Liabilities</b>		
<b>Financial Liabilities</b>		
Lease liabilities	11.56	-
Provision	0.22	-
Deferred tax liabilities (net)	2.79	-
<b>Current Liabilities</b>		
<b>Financial Liabilities</b>		
Borrowings	36.56	-
Lease liabilities	2.15	-
Trade Payables	17.20	1.44
Other Financial Liabilities	13.94	-
Other current liabilities	606.60	0.05
Provisions	1.83	7.35
<b>Liabilities directly associated with assets classified as held for sale (B)</b>	<b>692.85</b>	<b>8.84</b>
<b>Net assets directly associated with disposal group (A-B)</b>	<b>(502.98)</b>	<b>(0.78)</b>
<b>Net cash flows attributable to the operating, investing and financing activities of discontinued operations:</b>		
<b>Particulars</b>	<b>2022-23</b>	<b>2021-22</b>
Cash flow from / (used) - Operating Activities	10.50	21.22
Cash flow from / (used) - Investing Activities	(0.81)	367.18
Cash flow from / (used) - Financing Activities	(2.53)	2.21

## Notes to Consolidated Financial Statements

### Note 44. Promoter and Promoter Group Shareholding

FY 2022-23

Sl. No.	Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of Total Shares	% Change during the year
1	Ambadi Investments Limited	6,89,66,595	-	6,89,66,595	35.71%	0.00%
2	Ambadi Enterprises Ltd	10,58,200	-	10,58,200	0.55%	0.00%
3	A.M.Meyyammai	9,31,500	-	9,31,500	0.48%	0.00%
4	Murugappa & Sons - M V Subbiah, M A Alagappan & M M Murugappan hold shares on behalf of firm	8,63,980	-	8,63,980	0.45%	0.00%
5	Arun Alagappan	8,33,090	-	8,33,090	0.43%	0.00%
6	A A Alagammai, Trustee of Lakshmi Ramaswamy Family Trust	7,43,000	(12,397)	7,30,603	0.38%	-1.70%
7	Murugappa Educational and Medical Foundation	7,26,200	-	7,26,200	0.38%	0.00%
8	M.A.Alagappan	7,10,000	-	7,10,000	0.37%	0.00%
9	M V Subbiah, Trustee of Shambho Trust	6,03,180	-	6,03,180	0.31%	0.00%
10	Vellachi Murugappan	5,97,425	-	5,97,425	0.31%	0.00%
11	M A Murugappan Holdings LLP	5,46,860	-	5,46,860	0.28%	0.00%
12	M V Murugappan HUF (Karta - Valli Arunachalam)	5,43,330	-	5,43,330	0.28%	0.00%
13	M V Subbiah, Trustee of Saraswathi Trust	5,37,360	-	5,37,360	0.28%	0.00%
14	A Venkatachalam	5,13,610	-	5,13,610	0.27%	0.00%
15	M A Alagappan Holdings Private Limited	5,09,860	-	5,09,860	0.26%	0.00%
16	M M Murugappan, Trustee of Meenakshi Murugappan Family Trust	5,00,000	-	5,00,000	0.26%	0.00%
17	Valli Arunachalam	4,96,095	-	4,96,095	0.26%	0.00%
18	M M Murugappan, Trustee of M M Muthiah Family Trust	4,78,055	-	4,78,055	0.25%	0.00%
19	M A M Arunachalam	4,70,160	-	4,70,160	0.24%	0.00%
20	M M Murugappan, Trustee of M M Veerappan Family Trust	4,68,055	-	4,68,055	0.24%	0.00%
21	M M Venkatachalam, Trustee of M V Subramanian Family Trust	4,59,830	-	4,59,830	0.24%	0.00%
22	M M Venkatachalam, Trustee of M V Muthiah Family Trust	4,59,830	-	4,59,830	0.24%	0.00%
23	M V AR Meenakshi	4,49,630	-	4,49,630	0.23%	0.00%
24	M M Venkatachalam, Trustee of M M Venkatachalam Family Trust	4,03,900	-	4,03,900	0.21%	0.00%
25	Ar.Lakshmi Achi Trust	3,91,510	-	3,91,510	0.20%	0.00%
26	Valli Muthiah	3,87,080	(3,87,080)	-	0.00%	



## Notes to Consolidated Financial Statements

Sl. No.	Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of Total Shares	% Change during the year
27	A Vellayan	3,82,400	-	3,82,400	0.20%	0.00%
28	M M Venkatachalam, Trustee of Lakshmi Venkatachalam Family Trust	3,79,905	-	3,79,905	0.20%	0.00%
29	Meyyammai Venkatachalam	3,58,580	-	3,58,580	0.19%	0.00%
30	M M Murugappan HUF (Karta - M M Murugappan)	3,55,330	-	3,55,330	0.18%	0.00%
31	V Arunachalam	3,38,990	-	3,38,990	0.18%	0.00%
32	V Narayanan	2,81,140	-	2,81,140	0.15%	0.00%
33	M.M.Muthiah Research Foundation	2,80,920	-	2,80,920	0.15%	0.00%
34	M M Muthiah HUF (Karta - M M Murugappan)	2,77,360	-	2,77,360	0.14%	0.00%
35	A Venkatachalam HUF (Karta - A Venkatachalam)	2,52,000	-	2,52,000	0.13%	0.00%
36	A Vellayan HUF ( Karta - A Vellayan)	2,49,500	-	2,49,500	0.13%	0.00%
37	M M Murugappan, Trustee of M M Murugappan Family Trust	2,31,800	-	2,31,800	0.12%	0.00%
38	Sigapi Arunachalam	2,27,990	-	2,27,990	0.12%	0.00%
39	Umayal.R.	2,26,580	-	2,26,580	0.12%	0.00%
40	M A M Arunachalam, Trustee of Arun Murugappan Children's Trust	2,20,278	-	2,20,278	0.11%	0.00%
41	Arun Alagappan, Trustee of M A Alagappan Grand Children Trust	2,16,777	-	2,16,777	0.11%	0.00%
42	Sigapi Arunachalam, Trustee of Murugappan Arun Children Trust	2,15,410	-	2,15,410	0.11%	0.00%
43	M M Murugappan	2,04,715	-	2,04,715	0.11%	0.00%
44	Arun Venkatachalam	1,98,130	-	1,98,130	0.10%	0.00%
45	M V Subbiah HUF (Karta- M V Subbiah)	1,71,200	-	1,71,200	0.09%	0.00%
46	Lakshmi Chocka Lingam	1,58,660	-	1,58,660	0.08%	0.00%
47	Valli Annamalai	1,57,127	-	1,57,127	0.08%	0.00%
48	M A M Arunachalam HUF (Karta - M A M Arunachalam)	1,48,660	-	1,48,660	0.08%	0.00%
49	M V Subbiah	1,35,000	-	1,35,000	0.07%	0.00%
50	M A Alagappan HUF (Karta - M A Alagappan)	1,30,660	-	1,30,660	0.07%	0.00%
51	M V Seetha Subbiah	45,000	-	45,000	0.02%	0.00%
52	A M M Vellayan Sons P Ltd	38,430	-	38,430	0.02%	0.00%
53	Pranav Alagappan	25,950	-	25,950	0.01%	0.00%
54	Valliammai Murugappan	17,032	-	17,032	0.01%	0.00%

## Notes to Consolidated Financial Statements

Sl. No.	Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of Total Shares	% Change during the year
55	Subbiah Vellayan, Trustee of Valli Subbiah Benefit Trust	14,500	-	14,500	0.01%	0.00%
56	M V Subbiah, Trustee of M V Seetha Subbiah Benefit Trust	14,500	-	14,500	0.01%	0.00%
57	Dhruv M Arunachalam	11,000	-	11,000	0.01%	0.00%
58	Solachi Ramanathan	8,500	-	8,500	0.00%	0.00%
59	Krishna Murugappan Muthiah	5,000	-	5,000	0.00%	0.00%
60	M.M.Muthiah Sons Private Ltd	4,200	-	4,200	0.00%	0.00%
61	M M Venkatachalam	4,000	-	4,000	0.00%	0.00%
62	A V Nagalakshmi	3,600	-	3,600	0.00%	0.00%
63	V Vasantha	2,300	-	2,300	0.00%	0.00%
64	Uma Ramanathan	2,000	-	2,000	0.00%	0.00%
65	Lakshmi Venkatachalam	1,200	-	1,200	0.00%	0.00%
66	Carborundum Universal Limited	1,000	-	1,000	0.00%	0.00%
67	Valli Alagappan	1,000	-	1,000	0.00%	0.00%
68	A.Keertika Unnamalai	500	-	500	0.00%	0.00%
69	Meenakshi Murugappan	70	-	70	0.00%	0.00%
	<b>TOTAL</b>	<b>8,96,47,229</b>	<b>(3,99,477)</b>	<b>8,92,47,752</b>	<b>46.2%</b>	

### FY 2021-22

Sl. No.	Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of Total Shares	% Change during the year
1	Ambadi Investments Limited	6,89,66,595	-	6,89,66,595	35.74%	0.00%
2	Ambadi Enterprises Ltd	10,58,200	-	10,58,200	0.55%	0.00%
3	A.M.Meyyammai	9,31,500	-	9,31,500	0.48%	0.00%
4	Murugappa & Sons - M V Subbiah, M A Alagappan & M M Murugappan hold shares on behalf of firm	8,63,980	-	8,63,980	0.45%	0.00%
5	Arun Alagappan	8,33,090	-	8,33,090	0.43%	0.00%
6	A A Alagammai, Trustee of Lakshmi Ramaswamy Family Trust	7,43,000	-	7,43,000	0.39%	0.00%
7	Murugappa Educational and Medical Foundation	7,26,200	-	7,26,200	0.38%	0.00%
8	M.A.Alagappan	7,10,000	-	7,10,000	0.37%	0.00%
9	M V Subbiah, Trustee of Shambho Trust	6,03,180	-	6,03,180	0.31%	0.00%
10	Vellachi Murugappan	1,15,330	4,82,095	5,97,425	0.31%	418.01%
11	M A Murugappan Holdings LLP	5,46,860	-	5,46,860	0.28%	0.00%
12	M V Murugappan HUF (Karta - Valli Arunachalam)	5,43,330	-	5,43,330	0.28%	0.00%

## Notes to Consolidated Financial Statements

Sl. No.	Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of Total Shares	% Change during the year
13	M V Subbiah, Trustee of Saraswathi Trust	5,49,860	(12,500)	5,37,360	0.28%	(2.27%)
14	A Venkatachalam	5,13,610	-	5,13,610	0.27%	0.00%
15	M A Alagappan Holdings Private Limited	5,09,860	-	5,09,860	0.26%	0.00%
16	M M Murugappan, Trustee of Meenakshi Murugappan Family Trust	5,00,000	-	5,00,000	0.26%	0.00%
17	Valli Arunachalam	-	4,96,095	4,96,095	0.26%	100.00%
18	M M Murugappan, Trustee of M M Muthiah Family Trust	4,78,055	-	4,78,055	0.25%	0.00%
19	M A M Arunachalam	4,70,160	-	4,70,160	0.24%	0.00%
20	M M Murugappan, Trustee of M M Veerappan Family Trust	4,68,055	-	4,68,055	0.24%	0.00%
21	M M Venkatachalam, Trustee of M V Subramanian Family Trust	4,59,830	-	4,59,830	0.24%	0.00%
22	M M Venkatachalam, Trustee of M V Muthiah Family Trust	4,59,830	-	4,59,830	0.24%	0.00%
23	M V AR Meenakshi	4,49,630	-	4,49,630	0.23%	0.00%
24	M M Venkatachalam, Trustee of M M Venkatachalam Family Trust	4,03,900	-	4,03,900	0.21%	0.00%
25	Valli Muthiah	3,87,080	-	3,87,080	0.20%	0.00%
26	A Vellayan	3,82,400	-	3,82,400	0.20%	0.00%
27	M M Venkatachalam, Trustee of Lakshmi Venkatachalam Family Trust	3,79,905	-	3,79,905	0.20%	0.00%
28	Meyyammai Venkatachalam	3,58,580	-	3,58,580	0.19%	0.00%
29	M M Murugappan HUF (Karta - M M Murugappan)	3,55,330	-	3,55,330	0.18%	0.00%
30	V Arunachalam	3,38,990	-	3,38,990	0.18%	0.00%
31	V Narayanan	2,81,140	-	2,81,140	0.15%	0.00%
32	M.M.Muthiah Research Foundation	2,80,920	-	2,80,920	0.15%	0.00%
33	M M Muthiah HUF (Karta - M M Murugappan)	2,77,360	-	2,77,360	0.14%	0.00%
34	A Venkatachalam HUF (Karta - A Venkatachalam)	2,52,000	-	2,52,000	0.13%	0.00%
35	A Vellayan HUF ( Karta - A Vellayan)	2,49,500	-	2,49,500	0.13%	0.00%
36	M M Murugappan, Trustee of M M Murugappan Family Trust	2,31,800	-	2,31,800	0.12%	0.00%
37	Sigapi Arunachalam	2,27,990	-	2,27,990	0.12%	0.00%
38	Umayal.R.	2,26,580	-	2,26,580	0.12%	0.00%
39	M A M Arunachalam, Trustee of Arun Murugappan Children's Trust	2,20,278	-	2,20,278	0.11%	0.00%
40	Arun Alagappan, Trustee of M A Alagappan Grand Children Trust	2,16,777	-	2,16,777	0.11%	0.00%

## Notes to Consolidated Financial Statements

Sl. No.	Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of Total Shares	% Change during the year
41	Sigapi Arunachalam, Trustee of Murugappan Arun Children Trust	2,15,410	-	2,15,410	0.11%	0.00%
42	M M Murugappan	2,09,715	(5,000)	2,04,715	0.11%	(2.38%)
43	Arun Venkatachalam	1,98,130	-	1,98,130	0.10%	0.00%
44	M V Subbiah HUF (Karta- M V Subbiah)	1,71,200	-	1,71,200	0.09%	0.00%
45	Lakshmi Chocka Lingam	1,58,660	-	1,58,660	0.08%	0.00%
46	Valli Annamalai	1,57,127	-	1,57,127	0.08%	0.00%
47	M A M Arunachalam HUF (Karta - M A M Arunachalam)	1,48,660	-	1,48,660	0.08%	0.00%
48	M V Subbiah	1,35,000	-	1,35,000	0.07%	0.00%
49	M V Seetha Subbiah	45,000	-	45,000	0.02%	0.00%
50	A M M Vellayan Sons P Ltd	38,430	-	38,430	0.02%	0.00%
51	Pranav Alagappan	25,950	-	25,950	0.01%	0.00%
52	Valliammai Murugappan	17,032	-	17,032	0.01%	0.00%
53	Subbiah Vellayan, Trustee of Valli Subbiah Benefit Trust	14,500	-	14,500	0.01%	0.00%
54	M V Subbiah, Trustee of M V Seetha Subbiah Benefit Trust	14,500	-	14,500	0.01%	0.00%
55	Dhruv M Arunachalam	11,000	-	11,000	0.01%	0.00%
56	Solachi Ramanathan	8,500	-	8,500	0.00%	0.00%
57	M.M.Muthiah Sons Private Ltd	4,200	-	4,200	0.00%	0.00%
58	M M Venkatachalam	4,000	-	4,000	0.00%	0.00%
59	A V Nagalakshmi	3,600	-	3,600	0.00%	0.00%
60	V Vasantha	2,300	-	2,300	0.00%	0.00%
61	Uma Ramanathan	2,000	-	2,000	0.00%	0.00%
62	Lakshmi Venkatachalam	1,200	-	1,200	0.00%	0.00%
63	Carborundum Universal Limited	1,000	-	1,000	0.00%	0.00%
64	Valli Alagappan	1,000	-	1,000	0.00%	0.00%
65	A.Keertika Unnamalai	500	-	500	0.00%	0.00%
66	Meenakshi Murugappan	70	-	70	0.00%	0.00%
67	Krishna Murugappan Muthiah	-	5,000	5,000	0.00%	100.00%
68	M A Alagappan HUF (Karta - M A Alagappan)	-	1,30,660	1,30,660	0.07%	100.00%
69	Ar.Lakshmi Achi Trust	-	3,91,510	3,91,510	0.20%	100.00%
70	Ar.Lakshmi Achi Trust	3,91,510	(3,91,510)	-	0.00%	(100.00%)
71	Lalitha vellayan	3,07,160	(3,07,160)	-	0.00%	(100.00%)
72	M A Alagappan HUF (Karta - M A Alagappan)	1,30,660	(1,30,660)	-	0.00%	(100.00%)
73	M V Valli Murugappan	9,78,190	(9,78,190)	-	0.00%	(100.00%)
	<b>TOTAL</b>	<b>8,99,66,889</b>	<b>(3,19,660)</b>	<b>8,96,47,229</b>	<b>46.5%</b>	

## Notes to Consolidated Financial Statements

### Note 45. Other Statutory Information

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- (iii) During the year, the company has further invested ₹150 Cr. by way of equity, ₹167 Cr. through CCPS and provided ₹325 Cr. as intercorporate deposits (refer note 6c) to its Subsidiary, TI Clean Mobility Private Limited ("TICMPL" CIN-U34300TN2022PTC149904) to pursue and engage in clean mobility business. Subsequently, TICMPL acquired 65.2% of equity share capital of IPLTech Electric Private Limited ('IPLT', CIN-U73100HR2019PTC081891) by way of Primary and Secondary acquisition for a consideration of ₹245.41 Cr on 21<sup>st</sup> September 2022. TICMPL also acquired the remaining 30.05% from the existing shareholders of Celestial E Mobility Private Limited (CEMPL, CIN-U35999TG2019PTC131892) for a consideration of ₹50.90 Cr. on 3<sup>rd</sup> February 2023 and obtained 100% control over CEMPL.
- (iv) The Group has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act for the above transactions and are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).
- (v) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provision of the Income Tax Act, 1961).
- (vi) The Group does not have any transactions with companies which has been struck off by ROC under section 248 of the companies Act, 2013 other than with the following companies -

Name of stuck off company	Nature of transactions	Balance outstanding as at 31 <sup>st</sup> March 2023	Balance outstanding as at 31 <sup>st</sup> March 2022	Relationship with the stuck off company
Aditya Inkjet Technologies Private Ltd	Payables	-	₹67,246.00	Third Party Vendor and not related party of the company



# Notes to Consolidated Financial Statements

## 46. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 as at and for the year ended 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022

### Year ended 31<sup>st</sup> March 2023

Name of the Entities	Net Assets		Share in Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹ in Crores)	As % of Consolidated Profit and Loss	Amount (₹ in Crores)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Crores)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Crores)
<b>I. Parent</b>								
Tube Investments of India Limited	66%	3,292.47	50%	665.20	50%	(20.29)	50%	644.91
<b>II. Subsidiaries</b>								
<b>a) Indian</b>								
Shanthi Gears Limited	4%	213.07	4%	47.25	3%	(1.17)	4%	46.08
CG Power and Industrial Solutions Limited	32%	1,591.94	32%	421.03	14%	(5.55)	32%	415.48
CG Adhesive Products Limited	0%	19.00	0%	2.16	-	-	0%	2.16
CG Power Solutions Limited	(38)%	(1,870.32)	(0)%	(0.38)	-	-	(0)%	(0.38)
CG Power Equipments Limited	0%	-	0%	(0.01)	-	-	0%	(0.01)
TI Clean Mobility Private Limited	3%	162.24	(6)%	(79.38)	76%	(30.75)	(9)%	(110.13)
Celestial E Mobility Private Limited	1%	37.18	(1)%	(10.24)	-	-	(1)%	(10.24)
Celestial E Trac Private Limited	0%	21.04	(1)%	(13.95)	-	-	(1)%	(13.95)
IPLTech Electric Private Limited	3%	139.49	(2)%	(27.43)	-	-	(2)%	(27.43)
Moshine Electronics Private Limited	(0)%	(0.96)	(0)%	(0.78)	-	-	(0)%	(0.78)
<b>b) Foreign</b>								
Financiere C10 SAS	2%	78.12	0%	4.68	(1)%	(0.32)	0%	4.36
Great Cycles Private Limited	0%	13.27	(0)%	(1.20)	-	-	0%	(1.20)
Creative Cycles Private Limited	(0)%	(3.15)	0%	2.05	-	-	0%	2.05
CG International B.V.	(32)%	(1,590.39)	6%	75.21	-	-	6%	75.21
CG Power Systems Canada Inc.	0%	-	-	-	-	-	-	-
CG-Ganz Generator and Motor LLC	0%	-	-	-	-	-	-	-
CG Power Americas, LLC	(4)%	(208.93)	-	-	-	-	-	-
QEI, LLC	1%	30.42	-	-	-	-	-	-
CG Power Solutions UK Limited	0%	(15.73)	-	-	-	-	-	-
CG Industrial Holdings Sweden AB	3%	127.78	-	-	-	-	-	-

## Notes to Consolidated Financial Statements

Name of the Entities	Net Assets		Share in Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹ in Crores)	As % of Consolidated Profit and Loss	Amount (₹ in Crores)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Crores)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Crores)
CG Drives and Automation Sweden AB	4%	210.42	-	-	-	-	-	-
CG Drives and Automation Netherlands B.V.	1%	35.21	-	-	-	-	-	-
CG Drives and Automation Germany GmbH	1%	29.67	-	-	-	-	-	-
CG Middle East FZE*	0%	-	-	-	-	-	-	-
CG International Holdings Singapore Pte. Limited	(2)%	(119.59)	-	-	-	-	-	-
CG Sales Network Malaysia sdn.bhd.	0%	1.42	-	-	-	-	-	-
PT Crompton Prima Switchgear Indonesia	0%	(12.65)	-	-	-	-	-	-
CG Power and Industrial Solutions Limited Middle East FZCO	0%	-	-	-	-	-	-	-
<b>Total</b>	<b>44%</b>	<b>2,181.03</b>	<b>82%</b>	<b>1,084.20</b>	<b>143%</b>	<b>(58.07)</b>	<b>80%</b>	<b>1,026.12</b>
<b>Less: Eliminations</b>	<b>36%</b>	<b>1,766.31</b>	<b>(8)%</b>	<b>(109.06)</b>	<b>(67)%</b>	<b>26.97</b>	<b>(6)%</b>	<b>(82.09)</b>
<b>Net Total</b>	<b>80%</b>	<b>3,947.34</b>	<b>74%</b>	<b>975.14</b>	<b>77%</b>	<b>(31.10)</b>	<b>74%</b>	<b>944.03</b>
<b>Non Controlling Interest</b>								
<b>I. Subsidiaries</b>								
<b>a) Indian</b>								
Shanthi Gears Limited	2%	89.28	1%	19.80	1%	(0.49)	2%	19.31
CG Power and Industrial Solutions Limited	17%	834.16	28%	364.33	-	-	28%	364.33
CG Adhesive Products Limited	0%	3.96	-	-	-	-	-	-
CG Power Solutions Limited	0%	-	-	-	-	-	-	-
CG Power Equipments Limited	0%	-	-	-	-	-	-	-
IPLTech Electric Private Limited	2%	74.31	(1)%	(14.61)	40%	(16.38)	(2)%	(30.99)
Moshine Electronics Private Limited	0%	(0.30)	0%	(0.25)	-	-	0%	(0.25)
<b>b) Foreign</b>								
Great Cycles Private Limited	0%	3.32	0%	(0.30)	-	-	0%	(0.30)
Creative Cycles Private Limited	0%	(0.79)	0%	0.51	-	-	0%	0.51
CG International B.V.	0%	-	6%	75.21	-	-	6%	75.21

# Notes to Consolidated Financial Statements

Name of the Entities	Net Assets		Share in Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹ in Crores)	As % of Consolidated Profit and Loss	Amount (₹ in Crores)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Crores)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Crores)
CG Power Systems Canada Inc.	0%	-	0%	(3.72)	-	-	0%	(3.72)
CG-Ganz Generator and Motor LLC	0%	-	-	-	-	-	0%	-
CG Power Americas, LLC	0%	-	2%	19.83	-	-	2%	19.83
QEI, LLC	0%	-	1%	8.46	-	-	1%	8.46
CG Power Solutions UK Limited	0%	-	-	-	-	-	0%	-
CG Industrial Holdings Sweden AB	0%	-	2%	20.40	-	-	2%	20.40
CG Drives and Automation Sweden AB	0%	-	1%	13.68	-	-	1%	13.68
CG Drives and Automation Netherlands B.V.	0%	-	0%	4.14	-	-	0%	4.14
CG Drives and Automation Germany GmbH	0%	-	1%	9.19	-	-	1%	9.19
CG Middle East FZE	0%	-	-	-	-	-	0%	-
CG International Holdings Singapore Pte. Limited	0%	-	(7)%	(86.36)	-	-	(7)%	(86.36)
CG Sales Network Malaysia sdn.bhd.	0%	-	0%	(1.88)	-	-	0%	(1.88)
PT Crompton Prima Switchgear Indonesia	0%	(12.15)	0%	(0.19)	-	-	0%	(0.19)
CG Power and Industrial Solutions Limited Middle East FZCO	0%	-	40%	534.42	-	-	42%	534.42
<b>Total</b>	<b>20%</b>	<b>991.79</b>	<b>73%</b>	<b>962.66</b>	<b>42%</b>	<b>(16.87)</b>	<b>74%</b>	<b>945.79</b>
Less: Eliminations	0%	13.08	(45)%	(593.18)	(18)%	7.45	(46)%	(585.73)
<b>Net Total</b>	<b>20%</b>	<b>1,004.87</b>	<b>28%</b>	<b>369.48</b>	<b>23%</b>	<b>(9.42)</b>	<b>28%</b>	<b>360.06</b>
<b>Joint Venture</b>								
Celestial E-Mobility Private Limited	0%	-	(1)%	(19.39)	0%	-	(2)%	(19.39)
X2Fuels and Energy Private Limited	0%	-	0%	(0.03)	0%	-	0%	(0.03)
<b>Associate</b>								
Aerostrovilos Energy Private Limited	0%	3.29	0%	(0.13)	0%	-	0%	(0.13)
<b>Total</b>	<b>100%</b>	<b>4,955.50</b>	<b>100%</b>	<b>1,325.06</b>	<b>100%</b>	<b>(40.52)</b>	<b>100%</b>	<b>1,284.54</b>

## Notes to Consolidated Financial Statements

Year ended 31<sup>st</sup> March 2022

Name of the Entities	Net Assets		Share in Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹ in Crores)	As % of Consolidated Profit and Loss	Amount (₹ in Crores)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Crores)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Crores)
<b>I. Parent</b>								
Tube Investments of India Limited	72%	2,697.95	48%	475.17	(35)%	(3.39)	47%	471.78
<b>II. Subsidiaries</b>								
<b>a) Indian</b>								
Shanthy Gears Limited	5%	183.19	3%	29.93	(3)%	(0.33)	3%	29.60
CG Power and Industrial Solutions Limited	34%	1,266.92	13%	126.79	8%	0.79	13%	127.58
CG Adhesive Products Limited	0%	12.08	0%	1.64	0%	-	0%	1.64
CG Power Solutions Limited	(29)%	(1,085.50)	0%	-	0%	-	0%	-
CG Power Equipments Limited	0%	0.01	0%	-	0%	-	0%	-
TI Clean Mobility Private Limited	(2)%	(69.29)	(1)%	(9.92)	0%	-	(1)%	(9.92)
<b>b) Foreign</b>								
Financiere C10 SAS	2%	68.81	0%	2.18	0%	-	0%	2.18
Great Cycles Private Limited	0%	15.05	1%	5.66	0%	-	1%	5.66
Creative Cycles Private Limited	0%	(5.59)	(1)%	(10.78)	0%	-	(1)%	(10.78)
CG International B.V.	(24)%	(902.47)	(6)%	(59.86)	0%	-	(6)%	(59.86)
CG Power Systems Canada Inc.	0%	2.15	0%	-	0%	-	0%	-
CG-Ganz Generator and Motor LLC	0%	-	0%	(0.01)	0%	-	0%	(0.01)
CG Power Americas, LLC	(3)%	(122.35)	0%	(1.22)	0%	-	0%	(1.22)
QEI, LLC	2%	63.96	1%	13.91	0%	-	1%	13.91
CG Power Solutions UK Limited	0%	(8.92)	0%	-	0%	-	0%	-
CG Industrial Holdings Sweden AB	2%	63.90	0%	0.05	0%	-	0%	0.05
CG Drives and Automation Sweden AB	3%	129.22	0%	2.53	0%	-	0%	2.53
CG Drives and Automation Netherlands B.V.	1%	19.38	0%	2.31	0%	-	0%	2.31
CG Drives and Automation Germany GmbH	0%	11.10	0%	2.66	0%	-	0%	2.66
CG Middle East FZE	(8)%	(295.45)	15%	150.98	0%	-	15%	150.98

# Notes to Consolidated Financial Statements

Name of the Entities	Net Assets		Share in Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹ in Crores)	As % of Consolidated Profit and Loss	Amount (₹ in Crores)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Crores)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Crores)
CG International Holdings Singapore Pte. Limited	(1)%	(45.58)	13%	130.69	0%	-	13%	130.69
CG Sales Network Malaysia sdn.bhd.	0%	1.86	0%	(0.19)	0%	-	0%	(0.19)
PT Crompton Prima Switchgear Indonesia	0%	(14.29)	0%	-	0%	-	0%	-
CG Power and Industrial Solutions Limited Middle East FZCO	0%	-	0%	-	0%	-	0%	-
<b>Total</b>	<b>53%</b>	<b>1,986.14</b>	<b>87%</b>	<b>862.52</b>	<b>(31)%</b>	<b>(2.93)</b>	<b>86%</b>	<b>859.59</b>
<b>Less: Eliminations</b>	25%	923.53	(9)%	(90.77)	54%	5.14	(9)%	(85.63)
<b>Net Total</b>	<b>78%</b>	<b>2,909.67</b>	<b>78%</b>	<b>771.75</b>	<b>23%</b>	<b>2.21</b>	<b>77%</b>	<b>773.96</b>
<b>Non Controlling Interest</b>								
<b>I. Subsidiaries</b>								
<b>a) Indian</b>								
Shanthy Gears Limited	2%	76.77	1%	12.54	(1)%	(0.13)	1%	12.41
CG Power and Industrial Solutions Limited	25%	917.12	9%	91.62	6%	0.57	9%	92.19
CG Adhesive Products Limited	0%	8.73	0%	1.19	0%	-	0%	1.19
CG Power Solutions Limited	(21)%	(784.44)	0%	-	0%	-	0%	-
CG Power Equipments Limited	0%	0.01	0%	-	0%	-	0%	-
<b>b) Foreign</b>								
Great Cycles Private Limited	0%	3.76	0%	1.41	0%	-	0%	1.41
Creative Cycles Private Limited	0%	(1.40)	0%	(2.69)	0%	-	0%	(2.69)
CG International B.V.	(18)%	(652.17)	(4)%	(43.26)	0%	-	(4)%	(43.26)
CG Power Systems Canada Inc.	0%	1.55	0%	-	0%	-	0%	-
CG-Ganz Generator and Motor LLC	0%	-	0%	-	0%	-	0%	-
CG Power Americas, LLC	(2)%	(88.42)	0%	(0.88)	0%	-	0%	(0.88)
QEI, LLC	1%	46.22	1%	10.05	0%	-	1%	10.05
CG Power Solutions UK Limited	0%	(6.45)	0%	-	0%	-	0%	-
CG Industrial Holdings Sweden AB	1%	46.18	0%	0.04	0%	-	0%	0.04
CG Drives and Automation Sweden AB	3%	93.38	0%	1.82	0%	-	0%	1.82



## Notes to Consolidated Financial Statements

Name of the Entities	Net Assets		Share in Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹ in Crores)	As % of Consolidated Profit and Loss	Amount (₹ in Crores)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Crores)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Crores)
CG Drives and Automation Netherlands B.V.	0%	14.01	0%	1.67	0%	-	0%	1.67
CG Drives and Automation Germany GmbH	0%	8.02	0%	1.93	0%	-	0%	1.93
CG Middle East FZE	(6)%	(213.51)	11%	109.11	0%	-	11%	109.11
CG International Holdings Singapore Pte. Limited	(1)%	(32.94)	10%	94.44	0%	-	9%	94.44
CG Sales Network Malaysia sdn.bhd.	0%	1.34	0%	(0.14)	0%	-	0%	(0.14)
PT Crompton Prima Switchgear Indonesia	0%	(10.32)	0%	-	0%	-	0%	-
CG Power and Industrial Solutions Limited Middle East FZCO	0%	-	0%	-	0%	-	0%	-
<b>Total</b>	<b>(15)%</b>	<b>(572.56)</b>	<b>28%</b>	<b>278.85</b>	<b>5%</b>	<b>0.44</b>	<b>28%</b>	<b>279.29</b>
Less: Eliminations	33%	1,226.74	(6)%	(56.64)	72%	6.92	(5)%	(49.72)
<b>Net Total</b>	<b>18%</b>	<b>654.18</b>	<b>22%</b>	<b>222.21</b>	<b>77%</b>	<b>7.36</b>	<b>23%</b>	<b>229.57</b>
<b>Joint Ventures</b>								
Cellestial E-Mobility Private Limited	4%	157.98	0%	(2.89)	0%	-	0%	(2.89)
<b>Associate</b>								
Aerostrovilos Energy Private Limited	0%	3.43	0%	(0.03)	0%	-	0%	(0.03)
<b>Total</b>	<b>100%</b>	<b>3,725.26</b>	<b>100%</b>	<b>991.04</b>	<b>100%</b>	<b>9.57</b>	<b>100%</b>	<b>1,000.61</b>

# Notes to Consolidated Financial Statements

## Note 47. Previous Year's figures

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

As per our report of even date  
For **S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Regn. No : 101049W / E300004

per **Aravind K**  
Partner  
Membership No : 221268

Chennai  
15<sup>th</sup> May 2023

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

**Mukesh Ahuja**  
Managing Director  
DIN : 09364667

**AN Meyyappan**  
Chief Financial Officer

**M A M Arunachalam**  
Executive Chairman  
DIN : 00202958

**S Suresh**  
Company Secretary



# The Spirit of the Murugappa Group

These **five lights** guide us as we navigate through professional and personal decisions.

## The five lights

The light of  
**INTEGRITY**  
that gives us the courage to  
always do the right thing

The light of  
**RESPONSIBILITY**  
that gives us the humility to  
think about the world around us

The light of  
**PASION**  
that provides us with  
the desire to win

The light of  
**RESPECT**  
that inspires people  
around us to perform

The light of  
**QUALITY**  
which makes us  
dream of excellence



**murugappa**

TUBE INVESTMENTS OF INDIA LIMITED

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